

Meeting of the Board of Governors

4.00 pm on Thursday, 19 November 2020
via MS Teams

3.30 – 4.00pm: Pre-Board presentation on EDI

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
1.	Welcome and apologies		JC
2.	Declarations of Interest <i>Governors are required to declare any interest in any item of business at this meeting</i>		JC
3.	Minutes of previous meeting	3 - 8	JC
4.	Matters arising	9 - 10	JC
5.	Chair's business	Verbal Report	JC
Items to discuss			
6.	VC Report	11 - 22	DP
7.	CFO Report	23 - 44	RF
8.	Annual Education Report from Academic Board	45 - 60	DJ
9.	SBC estates strategy	61 - 76	PI
Items to approve			
10.	TEAM University, Tashkent	77 - 86	PI
11.	LSBU Group pension proposal	87 - 92	RF
Year end reporting and approvals, 2019/20			
12.	Group Audit and Risk Committee Annual Report	93 - 102	DB
13.	External Audit Findings	To Follow	KPMG
14.	External Audit Letter of Rep	103 - 112	KPMG
15.	Going concern	113 - 116	RF
16.	Remuneration Committee Report to Board of Governors	117 - 126	JP

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
17.	Annual Report and Accounts	To Follow	RF
	OfS reporting		
18.	Prevent Annual Return	127 - 130	DP
	Items to note		
	<i>The following papers will only be discussed at the meeting if there is a matter that any governor wishes to raise with the Secretary the day before the meeting</i>		
19.	Report and Decisions of Committees	131 - 144	JS
	<ul style="list-style-type: none"> • Modern Slavery Act statement 		RF
20.	CUC Higher Education Code of Governance	145 - 148	JS

Date of next meeting
4.00 pm on Thursday, 25 March 2021

- Members:** Jerry Cope (Chair), Michael Cutbill (Vice-Chair), Duncan Brown, John Cole, Peter Fidler, Mark Lemmon, Nicki Martin, Hilary McCallion, Mee Ling Ng, Jeremy Parr, David Phoenix, Rashda Rana, Tony Roberts, Deepa Shah, Maxwell Smith, Harriet Tollerson and Vinay Tanna
- In attendance:** Pat Bailey, Michael Broadway, Richard Flatman, Paul Ivey (items 9 and 10), Deborah Johnston (item 8), Fiona Morey (item 9), Fleur Nieboer (KPMG; items 13 and 14) and James Stevenson

**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 15 October 2020
via MS Teams**

Present

Jerry Cope (Chair)
Michael Cutbill (Vice-Chair)
Duncan Brown
John Cole
Peter Fidler
Mark Lemmon
Nicki Martin
Hilary McCallion
Mee Ling Ng
Jeremy Parr
David Phoenix
Rashda Rana
Tony Roberts
Deepa Shah
Maxwell Smith
Vinay Tanna
Harriet Tollerson

In attendance

Pat Bailey
Michael Broadway
Richard Flatman
James Stevenson

1. Welcome and apologies

The Chair welcomed members to the meeting.

The Board had just received an informative pre-Board presentation on the LSBU Group's response to the coronavirus pandemic. The Board noted the focus on delivery to all students at the start of the autumn 2020 university, college and school terms.

The Board confirmed that it was content with actions taken and thanked the Executive and colleagues for re-opening education services in challenging circumstances.

2. Declarations of Interest

No member of the meeting declared an interest in any item on the agenda.

3. **Minutes of previous meeting**

The Board approved the minutes of the meeting of 16 July 2020 and their publication, as redacted.

4. **Matters arising**

The Board noted the matters arising.

5. **Report from Nomination Committee**

The Board noted an update on the recruitment of independent governors. Audeliss had been appointed to lead the recruitment. Audeliss's focus was on providing good quality, diverse candidates for boards. At its meeting of 24 September 2020, the Nomination Committee had agreed to recruit two new governors to replace Hilary McCallion and Mee Ling Ng whose terms end in March 2021. The priority skills needs are health, research funding, entrepreneurship, and IT and digital. Interviews with shortlisted candidates were likely to be in January 2021.

The Nomination Committee had regard to the Board's Athena Swan commitments on gender diversity, although they would take longer to achieve due to the current pattern of governors' terms. The Committee had requested the Secretary to look at the possibility of having co-opted or associate governors to help address gender equality on the Board.

6. **Report from Academic Board**

John Cole, observer on the Academic Board, provided an update on its main business. Recent focus was to ensure the university's academic regulations were adjusted to respond to the coronavirus pandemic, maintaining the integrity of awards and ensuring "no detriment" to students.

The Board noted that the recent expansion of the membership of the Academic Board to include two representatives from each school had allowed greater breadth of debate at meetings.

The Academic Board's priorities were addressing the awarding gaps, Graduate Outcomes, Student Satisfaction (NSS) and Portfolio Review.

7. **Governor and Chair appraisals**

The Senior Independent Governor (SIG) updated the Board on her first formal appraisal of the Chair. The SIG had consulted all governors about the Chair's performance before having a discussion with the Chair.

Feedback had been very positive and a number of actions for the Chair had been agreed, including opening committees to governor observers and encouraging questions ahead of meetings.

An update on the outcomes of the appraisal had been circulated to governors by email for information.

The Chair updated the Board on his appraisals of individual governors who had served for longer than a year on the Board. Actions for individual governors had been agreed with the Chair who will monitor progress over the next year.

8. **VC Report**

The Board discussed the Vice Chancellor's report, which updated on progress of a number of strategic projects.

The Board noted an update on the proposal for the Sir Simon Milton Westminster UTC to join SBA. The case had been passed to the Minister for a decision which was not expected until mid-November 2020.

The Board noted that Ofsted was undertaking a two day visit of SBC. A full inspection was expected in 2021.

The Board noted that work was progressing on the Croydon campus ready for a 2021 opening.

The Board noted that the new Health Skills Centre at Tabard Street was now open. The Centre included provision from all parts of the LSBU Group.

9. **CFO Report**

The Board discussed the CFO report which updated the Board on financial performance, year end audit, risk and control, cashflow and pensions.

The July 2020 management accounts, which had been reviewed in detail by FPR, forecast a surplus to be on budget at £1.5m. The Group CFO reported that the year end audit is being finalised and no material matters that impact on the report result for the year had been identified.

The Board discussed the update on forecast variances to the agreed budget for 2020/21. The biggest risks to meeting the budget targets were a reduction in halls fee income and a potential fees reduction as a result of the

coronavirus pandemic. The Board noted that the final surplus for 2020/21 may be closer to break-even than the £2m budget target.

The Board noted the recent completion of a revolving credit facility of up to £30m with Barclays which would help manage cash flow over the next few years. The Group CFO confirmed that the financial covenants with the bank were not currently in danger of being breached. The Board requested additional information on financial covenants in future CFO reports. Governors emphasised the need for the Executive to continue to control costs and conserve cash in the current challenging operating environment. The CFO confirmed that this would be the focus of the mid-year budget review.

The Board noted that BDO, the internal auditors, had given a year end opinion of 'generally satisfactory with improvements required in some areas'. This opinion was in line with previous annual opinions.

The Board noted an update on the consultations with the trade unions at LSBU and SBC on proposals to offer a defined contribution (DC) scheme only for new starters. The matter would be discussed in detail at the Group Pensions sub-committee meeting of 22 October 2020 before a final decision at the Board meeting of 19 November 2020.

The Board noted the interim finance return to the OfS which was consistent with the 2020/21 budget.

10. **Corporate Risk detailed discussion**

The Board discussed the corporate risk register in detail. The Board noted that three new risks had been added or updated recently: data protection and security, fee refunds, and decline in league tables. The Board requested that the direction of the risk ratings is tracked in future reports.

The Board noted that, at its meeting of 6 October 2020, the Group Audit and Risk Committee had discussed cyber security in detail following a limited assurance internal audit report. The committee was content with management actions to address the recommendations in the report. The committee will continue to monitor the implementation of these actions.

A group risk policy had recently been approved by the Group Audit and Risk Committee to ensure that the approach to risk management is consistent across the group and scrutinised by local audit committees.

11. Risk Appetite

The Board discussed the current appetite for risk. Based on the definitions in the risk appetite framework and following discussion on 'reputational' risks, the Board agreed to maintain the following risk appetite for the University:

- a. Legal and compliance – “cautious”;
- b. Financial – “open”;
- c. Reputational – “open”; and
- d. Academic delivery – “seek.”

12. KPI targets 2020/2021

The Board discussed the proposed University KPIs for the new corporate strategy, 2020-25. The Board noted that some targets at this stage were necessarily aspirational and that it would be appropriate to review in the future. Some KPI targets had still to be defined. Subject to this, the Board approved the defined KPIs for LSBU for 2020/21.

13. Delegations of authority

The Board noted the update on its delegations of authority.

At its meeting of 21 May 2020 the Board had authorised a sub-committee to consent to SBC entering into a contract with the DfE to facilitate the SBC estates strategy. The Board delegated additional authority to this committee, if necessary and having received legal advice, to grant a parent company guarantee of SBC's liability to the DfE as part of the contract.

The Board noted that the contractor for the Nine Elms Skills Centre, part of the SBC estates strategy, would be appointed by SBC at the end of October 2020. The Board delegated authority to MPIC, if it thought fit, to consent under the SBC governance agreement to SBC appointing the contractor.

The Board noted that if the proposal for the Sir Simon Milton Westminster (SSMW) UTC to join SBA was successful, LSBU's consent under the SBA governance agreement would be required before SSMW could join SBA. The Board delegated this consent to MPIC.

14. Board Strategy Day Report

The Board approved the board strategy day notes of 24 September 2020.

15. Report and Decisions of Committees

The Board noted the report on decisions of committees.

The Board approved the recommendation from the Group Audit and Risk Committee to adopt the CUC Higher Education Audit Committees Code of Practice.

16. Board Annual Workplan

The Board noted its annual plan.

17. Review of Standing Orders

The Board approved the revised standing orders.

18. CUC Higher Education Code of Governance

The Board noted the revised CUC Code of Governance. The Governance Team is reviewing the provisions of the new Code and will make any recommendations for change to the next Board meeting.

19. Declaration of Interests

The Board authorised the declared interests.

20. Board and committee membership

The Board noted its membership and the membership of committees for 2020/21.

21. Public Benefit Guidance

The Board confirmed its acceptance of the charity commission guidance on public benefit.

**Date of next meeting
4.00 pm, on Thursday, 22 October 2020**

Confirmed as a true record

..... (Chair)

**BOARD OF GOVERNORS - THURSDAY, 15 OCTOBER 2020
ACTION SHEET**

Agenda No	Agenda/Decision Item	Action	Date Due	Officer	Action Status
5.	Report from Nomination Committee	Secretary and Governance Team to look at the possibility of having co-opted or associate governors	Winter 2020	Group Secretary	In progress
9.	CFO report	Pension proposals to be discussed at Group Pensions sub-committee and brought back to the Board for approval	19 November 2020	Chief Financial Officer	Complete
18.	CUC Higher Education Code of Governance	Governance Team to review the provisions of the revised code and make any recommendations for change to the next Board meeting	19 November 2020	Group Secretary	Complete

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	CONFIDENTIAL
Paper title:	Vice Chancellor's Report
Board/Committee:	Board of Governors
Date of meeting:	19 November 2020
Author(s):	David Phoenix, Vice Chancellor
Sponsor(s):	David Phoenix, Vice Chancellor
Purpose:	For Information
Recommendation:	The Board is requested to note the report.

Executive Summary

We have started the year in a good position in terms of progression, increasing from 73.8% in 2018/19 to 79.8% in 2019/20. As at 30 October 2020 we have re-enrolled 1,471 more students than target (8,940 as compared to a target of 7,469), projecting income of £64.3M after dropouts (compared with the budgeted position of £57.5M). Despite some challenges at the start of enrolment, owing to a new digital approach, we have achieved over 93% of our enrolment target, with over 5,900 full enrolments secured to date against a revised target of 6,305 for Semester 1 2020 (downgraded from 6,900 due to Covid-19). Most of the shortfall is against part-time and apprenticeships which will recruit throughout the year

I am pleased to report that following a recent audit looking at our approach to managing Covid, feedback is that the operational effectiveness level is "Substantial". The cumulative number of positive cases across the Group remains low (52) with the number in the last 7 days remaining below OfS reportable levels (25+) at 9. Extensive planning continues to take place to ensure that we manage business continuity.

Vice Chancellor's Report November 2020

This report has been formatted around the three key outcomes listed in the corporate strategy followed by a review of activity related to the enablers.

1.0 Corporate Strategy Outcome 1: Student Success

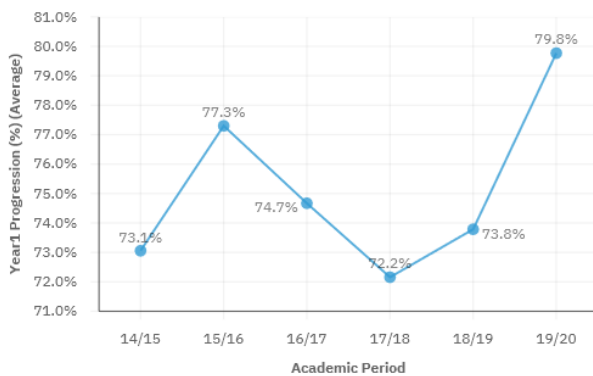
The focus of this outcome is developing the learning pathway to improve student engagement and the outcomes they achieve.

1.1 Progression

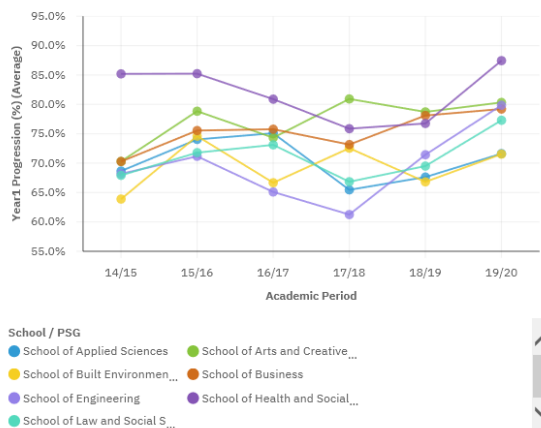
Overall progression rates have increased from 73.8% in 2018/19 to 79.8% in 2019/20. All Schools have contributed to this, with increasing progression rates, particularly in the Schools of Health and Social Care, Engineering and Law and Social Sciences.

Progression is defined as a student returning in year 2, at a higher level, on any course. The data presented in this report is limited to full time first-degree students and is a harsher measure than those used externally.

Progression Rates - Semester 1 Enrolled Students only as of 21st October 2020



Progression Rates - Semester 1 Enrolled Students only as of 21st October 2020 by School



1.2 Re-enrolment

As of 30 October, based on student numbers (using the HESA population), we have re-enrolled over 585 more students than we did last year (8,940 compared to 8,355). This is a very positive position in terms of volume, with the % of eligible students that have re-enrolled remaining broadly constant year on year (84.1% this year, compared to 84.4% last). The volume and % will go up in the final few weeks of re-enrolment, but we are not expecting a significant rise.

The Income Team have projected income from re-enrolment of £64.3M after dropouts, compared with the budgeted position of £57.5M.

2.0 Corporate Strategy Outcome 2: Real World Impact

This outcome focuses on the applied nature of our teaching research and enterprise and the way the three interact to ensure we have a real world focus and impact.

2.1 Income Diversity

The May budget set a relatively conservative target of £15.3M for Research and Enterprise including QR and HEIF funding. Reviewing anticipated performance against target, research wins are significantly down YoY. At the end of Q1 for the previous 2 financial years the won value was £1.4m and £1.7m versus £185k for this year (excluding additional Covid funding of £290k), with the deficit on grants rather than contract research. There is always variability in the profile of research wins due to the impact of lower frequency large value grant wins. Activity levels are consistent with historical levels: the pipeline of submitted bids (£13m) and anticipated value is similar to last year; research volume/value submission levels in quarter 1 is in line with historic levels; there was no “Covid” dip in submission levels in the second half of 19-20. The variation appears to be due to a combination of poor conversion combined with delayed grant closure dates.

Within the research pipeline the trend to increased dominance by Engineering continues. Covid appears to be having greater impact on the enterprise pipeline and it is relatively difficult to generate new project work at this point. However we have a backlog of ERDF, ESF and contract research projects where we are either awaiting formal contracts or are in serious final negotiations. We anticipate enterprise income from annually recurring sources will be down but have yet to be able to assess the final net impact.

The Enterprise Advisory Board had its first meeting in October with initial presentations to understand the scope of current projects and develop insights.

2.2 Global Delivery

The UKVI Basic Compliance report continued the excellent outcome of last year's figures but in only 2 out of 3 categories. Already at a low 2.71% for refusal last year, this year's 1.33% is a great result matched by an enrolment rate of 99%. Up until last year, there had been a decline in course completion, which was reversed in 2018/19 with an excellent completion of 96%. 19/20 has seen a return to trend and this time 86.27% retention, which better than other parts of LSBU, is very close to the 85%

cut-off and is a consequence of students' reaction to Covid. While the Covid picture remains unclear, the potential for LSBU to dip below the 85% in 20/21 is possible. It is unlikely that the UKVI will take action on only one of the categories, but student support strategies will need to be looked at carefully to ensure compliance. On the formation of LSBU Global in the early summer, UKVI Compliance has transferred to MAC.

2019/20

Refusal Rate: 1.33%

Enrolment Rate: 99.10%

Course Completion Rate: 86.27%

2018/19

Refusal Rate: 2.12%

Enrolment Rate: 99.40%

Course Completion Rate: 96.03%

Enrolments from the TNE partners are now starting to come through. The UK enrolment takes precedence over the TNE students and there is an indication that numbers are below the targets for the year in the major partnerships. BUE is 10% down at around 5000 students.

There is now a fresh approach being taken by the Khamis family with Farida Khamis being announced as the new chair of the BUE Board and supported by Yasmine Khamis playing an important business development role. A number of options are being looked for the LSBU presence in Cairo to move the branch campus forward.

While this is not surprising in the Covid year, LSBU Global will be pushing hard to see new projects coming on stream within the year to meet income targets. Priority will be given to projects which will be up and running within the academic year. One of the projects currently being scoped is at TEAM University. Setup originally within an entrepreneurial society concerned by the lack of provision within the higher education system of Uzbekistan, Subject to Board agreement, LSBU will validate three business degrees for teaching in Tashkent beginning September 2021. Additionally, TEAM are interested in an offer in hospitality and tourism following their own market research. This year TEAM obtained the presidential licence to operate and launched their own foundation program. Two due diligence reports were commissioned early in the process, these examined all the individuals involved at senior level and no red flags were found in the public domain. Other financial risks to LSBU in terms of development costs and per capita payments are minimal. I will continue to update the Board as plans progress.

2.3 REF 2021

The outlook for LSBU's REF 2021 is positive: in total, 201 staff (188.8 FTE), compared with 116 (101.7 FTE) for REF 2014 are confirmed as having Significant Responsibility for Research (SRR). Two staff who have SRR are in a small-unit exemption, and will not be submitted to the REF. Therefore, our REF Submission will be as follows:

REF Unit of Assessment	FTE	Headcount	Research Outputs Required	Impact Case Studies Required
03 - Allied Health Professions, Dentistry, Nursing and Pharmacy	19.1	21	48	2
04 - Psychology, Psychiatry and Neuroscience	22.9	23	57	3
12 - Engineering	48.8	51	122	4
13 - Architecture, Built Environment and Planning	32.2	33	81	3
17 - Business and Management Studies	15.6	17	39	2
20 - Social Work and Social Policy	21.1	22	53	3
24 - Sport and Exercise Sciences, Leisure and Tourism	10.6	12	27	2
34 - Communication, Cultural and Media Studies, Library and Info Management	16.5	20	41	2
Total	186.8	199	467	21

A key priority is ensuring that LSBU is well prepared to pass the audit that will be conducted by Research England of: 1) the SRR staff cohort (confirming that all academic staff with SRR have met the criterion of having $\geq 20\%$ of their work-load model in 2019/20 tagged as research-time); 2) actions taken to uphold the REF Code of Practice commitments; and, 3) claims made in the UoA Research Environment statements.

LSBU's REF 2021 Code of Practice, which defines LSBU's processes for ensuring that REF decision-making is objective and robust and upholds the principles of equality and transparency, especially in relation to identifying which REF-eligible staff have SRR, has been revised to ensure that it is up-to-date and free of errors and omissions. The changes have been approved by Research England. It can be found at: <https://www.lsbu.ac.uk/research/research-excellence/ref2021>

3.0 Corporate Strategy Outcome 3: Access to Opportunity

This outcome focuses on the need to work in partnership with key organisations to deliver our strategy and the civic engagement aspects of our

vision. Its outcomes include measures such as recruitment of students that can succeed as well as international activity.

3.1 Recruitment

3.1.1 Semester 1 September Enrolment update, 20/21 – as at 12th November.

The university has achieved 93% of its enrolment target, with 5,900 full enrolments secured to date against a revised target of 6,305 for September 2020 (downgraded from 6,900 due to Covid-19). Based on headcount numbers, the remaining gap to target sits within part-time courses but the university is on track in terms of enrolments on higher income bearing full-time courses. To date 5,000 full-time students have enrolled (versus a revised full-time target of 5,005) and 900 part-time students have enrolled (versus a revised part-time target of 1,300). As we approach the HESA student return census date in mid-November the university will begin to close down enrolment and withdraw new-starters that have not fully enrolled. The affected partially enrolled population currently stands at 530 - compared to around 100 at the same point last year. Whilst we expect to progress a number of these students to full enrolment stage as part of this exercise, the majority are not expected to enroll.

Overall, based on forecast full enrolments of 5,936 as at October 30, the income from new-starters is forecasted at £48.0m after dropouts versus a revised target of £48.1m. We expect the gap to narrow further in the closing stages of enrolment and there is opportunity in semester two to offset shortfalls from semester one through larger overseas and Apprenticeship intakes.

3.1.2 Semester 2 January Recruitment update, 20/21 – as at 29 October 2020

Over 2,100 applicants have applied for January starts, a 77% increase year-on-year. Overseas applicants are the main source of growth and postgraduate courses in Business are the main area of interest, alongside Engineering and Built Environment degrees. Data shows that less than 100 applicants had originally applied for September 2020 starts. The interest in S2 is therefore organic and outside of the current S1 population, however as S1 enrolment draws to a close we will be deferring students who could not start in September and offering January starts where applicable. Despite the sharp increase in applications, Firm Accepts to date remain broadly similar year-on-year (250 vs 230), but the overseas pipeline does not convert until later in December and January. Nine Apprenticeship courses (in BEA subjects) have launched for January starts, and we should now start to receive applications for this segment. It is the first time these courses are running in January,

but the interest from employers is expected to be high as businesses can make use of Government bonuses that will enable them to claim up to £2k per Apprentice.

3.2 Apprenticeships

As of 5th November we have 1,918 apprentices enrolled and continuing. The apprentice team recruited 488 new apprentices in September 2020, 79% of revised recruitment target. An additional 13 apprentices have deferred to January 2021. Due to a significant loss in business due to Covid, the apprenticeship has contracted with 160 'new' employers in the last 6 months, with the proportion of SME engagement growing.

The apprenticeship team has a target of 201 enrolments for the remainder of the 20/21 academic year in order to meet our income goal. An action plan is in place however; our tactics remain flexible as the Covid response continues to impact business recruitment.

The 20/21 achievement rate is currently 19.4% with a target of 75% set for July 2021. This is a very good start for this academic year and subject to ensuring timely Nursing Associate completion; we are forecast a significant improvement on the 55.4% 19/20 achievement rate.

We have submitted a number of significant tenders including a £350,000 Digital Engineering apprenticeship pilot programme in partnership with the Engineering School and Health Education England. We are also working with 'Shark' to develop a Product Design Engineer apprenticeship programme.

4.0 Group Issues and Environment

4.1 South Bank Academies

Since the previous board report, UAE and UTC have been working in challenging circumstances to support their students. In both schools' year group bubbles continue to operate in order to minimise infection spread which require additional staff supervision and create logistical challenges but are being managed effectively.

Covid responses continue to evolve in light of statutory guidance. Schools will remain open during lockdown. We anticipate significant challenges in staffing and supervision as a result of increasing self-isolation, which will need careful management. Both schools are seeking support from the trust to invest in additional temporary staffing capacity and in devices to support remote education.

The central team continues to support the trust's development. Both finance and HR with the executive principal are giving additional support to Sir Simon Milton Westminster UTC but we are still awaiting confirmation from DfE as to whether they will join our trust. Both current schools in the trust are being supported through the central team on their improvement journey, including on improvement planning and self-evaluation. The Quality Committee pays close scrutiny to the quality of teaching and performance data. A central data project is underway to improve the ability to gather real-time attainment and progress data at the trust. The uncertainty around exam process in 2021 remains problematic.

4.2 South Bank Collages

The College had a two-day visit from Ofsted on the 13th/14th October, two inspectors visited the college and met with staff and students. They were able to find out how the college had adapted to the spring lockdown and see what had been put in place for the new academic year. We were able to showcase the focus and investment that has gone into teachers professional development and the way we were adapting how we teach. They also met with key partners including Lambeth Council, Health Education England and The Skills Centre and could see how we are collaborating with key stakeholders addressing the needs for skills training in direct response to the COVID situation. A formal letter will be published summarising the visit by the end of the term.

4.3 Croydon Campus

We have opened the new LSBU Croydon Support Hub in Croydon town centre to support our marketing activity, which is underway. The appointment of a contractor by the Landlord to undertake the refurbishment of Electric House is imminent and the building is due for completion/handover in July 2021. The financial pressures on Croydon Council have resulted in both the CEO and Council Leader stepping down. Whilst we are not aware of any impact on the LSBU Croydon project, the situation in Croydon makes it difficult to develop the relationship with the Council at the moment.

4.4 LSBU Institute of Health & Social Care

The formation of the LSBU Institute of Health & Social Care represents an opportunity to recognise the role that LSBU group has in the development of the London health and social care workforce. It will require us over the course of this year to rework some of our internal processes to recognise it as a distinct entity.

Initially comprising two Schools, Nursing & Midwifery and Allied Health & Community, we will be seeking to strengthen our partnership working through joint

appointments with NHS partners, and through the development of an 'academic fellowship' programme for NHS partners to be recognised for their support for LSBU students. The current climate means placements and strength of partnerships are crucial and the creation of the Institute will enable greater engagement and provide the opportunity for partners to increase their role within the University. This model is currently working well with our partnership with Central London Community Health NHS Foundation Trust with whom we have formed a joint 'Academy'.

Significant growth is planned with the opening of the Croydon campus. This site enables us to work with local NHS partners to meet a significant demand for the nursing workforce in Croydon and South East London. Initially focusing on Adult Nursing and Mental Health Nursing, we aim to work with partners to attract people into the nursing professions from the local area, to educate them locally and to provide them with rewarding careers in the local NHS/social care sector following graduation. We will also provide state of the art clinical skills facilities for our allied health and nursing students on this site, which will also provide in-demand facilities for CPD for local qualified health professionals. The Institute is also leading on the Health Technology Skill Center at Tabard Street, which is now running a range of skills labs and is equipped to develop CPD and engage schools and deliver further education support for our healthcare partners.

The Institute structure is designed to facilitate the creation of additional academic Schools as our portfolio continues to expand. For example, we have already achieved approval from the General Dental Council (GDC) for our validation of the BSc Dental Therapy and BSc Dental Hygiene courses developed in collaboration with the Eastman Dental Hospital (part of University College London Hospital) but validated via LSBU). These initial courses are part of our ambitious plans with the Eastman to develop a full pre-qualifying dental course to meet the needs to gain full registration as 'dentists' for dental professionals working in allied disciplines which would allow the delivery of dental education and are the first of our GDC recognised courses. As is usual, full accreditation is only confirmed once the first cohort graduate. We will seek to complement these with a range of postgraduate professional practice courses in medicine.

Medicine and dentistry will complement our existing health & social care courses and provide students with comprehensive inter-professional learning. Our approach will be to use the Institute model to ensure strong integration of curricula, while allowing the individual academic disciplines & schools to develop strong identities, partnerships and impact.

5.0 Strategic Enablers

5.1 Campus Development Southwark

Good progress continues to be made by the Contractor renovating London Road (LR). Perry Library will remain open until after exams have taken place next year and will then move to LR over the summer period for a September 2021 opening. Cost pressure is proving very challenging due to issues arising since the work began not evident at the time of design.

Planning for the separate project to re-build/refurbish the Chapel is now currently on hold while the Group consider future availability of capital funding.

Avison Young Consultants have advised on developing the Perry Library and the London Borough of Southwark (LBS) owned Keyworth Hostel. A challenge is current planning guidance and clarity is being sought on this from LBS.

Refurbishment work to create The Health Skills Centre at Tabard Street have concluded and the building is ready for occupation.

5.2 Lambeth College Campus Development

A party wall settlement has been agreed with the management of the adjacent Mount Anvil Estate and demolition on the Vauxhall site has re-commenced with over 80% of the main building now having been demolished. The tender exercise through a recognised framework to appoint a Design and Build contractor for the Nine Elms STEAM centre (NESC) has concluded with consent being given by MPIC at its meeting on 29th October 2020. The programme submitted by the successful contractor, Graham Construction Ltd, shows a completion date of June 2022. The completion of the DfE agreement, and final signing of the legal agreement (S106) are critical for this time frame but it is hoped this will be signed during the week of the 16th November. No construction works can commence until the S106 has been cleared. Draw down on the GLA grant has started.

Jones Lang LaSalle (JLL) were instructed to identify ways in which SBC can realise the maximum development value for both Clapham and Vauxhall campuses. Further details are provided as part of agenda item 9.

5.3 Managing Covid

Data from Public Health England continues to indicate an increase in the community spread of covid across London (National Alert Level Tier 2: High). From 17 -23 October 13,555 cases were identified in London (a rate of 151 per 100,000 population). This compares to 9,947 the previous week (a rate of 111 per 100,000

population). The University continues to work closely with the local Director of Public Health in its approach to managing Covid and has developed criteria for movement between the DfE Tiers.

Following a recent audit by BDO looking at our approach to managing Covid 19, emerging feedback is that the operational effectiveness level is “Substantial”. In addition to reporting Covid positive cases to Public Health England, LSBU also has to report information to the Office for Students on a daily basis. This includes the number of Covid positive cases recorded in the previous 7 days. As of 28 October, the number of positive tests recorded in the previous 7 days was 9.

At present, it remains below an OfS additional information threshold of 25 cases per 7 days, and a previous DfE threshold of 20 cases. There have been some cases of delayed reporting by students, and this is being tackled by a range of increased communications.

From 2 September to 28 October LSBU has had an overall total of 41 positive cases. This comprised 6 staff, 2 contractors and 33 students. Only 2 of these students have resided in halls (both cases unconnected). As of 27 October, Lambeth College has had 9 positive cases (7 Students, 2 Staff). SBA has had 1 pupil case and 1 staff case. We have agreed that our trigger to move to online would be if we breach the OfS reporting level.

DfE have issued guidance on the end of term. We already had in place arrangements to phase out non-essential face-to-face teaching in the first week of December to allow students to begin studying from home, in a phased way, during the last week of term. We will undertake the reverse action for the start of next term. We are working with PHE to support testing of high-risk groups such as those in halls or working in the healthcare environment and hope to issue guidance on this to students next week. The delay is understanding what will be available from PHE but we understand we will need to administer the tests and hence need to be clear on our legal responsibilities and how we respond to positive tests from asymptomatic individuals. It should be noted 80% of our students are commuter students hence we do not have the same scale of halls activity as some providers, but we still have over 1000 students, many of whom are from overseas.

5.4 Public Affairs

On 30 October we signed an updated MOU with Lambeth Council. In early October, FE Week published my article on growing technical education in the UK, based on the outcomes of a roundtable we hosted in the summer. This has led to a series of speaking, chairing and writing requests on technical education, the interaction of FE

and HE and the forthcoming FE White paper, providing useful opportunities to promote the work of the Group and to make funding and other recommendations.

I had a useful discussion with Jennifer Coupland, CEO of the Institute for Apprenticeships and Technical Education, the oversight body for these areas including the forthcoming changes to Higher Technical Qualifications such as standalone Level 4 and 5 awards e.g. HNC and HND. We continue to participate in the DfE Stakeholder Group in this area and will feed in our thoughts on the proposed changes.

5.5 New JNCHES 2020-21

UCEA have informed the relevant trade unions of the proposals in respect of the 2020-1 negotiating round, acknowledging the efforts of all staff who have helped meet the variety of challenges created by the pandemic.

Given the uncertainty which continues to face the sector, UCEA is not in a position to offer an uplift in pay for 2020-21, with the exception of addressing issues in relation to the National Living Wage. UCEA have noted that the trade unions rejected the pay freeze. However, if circumstances allow, UCEA are willing to think flexibly about when to begin the 2021-22 pay round.

UNISON will be consulting its members on the offer, with a recommendation to reject. The pay freeze is the substantive issue for all of the unions and, therefore, it appears likely that the other unions will adopt a similar position of recommending rejection. We have currently included 0% in our budget forecasts

5.6 Target Operating Model

A paper was presented to Executive in July proposing that the implementation of the Target Operating Model (TOM) be managed by way of a 18 month – 24 month Transformation Programme with multiple interconnected workstreams, activities and timings to be aligned with the launch of the new Corporate Strategy. A Programme Board will be constituted in November as part of the governance arrangements.

In September and October Level 2 TOM transitions of PSG affected areas commenced. It was agreed that due to pressures on the Academic calendar, clarifying Level 2 Academic areas would take place October onwards. The transition to a single Student Journey Directorate is advancing at pace.

5.7 Staff Reward

Given the pressures over recent months Executive have offered staff an additional 3 days holiday over January/December to try and encourage colleagues to take a break. We will also be running a virtual staff awards ceremony in December.

Agenda Item 7

	CONFIDENTIAL
Paper title:	Report from the Group Chief Financial Officer
Board/Committee:	Board of Governors
Date of meeting:	19 November 2020
Author:	Richard Flatman, Group Chief Financial Officer
Sponsor:	Richard Flatman, Group Chief Financial Officer
Purpose:	To update the Board on financial matters.
Recommendation:	<p>The Board is requested to:</p> <ul style="list-style-type: none">• note the report, which provides a financial progress update on 2020/21 and an update on year end reporting matters for 2019/20.• note the OfS financial reporting requirements for year end 2020 and in that context to note the 5 year financial forecasts. Formal approval will be sought prior to submission.• approve the proposed changes to the financial regulations regarding bank signatories.

Attachments:

Appendix 1: Management accounts to 30 September 2020

Appendix 2: 5 year forecasts

Appendix 3: Covenant compliance

Report from the Chief Financial Officer: November 2020

1. Management accounts to 30 September 2020

LSBU

The Scenario2b budget for 20/21 has a £2m surplus based on a roll over budget for 19/20 costs and reduced income due to Covid. The budget contains a £3.8m requirement for staff savings and £2.5m of unallocated contingency. If we net off the staff costs savings required against our current buffer, we are currently trending to a surplus position of £0.7m but this does not include potential changes to our income forecast or the requirement for additional pension costs.

As of the 30 September 2020, the university had billed £49.1m of income including £43.8m of Tuition Fees. This compares to £73.9m billed at the comparable position in 19/20 including £67.8m in Tuition Fees. The gap in Tuition Fee income was driven at the time by a delay in billing as a large number of the Fees and Bursaries team were still engaged in enrolment. Billings have now increased and we are ahead of target.

As at 30 October, the University had billed £119.3m of income against a Semester 1 target of £105.6m. We have assumed that this year due to Covid 19 that dropouts will be higher than normal and have budgeted £7m for Semester 1 refunds but the current position is certainly positive. We have been signalling to the Board that we could deliver an upside of £4m against the scenario 2b budget but this may increase to £7m if student engagement remains strong. There remains however, a significant risk around drop outs and Semester 2 recruitment and so we have not recognised any upside in the income forecast at this time.

We have currently fully enrolled 12,968 Students as compared to the comparable position of 12,756 FTE in 19/20. This is driven by a large increase in re-enrolled students. The levels of Tuition Fees billed do not represent the numbers of students and we would expect the levels of Tuition Fee to be ahead of the comparable position in 19/20 once enrolment and re-enrolment have finished.

We have currently billed £1.6m of Research and Enterprise income as compared to £1.8m in 19/20 and so there is a gap emerging due to a delay in beginning a number of projects. There is also a growing shortfall in Other Student related income; we have currently billed £1.1m as compared to £1.5m at the comparable position in 19/20. Early indications would suggest that Students are reluctant to move into Halls of Residence during this time and this would appear to be an issue across a number of London Universities. We typically have occupancy rates of over 97%, this year we are trending to 75% which could leave us with a gap to budget in excess of £2m. There is a further shortfall in terms of Food sales due to reduced footfall in the campus and could lead to a further gap to budget of £0.7M.

YTD Staff costs are currently £640K better than the budgeted position, which should help to deliver the staff savings required in the scenario 2b budget. However, there is an ongoing discussion with our actuaries about the level of pension charge required in 20/21 and this could add in excess of £2m-£3m to our staff costs.

The university budgeted £3m in exceptional items to provide a buffer in this year against the potential staff cost gap. The university has currently allocated £450K and there remains a balance of £2.55m.

Given the developing position we have not yet adjusted our Full Year Forecast to take account of the potential positive and negative movements but taking all these factors into account, we remain of the opinion that we should not move away from the scenario 2b budget although the actual position may be closer to break even rather than the targeted £2m surplus.

The cash position as at 30 September is £44.7m, this is a reduction of £1.5m as compared to August and compares to £51.2m at the comparable position in 19/20. The University has a further £30m available due to Revolving Credit Facility in place to fund the developments in the LSBU Estate and we expect to drawdown £15m in April.

South Bank Colleges

The operating deficit at Lambeth College will be funded through the release of deferred income received from the ESFA as part of the transaction to acquire Lambeth College. The original budget assumed £2.7m of income release to deliver a neutral position (to cover the £1.7m operating deficit plus £1m of novated loan costs).

The Budget for Lambeth College was agreed in July before the LPFA FRS102 pensions report was received from Barnett Waddingham. The report identified a pensions expense requirement in 20/21 of £2.369m including £440k of Pensions interest. The college had budgeted £985K in line with the previous year's budget. The Full Year Forecast has been adjusted this month to take account of the additional £1.384m. The Executive have also agreed to support the College with an £300k increase in staffing costs. The net result of the two adjustments is an increase of £1.7m in the operating loss and in the release of deferred income.

The Full Year Forecast for Lambeth College has an income target of £29.7m. Against this target, ESFA have confirmed funding of £21.4m including funding grants, £310k of income is deferred and has already been received, and £540k donations income is already secure. £4.4m of this income is grant release and so this leaves an overall budget target of £3.1m for Lambeth College to deliver in the rest of the year.

Against the outstanding £3.1m, the College has so far generated £264K in 20/21, which compares favorably to the £196K generated last year. The College is also likely

to receive a further £198k of grant income to offset Covid 19 expenses. Nursery Income, which was originally budgeted at £250k, however is expected to be £50K lower due to reduced activity. Overall, the college remains on track to deliver to its income budget

YTD Staff costs are currently £165K better than the budgeted position however, this is considered a timing difference and there will be a challenge to deliver to budget. Funds are also required to support High Need students. Now that many learners have been on boarded, their needs are currently being identified and support is being costed. It has already been agreed to support £300K of additional staff costs as compared to the original budget

In terms of recruitment at the College, there is a challenge with regard to the Adult Education target however the College has received confirmation that clawback will take effect only if achievement < 90%, so the challenge in recruitment will have to be offset by student success. 16-18 enrolment appears to have progressed quite well for the period and is ahead of the previous year's position.

Opex is 32% worse than budget, a significant proportion of this is Hardware purchases. Some of this will be funded by ESFA Bursary's and distributed to students as part of their student success package. The remainder will be supported by the additional GLA grant to assist with COVID costs.

The cash position as at 30 September is £4.2m. This is an increase of £0.6m as compared to August. The intention is to keep this balance in excess of £1.5m to provide the college with sufficient working capital.

2. Year-end reporting matters

LSBU

(i) Statutory accounts

The audit is now substantially complete and no material revisions to the accounts are expected.

Management have this year undertaken a more formal review of the standard assumptions provided by the scheme actuaries, Barnett Waddingham, for the valuation of the LPFA pension scheme for FRS102 purposes. The review process has been discussed and agreed with GARC and with KPMG, including their pensions technical expert. It has resulted in an updated set of tailored pension assumptions; including a discount rate of 1.5% (increased from standard 1.35%) and salary increases of 3.0% (reduced from 3.25%). We are still in the process of adjusting the pension deficit and disclosures in the accounts but any further change will not affect the reported surplus for the year. A verbal update as required will be provided at Board.

The Group statutory financial accounts are presented in a separate paper to the board. The operating surplus reported (before actuarial loss in respect of pension schemes) is

£1.4m (in line with budget and forecasts provided to Board throughout the year).

The Board agrees when signing the accounts that they think it appropriate to prepare the statements on a going concern basis. This was considered and noted by GARC at its meeting in November and a separate paper is provided to Board at this meeting setting out the assurances that underpin the preparation of the accounts on a going concern basis.

A full compliance statement on our system of internal control is included in the financial statements. A detailed report went to November Group Audit and Risk Committee setting out the various sources of assurance supporting this statement. No matters have arisen since audit committee which would change our opinion in this regard.

(ii) External audit year-end report

The report of the external auditors was reviewed in detail at Group Audit and Risk committee. Three control deficiencies were identified, one a high risk item in relation to bank reconciliations and all of which have been agreed and accepted by management.

(iii) Letter of Representation

In addition to standard representations, the Letter of Representation for both the University and SBC includes two specific representations as follows:

- The University's subsidiary (South Bank Colleges) has received a pre-action claim for re-imburement of costs by a developer in respect of the Vauxhall development project undertaken by South Bank Colleges' predecessor, Lambeth College Corporation. The Governing Body believes that any claim is unlikely to succeed and cannot be financially quantified at the date of signing. To the best of its knowledge and belief, it is satisfied that no provision is necessary in respect of this claim.
- The University has a number of ongoing court cases. The University believes that these claims are unlikely to succeed at the date of signing. To the best of its knowledge and belief, it is satisfied that no provision is necessary in respect of these claims.

The LSBU letter of representation has been considered at GARC and is recommended to Board for approval and signature. Group Executive confirmed to GARC that to the best of their knowledge and belief there are no matters, which would prevent signature.

SBC year end reporting

The SBC results are consolidated for group reporting purposes. Accounts and a separate external audit findings report have been considered by the SBC Audit

Committee and have been presented to the SBC board for approval. The accounts include an unqualified audit report and the audit report made three medium risk recommendations, all of which have been accepted by management.

South Bank Academies

The Audit of South Bank Academies (SBA) is almost complete. This was the first year that Buzzacott have done the audit of SBA after the Trust tendered for audit services earlier in the year.

The audit was well planned by Buzacott, Trust and University staff and the delays experienced in previous years did not re-occur. In their draft audit letter, Buzzacott have made 4 medium risk recommendations and 3 low risk recommendations, all of which have been accepted by management. Three of the medium risk recommendations were in relation to authorization of payroll, purchase orders and the recovery of Special Educational Needs (SEN) income, and a medium risk recommendation was carried forward from the previous year in relation to confirming that a grant issued to the UTC was spent according to grant conditions. Other than the UTC grant issue, all recommendations from previous years have now been implemented. Regarding the UTC grant issue, we are confident that we have done all we can to clarify the position and are also confident that spend is in accordance with grant conditions. We are waiting for confirmation from Buzzacott that they are comfortable with our actions in relation to this matter'.

3. Annual accountability return

The OfS has issued guidance regarding submission of the year-end financial returns. Because of the ongoing uncertainty about the financial implications of the pandemic, the reporting requirements and deadlines for submission have changed this year. An interim finance return was required to be submitted by 30 October 2020 and this was submitted on time in advance of the deadline. It did not require Board approval but was attached to the October Board CFO report for information.

The Annual Accountability Return, which is normally required to be submitted by 1 December each year, will not be required in 2020. We will however, be required to submit an Annual Financial Return within 7 months of the year-end date i.e. by 28 February 2021. This requires us to submit financial data consistent with our latest audited financial statements, forecast financial and student number data, and other relevant contextual information, including signed, audited financial statements. We will also need to submit the year end report from our external auditor. The majority of this information will have been approved by the Board during the normal year-end committee and Board cycle.

In advance of this submission, we have also updated and downgraded the 5-year

forecasts. An initial position was developed in summer 2020, as Barclays required updated forecasts post pandemic in approving the RCF and these forecasts have now been adjusted to reflect the additional pension costs within the group and the likely outturn for 2020/21. The key difference from last year's submission to the OFS is that we have reduced future income forecasts for the University by £10m a year to reflect the potential impact of Covid 19 on recruitment and re-enrolment. The forecast assumed that we would review our cost base and reduce it by a similar amount to ensure that we report a small surplus in future years.

In terms of the current year, the 5-year forecast does not move away from the scenario2b budget, however we have recognized a small increase of £4m of Tuition Fee income due to strong re-enrolment this year but we have reduced our Halls of Residence income by £2m to reflect the current occupancy levels in the halls. The net result is that projected income for the University in the current year is an increase of £2m as compared to the scenario 2b budget from £153.3m to £155.3m. In terms of expenditure, we have recognized the likely additional pension charge in 2020/21 following the Barnet Waddingham LPFA report and have allowed for additional pension costs in future years. We had already signaled to the Board that it may be a challenge to deliver a surplus this year and so the draft forecasts report that this year we are likely to report a break-even position. Given the uncertainties surrounding Semester 2 recruitment and the level of potential dropouts, this is considered a prudent position.

In terms of Lambeth College, the current year forecast matches that reported to the FPR committee in November and reflects the additional pension costs within that organization. The future forecasts at Lambeth have also been adjusted to include these additional pension costs in future years.

The net impact of these changes is that we are now forecasting Group income for 2020/21 of £184.9m, which grows to £212m by 2023/24 as compared to the last year's submission, which had an income forecast of £188.1m for 2020/21, which grew to £222m by 2023/24. In terms of surplus, because of the £4m of additional pension costs in future years at the University and the £1.9m charge at the college, we are now reporting a consolidated group position of £0 for 2020/21 which grows to £2.6m in 2023/24. This compares to the previously reported position, which had a surplus of £2.9m for the current year growing to £6.6m by 2023/24.

Our capital expenditure plans remain unchanged and are fully funded within the cashflow forecast. In terms of cashflow, the current forecast has minimum cash and liquid investments balance of £19.4m as at the end of 2021/22 assuming the entire drawdown of the £30m Barclays RCF. The revised forecasts are enclosed in appendix 2. At this stage, the forecasts are for noting although formal approval will be required in advance of submission.

4. Pensions proposal update

The pension proposal consultation period is now complete and the Board is recommended to approve the implementation of the proposed new group DC pension scheme at both LSBU and SBUEL (the latter subject also to separate approval by SBUEL Board). This is covered in more detail in a separate paper.

5. Covenant compliance

At its last meeting, the Board requested additional information on financial covenants. These are regularly monitored and tested. Barclays covenants are subject to formal compliance reporting and certification by our external auditors. The most recent annual report was dated February 2020 and demonstrated compliance.

The existing covenants (both Barclays and AIB) are summarised in Appendix 3. Based on current forecasts we will not be in breach of our covenants.

6. Bank signatories

The financial regulations set out the posts holders that are signatories to the University Group bank accounts. This should include all members of the Group Executive plus senior members of the Finance Team. It is recommended that the appropriate section (13.2) in the financial regulations that lists those posts be updated to reflect the new composition of the Group Executive. This change was not included in the update to the financial regulations that was approved recently by Group Audit and Risk Committee and it is requested that the Board approve the update to this section as follows:

13.2 Signatories

The University Group's bank accounts shall be operated in accordance with the mandates given to the bankers under the authority of the Board of Governors. The Board of Governors has determined that the holders of the following posts shall be signatories to the University Group's bank accounts:

- Members of the Group Executive
- Group Financial Controller
- Director of Financial Planning and Reporting
- College Chief Financial Officer (SBC bank accounts only)

SEP-20 EXECUTIVE SUMMARY

This Executive Summary reports on the draft financial position of London South Bank University as at 30th September 2020.

1) RAG Status

Income Growth FYF v 19/20 outturn	-2.4%
Opex Growth excluding asset changes	-4.6%

Staff Cost % excluding restructuring	57.8%
Staff Cost Growth excluding restructuring	0.5%

FYF Surplus (Contribution %)	1.3%
EBITDA	11.9%

2) Summary

Contribution Budgeted at £2m The Scenario2b budget for 20/21 had a £2m surplus based on a roll over budget for 19/20 costs and reduced income due to Covid. The budget contain a £3.8m requirement for staff savings which is offset by £2.5m in Exceptional items. If we net off the staff costs savings against our current buffer, we are currently trending to a surplus position of £0.7m but this does not include potential changes to our income forecast or the requirement for additional pension costs.

YTD total income £49.1mm - FYF £153.3m The university has currently billed £49.1m of income including £43.8m of Tuition Fees, this compares to £73.9m billed at the comparable position in 19/20 including £67.8m in Tuition Fees. The gap in Tuition Fee income is driven by a delay in billing as a large number of the Fees and Bursaries team are still engaged in enrolment. The total number of students fully enrolled as at 30 September totals 12,968 FTE as compared to 12,756 FTE at the same period last year and so we expect billings to increase to a comparable level next month when the billing position catches up with the enrolment and re-enrolment position. We have currently billed £1.6m of Research and Enterprise income as compared to £1.8m in 19/20 and so there is a gap emerging due to a delay in beginning a number of projects. There is also a growing shortfall in Other Student related income; we have currently billed £1.1m as compared to £1.5m at the comparable position in 19/20. Early indications would suggest that Students are reluctant to move into Halls of Residences during this time and this would appear to be an issue across a number of London Universities. We typically have occupancy rates of over 97%, this year we are trending to 75% which could leave us with a gap to budget in excess of £2m. There is a further shortfall in terms of Food sales due to reduced footfall in the campus and could lead to a further gap to budget of £0.7M.

Enrolled student FTE up 2% vs 19/20 We have currently fully enrolled 12,968 Students as compared to the comparable position of 12,756 FTE in 19/20. This is driven by a large increase in re-enrolled students. Given that New Students who do not have funding typically have pass rates of less than 50% we are encouraging all students to demonstrate evidence of funding before we make them fully enrolled. This has led to a delay in confirming those students who have not yet applied for SFE Funding. The levels of Tuition Fees billed do not represent the numbers of students and we would expect the levels of Tuition Fee to be broadly comparable with 19/20 once enrolment has finished, this could deliver an upside of £4m against the scenario 2b budget.

Staff costs are £640K better than budget YTD Staff costs are currently £640K better than the budgeted position which should help to deliver the staff savings required in the scenario 2b budget. However there is an ongoing discussion with our actuaries about the level of pension charge required in 20/21 which could add in excess of £2m to our staff costs.

Exceptional Items remain at £2.5m The university budgeted £3m in exceptional items to provide a buffer in this year against the potential staff cost gap. The university has currently allocated £450K and there remains a balance of £2.55m.

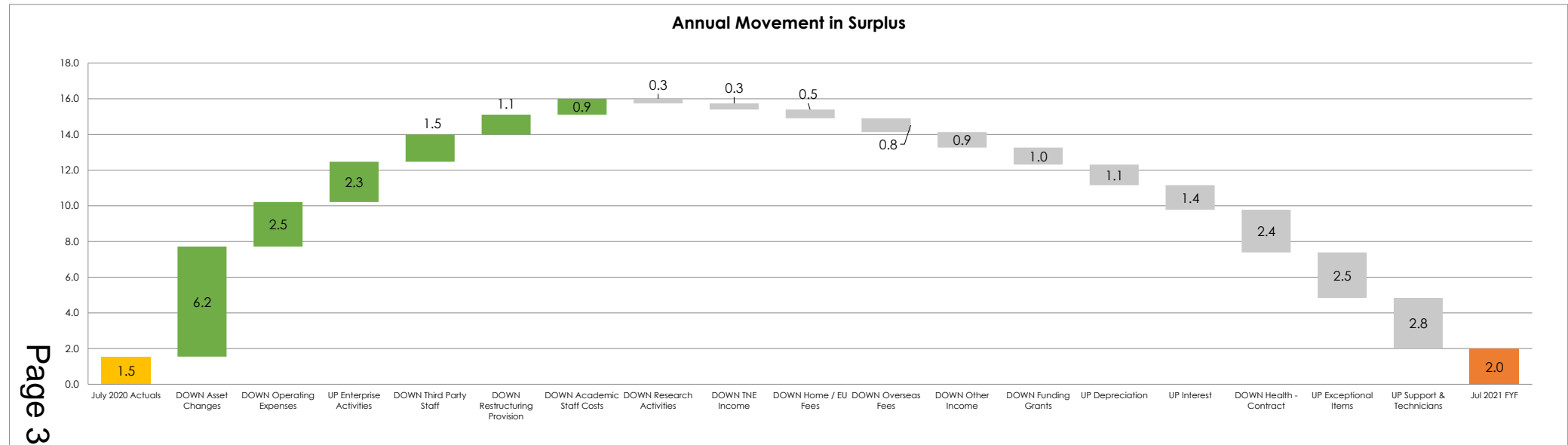
Cash position = £44.7m The cash position as at 30 September is £44.7m, this is a reduction of £1.5m as compared to August and compares to £51.2m at the comparable position in 19/20. The University has a further £30m available due to Revolving Credit Facility in place to fund the developments in the LSBU Estate and we expect to drawdown £15m in April.

3) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	CURRENT YEAR BUDGET vs PRIOR YEAR ACTUALS				FULL YEAR FORECAST OUTTURN POSITION					YEAR ON YEAR (Y-T-D COMPARISON)			
	19/20 Actuals	20/21 Budget	Change to 19/20	Change %	Aug 20/21 Forecast Outturn	Monthly move	Sep 19/20 Forecast Outturn	Variance to 20/21 Budget	Budget variance %	19/20 Actuals	20/21 Actuals	Change to 19/20	Change %
Funding Grants	14.4	13.5	-1.0	-7%	13.5	0.0	13.5	0.0		2.5	2.5	-0.0	-0%
Health - Contract	2.9	0.6	-2.4	-81%	0.6	0.0	0.6	0.0		1.1	0.2	-0.9	-78%
Home / EU UG Fees	86.2	85.7	-0.5	-1%	85.7	0.0	85.7	0.0		56.3	37.3	-19.0	-34%
Home / EU PG Fees	12.6	12.6	-0.0	-0%	12.6	0.0	12.6	0.0		6.8	1.9	-4.9	-72%
Overseas Tuition Fees	15.1	14.3	-0.8	-5%	14.3	0.0	14.3	0.0		3.6	4.4	0.8	22%
TNE Income	1.9	1.6	-0.3	-18%	1.6	0.0	1.6	0.0		0.0	0.1	0.1	149%
Research Activities	6.3	6.1	-0.3	-4%	6.1	0.0	6.1	0.0		1.1	1.0	-0.2	-16%
Enterprise Activities	7.0	9.3	2.3	32%	9.3	0.0	9.3	0.0		0.7	0.6	-0.0	-3%
Student Related Income	8.6	9.6	1.0	12%	9.6	0.0	9.6	0.0		1.6	1.1	-0.5	-31%
Other Operating Income	1.7	0.0	-1.7	-100%	0.0	0.0	0.0	0.0		0.1	0.0	-0.1	-55%
Endowments & Interest	0.3	0.1	-0.2	-63%	0.1	0.0	0.1	0.0		0.1	0.0	-0.1	-110%
Income	157.1	153.3	-3.8	-2%	153.3	0.0	153.3	0.0		73.9	49.1	-24.8	-34%
Academic Staff Costs	43.0	42.1	-0.9	-2%	42.1	0.0	42.1	0.0		6.4	6.9	0.5	8%
Support & Technicians	41.6	44.5	2.8	7%	44.5	0.0	44.5	0.0		6.6	6.9	0.2	3%
Third Party Staff	3.6	2.1	-1.5	-43%	2.1	0.0	2.1	0.0		0.1	0.4	0.3	323%
Restructuring (inc staff savings required)	1.2	-2.3	-1.1	96%	-2.3	0.0	-2.3	0.0		0.0	0.0	0.0	
Depreciation	9.4	10.5	1.1	12%	10.5	0.0	10.5	0.0		0.0	0.0	0.0	
Operating Expenses	54.7	46.1	-8.7	-16%	46.1	0.0	46.1	0.0	0%	6.2	4.4	-1.8	-29%
Interest Payable	4.4	5.8	1.4	31%	5.8	0.0	5.8	0.0		1.1	0.9	-0.2	-20%
Exceptional Items	0.0	2.5	2.5		2.5	0.0	2.5	0.0		0.0	0.0	0.0	
Expenditure	155.5	151.3	-4.3	-3%	151.3	0.0	151.3	0.0	0%	20.5	19.5	-1.0	-5%
Surplus for the year	1.5	2.0	-0.5	29%	2.0	0.0	2.0	0.0	-0%	53.5	29.7	-23.8	-44%
Surplus as % of income	1.0%	1.3%	32%		1.3%		1.3%			72.3%	60.4%	-16%	
Staff costs as % of income	55.4%	56.3%	2%		56.3%		56.3%			17.8%	28.9%	62%	

4) Forecast Summary

The key movements as compared to the 19/20 final outturn are additional investments in both Support staff and Technicians, an increase in Exceptional items to create a buffer to protect the 20/21 surplus, an increase in interest to reflect the potential costs of the Revolving Credit Facility and an increase in depreciation as we begin to capitalise some of the most recent improvements to the estate. We are currently budgeting for decreases in income including Tuition Fees and Research income. The University had one off charges of £6.2m which relates to assets that were charged to the P&L at the end of the year and by reducing Operating Expenses by an average of 2%. The University is closely managing temporary staff in both professional functions and across the Academic community. This could lead to a reduction of £1.5m in Agency staff and lead to a small reduction in Academic staff although there is a large vacancy factor in this budget line. This will be reviewed once we have a clearer understanding of student recruitment and determine an appropriate Staff Student ratio.



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5) Contribution Analysis

Contribution is on budget

At present all areas of the organisation are forecasting to Budget. However there are a number of emerging issues which have not yet been included in our Full Year forecast. At the University there is a concern over the level of Halls income and Income from Food sales in the forecast. There are also concerns about the level of pension provision in the accounts and the charge may have to increase between £2m and £4m

Contribution per School across Teaching, Research and Enterprise activities

£'millions	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	19/20 Actual	Sep 20/21 FYF	19/20 Actual	Sep 20/21 FYF	19/20 Actual	Sep 20/21 FYF	19/20 Actual	Sep 20/21 FYF	19/20 Actual	Sep 20/21 FYF	19/20 Actual	Sep 20/21 FYF	19/20 Actual	Sep 20/21 FYF	19/20 Actual	Sep 20/21 FYF
Income	£11.2	£12.0	£11.6	£11.0	£20.5	£19.0	£24.6	£23.3	£19.0	£18.9	£36.9	£35.4	£16.3	£16.1	£139.9	£135.8
Expenditure before space charge	£5.3	£5.6	£5.5	£4.9	£6.6	£6.9	£8.5	£8.3	£9.7	£10.0	£16.8	£16.9	£6.3	£6.6	£58.7	£59.2
Contribution	£5.9	£6.4	£6.0	£6.1	£13.9	£12.1	£16.1	£15.0	£9.3	£9.0	£20.0	£18.5	£9.9	£9.5	£81.2	£76.6
Contribution %age	52.6%	53.5%	52.2%	55.4%	67.9%	63.7%	65.5%	64.3%	49.1%	47.4%	54.4%	52.2%	61.0%	58.8%	58.1%	56.4%

The 7 schools have different levels of Research and Enterprise activities which can mask differences in Staff / Student ratios and contribution and so the teaching only levels of contribution is shown below.

Appendix 1

	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
£'millions	19/20 Actuals	Sep 20/21 FYF	19/20 Actuals	Sep 20/21 FYF	19/20 Actuals	Sep 20/21 FYF	19/20 Actuals	Sep 20/21 FYF	19/20 Actuals	Sep 20/21 FYF	19/20 Actuals	Sep 20/21 FYF	19/20 Actuals	Sep 20/21 FYF	19/20 Actuals	Sep 20/21 FYF
Teaching Income	£10.3	£10.6	£10.9	£10.3	£19.6	£18.1	£23.9	£23.0	£15.0	£14.5	£33.7	£32.4	£15.6	£15.6	£129.2	£124.5
Teaching Staff	£3.9	£3.9	£3.3	£3.1	£5.2	£4.7	£5.1	£5.0	£5.0	£4.9	£12.9	£13.0	£5.3	£5.4	£40.7	£40.0
Teaching Expenditure (excl space charge)	£0.7	£0.4	£1.6	£0.8	£0.8	£1.0	£3.1	£2.9	£0.9	£0.8	£2.0	£1.7	£0.8	£0.8	£9.9	£8.4
Teaching Contribution	£5.7	£6.2	£6.0	£6.4	£13.6	£12.4	£15.7	£15.1	£9.1	£8.8	£18.9	£17.7	£9.6	£9.4	£78.6	£76.0
Staff cost as %age of income	37.7%	36.9%	29.8%	30.1%	25.8%	26.0%	20.9%	21.8%	32.4%	33.7%	38.1%	40.1%	33.4%	34.6%	31.0%	32.1%
Contribution %	55.4%	58.9%	54.1%	62.2%	67.9%	68.7%	64.4%	65.7%	58.5%	60.8%	55.9%	54.5%	60.6%	60.1%	60.0%	61.1%
Return on Academic Investment	146.9%	159.6%	181.8%	206.7%	262.6%	264.6%	308.2%	301.6%	180.5%	180.6%	146.8%	135.9%	181.3%	173.5%	193.3%	190.1%
Full Year Student FTE	1,007	1,003	1,189	1,112	1,879	2,041	2,096	2,411	1,380	1,411	3,961	3,656	1,546	1,706	13,058	13,340
Expenditure per FTE	£4,543	£4,335	£4,119	£3,513	£3,203	£2,772	£3,900	£3,261	£4,322	£4,027	£3,754	£4,032	£3,922	£3,656	£3,872	£3,631
Contribution per Stud FTE	£5,700	£6,200	£5,100	£5,800	£7,200	£6,100	£7,500	£6,300	£6,600	£6,200	£4,800	£4,800	£6,200	£5,500	£6,000	£5,700

The Schools Teaching budget was set using Staff / Student ratios and with a standard investment in Operating Expenses per student. Schools predominately offering courses categorised as "high-cost subjects" by the OfS receive more funding per student to compensate for the cost of providing specialised laboratory space and technical support. It is consistent with expectations that those Schools delivering a portfolio of courses biased towards "high-cost subjects" would have a higher contribution to cover the costs incurred by Estates and Technicians required to support delivery.

6) Student Number Analysis

Enrollment FTE up

2% Year-on-year

The total number of enrolled students stands at 12,968. This is 2% higher than at the comparable position in 19/20 and compares to a budget target of 13,774 for Semester 1

The key driver for the increase in student numbers is due to the numbers of continuing students. This is significantly greater than the 19/20 position. Enrolment will continue during the month of October and we expect to get closer to last years outturn

[----- New -----]				
School	SEP-19	SEP-20	Change	% Change
ASC	549	491	-58	-10.6%
ACI	401	338	-63	-15.7%
BEA	917	511	-406	-44.3%
BUS	1,168	583	-585	-50.1%
ENG	692	385	-307	-44.4%
HSC	1,543	1,394	-149	-9.7%
LSS	914	638	-276	-30.2%
YTD Total	6,184	4,340	-1,844	-29.8%

[----- Continuing -----]				
School	SEP-19	SEP-20	Change	% Change
ASC	519	605	86	16.6%
ACI	650	660	10	1.5%
BEA	1,131	1,396	265	23.4%
BUS	899	1,703	804	89.4%
ENG	718	945	227	31.6%
HSC	1,847	2,268	421	22.8%
LSS	808	1,051	243	30.1%
YTD Total	6,572	8,628	2,056	31.3%

[----- TOTAL -----]				
School	SEP-19	SEP-20	Change	% Change
ASC	1,068	1,096	28	2.6%
ACI	1,051	998	-53	-5.0%
BEA	2,048	1,907	-141	-6.9%
BUS	2,067	2,286	219	10.6%
ENG	1,410	1,330	-80	-5.7%
HSC	3,390	3,662	272	8.0%
LSS	1,722	1,689	-33	-1.9%
YTD Total	12,756	12,968	212	1.7%

7) Student Withdrawal Analysis

Summary

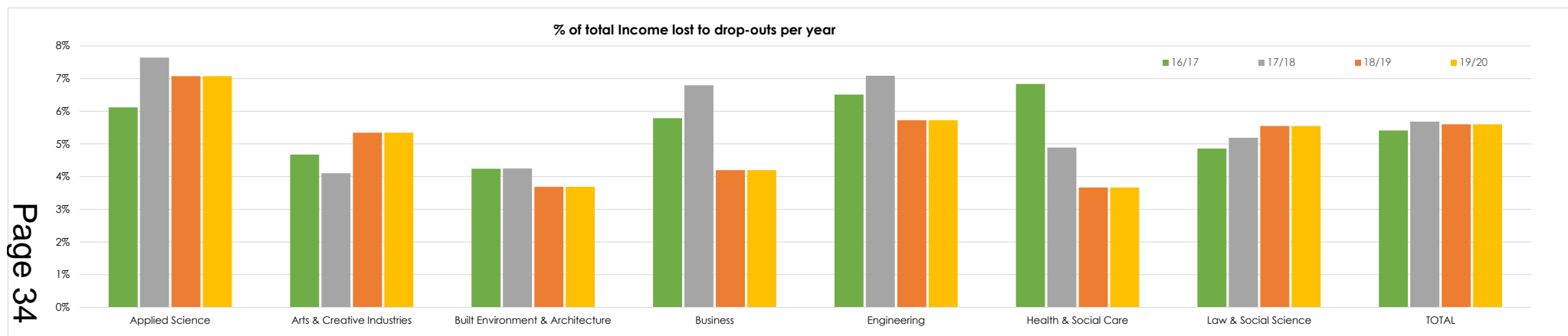
The University typically withdraws or Interrupts over 1,000 students in year. Analysis would suggest that Students who rely on SFE Funding for Tuition Fees and Students grants but who ultimately are not eligible, have only a 50% chance of successfully passing Year 1. Our focus on ensuring Funding is in place for all but the 'riskiest' categories of students should drive down the number of students who have to withdraw for financial reason and the amount of lost income.

The University is still enrolling students towards the Census date and withdrawals and interruptions are currently minimal.

Lost Fee Income' in £000K	17/18 Actuals	18/19 Actuals	19/20 Actuals
Applied Science	653	603	547
Arts and Creative Industries	391	538	330
Built Environment & Architecture	603	569	544
Business	998	700	853
Engineering	815	661	582
Health & Social Care	498	731	980
Law & Social Sciences	656	737	567
Total	4,614	4,538	4,403

Student Head count	17/18 Actuals	18/19 Actuals	19/20 Actuals
Applied Science	124	119	110
Arts and Creative Industries	68	96	79
Built Environment & Architect	174	144	138
Business	224	171	223
Engineering	166	142	122
Health & Social Care	211	241	353
Law & Social Sciences	148	167	115
Total	1,115	1,080	1,140

Appendix 1	
Student Type	19/20
UG New	537
UG Cont.	322
PG New	197
PG Cont.	84
Total	1,140



"Lost income" is the difference between income generated at Enrolment and the amount retained at the end of the Year. The University receives funding for UG students in 3 tranches; 25% for Semester 1, 25% for Semester 2 and 50% for semester 3; if a student does not progress into the following semester then a refund is generated.

8) Income Analysis

Total income ahead of budget Total YTD income is ahead of the YTD budget, however this is due to the fact that we typically Budget for tuition fees when enrolment is completed in October. YTD Tuition Fee income is £24m behind the comparable YTD position in 19/20 and is due to a delay in billings. The total number of enrolled students is ahead of the comparable position in 19/20 but this will catch up when the Fees and Bursaries team have completed enrolment. The Full Year forecast for Halls of Residence Income and Food Sales is looking overstated. Occupancy rates are currently trending to 75% as compared to a typical 97% occupancy rate which could lead to a budget shortfall of £2m. Footfall is down on the campus and this could lead to a further budget shortfall of £0.7m.

Home & EU tuition fees = 40% of vs budget Home / EU Tuition Fees comprise the bulk of the YTD shortfall but will increase next month as billings catch up with enrolment. Most Schools have delivered in excess of 40% of the Full Year Income Forecast, there is a delay in HSC billing which is considered a timing difference.

Overseas tuition fees = 30% of budget Overseas Tuition Fees are currently £4.4m as compared to £3.6m in 19/20. This is driven by a large number of returning UG students. Total Overseas Tuition Income is looking at risk due to Semester 1 recruitment but we may have an opportunity to catch up in Semester 2.

16% of Research income FYF achieved The University has currently delivered £951K Research income against a budget target of £6.0m representing 16% of the full year forecast. This is slightly down as compared to the budgeted YTD position of £1.2m and is due to delays in research projects. The comparable position in 19/20 was £1.128m. Research projects typically have low contribution rates and so reduced income should not have a material impact on the Full Year forecast surplus position.

7% of Enterprise income forecast achieved YTD The University has currently delivered £866k income against a budget target of £9.3m representing 7% of the full year forecast. This compares favourably to the £669K delivered at this time in 19/20 but we will need to scale up activity to deliver against budget.

9) Staff Cost Analysis

4.3% underspend on recurring staff costs YTD

Staff costs are one of the key risks to our performance in 20/21. The Scenario 2 budget assumed a rollover position for 20/21 in terms of posts but with staff saving required of £3.8m in the November budget review to balance the forecast reduction in income. The University is currently underspending staff costs by £640K. The key driver for the underspend is in Marketing and Communications and reflects the investments that we make in this time in both Clearing and Enrolment. Some of these costs are currently in the Fees team and a transfer will be required. The overall shortfall will be reduced as Clearing and Enrolment staff employed through the LSBU agency are appropriately charged. The roll over budget for the Executive does not reflect some of the changes in structure within that team and will be reviewed as part of the November in year Budget review.

10) Operating Expense Analysis

OPEX 34% better than budget

In the scenario 2b budget all areas with Operating expenses had their budget reduced by an average of 2%. YTD operating expenses currently stand at £4.3m as compared to £6.2m at the comparable period in 19/20. The key reductions are in staff related expenditure which may be impacted by the degree of remote working and in student related expenditure particularly with regard to welcome week and student consumables. This may be a timing difference and operating expenses are being reviewed in October to determine the level of commitments in order to inform the revised budget.

11) Interest Payable

Budget is overstated

In the scenario 2b budget we have assumed £5.8m of Interest expenses. This was calculated as £1m existing loans, £2.4m FRS102 Interest and £2.4m interest on new loans/overdraft. The current forecast is that the Revolving Credit Facility may not be needed until April and certainly not in its entirety and so we may be able to reduce this forecast by £2m

12) Exceptional Items

Exceptional items forecast at £2.5m

The University created £5m of 'headroom' in the scenario 2b budget with a proposed £2m surplus and £3m of Exceptional items. We have currently invested £451k in new staff posts and so have £2.5m left. This is currently being used to offset some of the staff savings that will be required to deliver a balanced outturn in 20/21.

13) Cash Position

Cash position = £44.7m

The cash position as at 30 September is £44.7m, this is a reduction of £1.5m as compared to August and compares to £51.2m at the comparable position in 19/20. The University has a further £30m available due to Revolving Credit Facility in place to fund the developments in the LSBU Estate and we expect to drawdown £1.5m in April.

LONDON SOUTH BANK UNIVERSITY / ENTERPRISES

Management Summary Report from August 2020 To The End Of September 2020

SMT Area: All

Cost Centre: %

EST 1892
LSBU

REF MANSUM

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	Code	Client	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)			
					2020 Forecast	2020 Budget	Variance - Forecast to Budget		2020 Actuals	2020 Budget	Variance - Actuals to Budget			Note		
					(£)	(£)	(£)	%	(£)	(£)	(£)	%		Note		
-157,095,403	-73,921,476	Total Income			-153,264,959	-153,264,959		%			-49,139,968	-6,206,413	42,933,555	692%		-104,124,991
87,056,752	13,182,170	Total Staff Costs			86,360,729	86,360,728	(1)	(%)			14,345,636	14,850,864	505,227	3%		72,015,093
9,354,506		Total Depreciation			10,500,000	10,500,000		%			1,750,000	1,750,000		%		8,750,000
54,718,784	6,168,761	Total Other Operating Expenses			46,054,834	46,054,833	(1)	(%)			4,363,583	6,615,941	2,252,358	34%		41,691,251
4,416,903	1,114,245	Total Interest Payable			5,799,998	5,799,998		%			889,241	738,930	(150,311)	(20%)		4,910,757
		Total Exceptional Items			2,549,400	2,549,400		%								2,549,400
-1,548,458	-53,456,300	Contribution			-1,999,998	-2,000,000	(2)	(%)			-27,791,507	17,749,322	45,540,829	257%		25,791,509
55.4%		Staff costs as % of income			56.3%	56.3%					29.2%	239.3%				
1.0%		Contribution %			1.3%	1.3%					56.6%	(286.0)%				

This Executive Summary reports on the draft financial position of Lambeth College as at 30th September 2020.

1) RAG Status

Income Growth FYF v 19/20 outturn	2.5%
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Staff Cost % excluding restructuring	59.7%
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FYF Surplus (Contribution %)	0.0%
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2) Summary

Opex Growth	10.2%
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Staff Cost Growth	-0.3%
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EBITDA	6.2%
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Budgeted Contribution at 0% This is the second year that the deficit at Lambeth College will be funded through the release of deferred income received from the ESFA as part of the transaction to acquire Lambeth College. The original budget assumed £2.7m of income release to deliver a neutral position. (this is the £1.7m operating deficit plus £1m of Novated loan costs)

£1.4m increase in Pension Costs The Budget for Lambeth College was agreed in July before the LPFA undertake pension expense calculations report was received from Barnett Waddingham. The report identified a requirement for £2.369m including £440k of Pensions interest. The college had budgeted £985K in line with the previous years budget. The Full Year Forecast has been adjusted to take account of the additional £1.929m whilst the interest charge has been reduced by £518k.

£300k increase in staffing costs The Executive have also agreed to support the College with an £300k increase in staffing costs. The net result of the 2 adjustments is an increase in the release of deferred income from the Transaction Unit of £1.7m. This would take the total amount released to £9.3m. This leaves £4.4m remaining to cover the operating losses of future years

91% of income is secure The ESFA have confirmed funding of £21.4m including funding grants, £310k of income is Deferred and has already been received, and £540k Donations income are already secure. This leaves an overall budget target of £2.8m. Excluding Funding Grants the College has generated £264K in 20/21 which compares favourably to the £196K generated last year. The College is also forecasting a further £198k of grant income to offset Covid 19 expenses. Nursery Income however is expected to be £50k lower than forecast and so, excluding the release of TU grant, the overall income forecast has increased by £148k this month

Recruitment is challenging In terms of recruitment at the College, there is a challenge with regard to the Adult Education target however the College has received confirmation that clawback will take effect only if achievement < 90%, so the challenge in recruitment will have to be offset by student success. 16-18 enrolment appears to have progressed quite well for the period and is ahead of the previous years position.

Staff costs are £165K better than budget YTD Staff costs are currently £165K better than the budgeted position however this is consider a timing difference and there will be a challenge to deliver to budget. Funds are also required to support High Need students. Now that that many learners have been on boarded, their needs are currently being identified and support is being costed. The Vice Chancellor has already indicated that he is willing to support £300K of additional staff costs as compared to the original budget

Opex are 27% higher than 19/20 YTD Opex are 32% ahead of budget, a significant proportion of this is Hardware purchases rolled over from the previous year. Some of this will be funded by ESFA Bursary's and distributed to students as part of their student success package. The remainder will be supported by the additional GLA grant to assist with COVID costs.

Cash position = £4.2m The cash position as at 30 September is £4.2m, this is an increase of £0.6m as compared to August. The intention is to keep this balance in excess of £1.5m to provide the college with sufficient working capital

3) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	CURRENT YEAR BUDGET vs PRIOR YEAR ACTUALS				FULL YEAR FORECAST OUTTURN POSITION					YEAR ON YEAR (Y-T-D COMPARISON)			
	19/20 Actuals	20/21 Budget	Change to 19/20	Change %	Aug 20/21 Forecast Outturn	Monthly move	Sep 19/20 Forecast Outturn	Variance to 20/21 Budget	Budget variance %	19/20 Actuals	20/21 Actuals	Change to 19/20	Change %
Funding Grants	20.5	19.9	-0.6	-3%	19.9	0.2	20.1	0.2	1%	5.1	3.6	-1.5	-29%
Transaction Unit Grant	4.9	2.7	-2.2	-45%	2.7	1.7	4.4	1.7	62%				
Fees - Home & EU UG	1.8	3.5	1.7	91%	3.5	-0.0	3.5	-0.0	-0%	0.1	0.1	-0.0	-5%
Enterprise Activities	0.2	0.1	-0.1	-49%	0.1	0.0	0.1	0.0		0.0	0.0	-0.0	-77%
Student Related Income	0.0	0.7	0.6	1882%	0.7	0.0	0.7	0.0		0.0	0.0	-0.0	-84%
Other Operating Income	1.5	1.0	-0.5	-34%	1.0	-0.1	0.9	-0.1	-5%	0.0	0.1	0.1	342%
Endowments & Interest	0.0	0.0	-0.0	-100%	0.0	0.0	0.0	0.0		0.0	0.0	-0.0	-100%
Income	29.0	27.9	-1.1	-4%	27.9	1.8	29.7	1.8	7%	5.3	3.9	-1.4	-26%
Academic Staff Costs	9.5	8.9	-0.6	-6%	8.9	0.3	9.2	0.3	3%	1.5	1.5	-0.0	-2%
Support & Technicians	5.2	5.6	0.4	8%	5.6	0.0	5.6	0.0		0.9	0.9	-0.0	-4%
Third Party Staff	3.7	2.9	-0.7	-20%	2.9	0.0	3.0	0.0	1%	0.5	0.5	-0.0	-4%
Restructuring / Pension Costs	1.7	0.3	-1.4	-82%	0.3	1.9	2.2	1.9	624%	0.0	0.2	0.2	329%
Depreciation	1.3	1.4	0.1	10%	1.4	0.0	1.4	0.0		0.0	0.2	0.2	
Operating Expenses	7.1	7.8	0.6	9%	7.8	0.1	7.9	0.1	1%	0.8	1.5	0.7	91%
Interest Payable	0.5	1.0	0.5	96%	1.0	-0.5	0.4	-0.5	-55%	0.5	0.2	-0.3	-67%
Exceptional Items	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	
Expenditure	29.0	27.9	-1.1	-4%	27.9	1.8	29.7	1.8	7%	4.3	5.0	0.7	17%
Surplus for the year	0.0	0.0	-0.0	-100%	0.0	0.0	0.0	0.0		1.0	1.1	-2.1	-208%
Surplus as % of income	0.0%	-100%					0.0%			19.0%	-28.0%		-247%
Staff costs as % of income	69.2%	63.6%		-8%	63.6%		67.3%			56.3%	78.4%		39%

SMT Area: All
 Cost Centre: All

REF MANSUMSC

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
			2020 Forecast (£)	2020 Budget (£)	Variance - Forecast to Budget (£) %		Note	2020 Actuals (£)	2020 Budget (£)	Variance - Actuals to Budget (£) %		Note	
(28,963,101)	(5,262,999)	Total Income	(29,687,472)	(27,858,000)	1,829,472	7%		(3,881,808)	(4,189,046)	(307,237)	(7%)		(25,805,664)
20,038,908	2,961,259	Total Staff Costs	19,971,916	17,707,917	(2,263,999)	(13%)		3,045,111	3,000,757	(44,355)	(1%)		16,926,805
1,272,961		Total Depreciation	1,400,000	1,400,000		%		233,333	233,333		%		1,166,667
7,147,759	798,845	Total Other Operating Expenses	7,875,556	7,765,083	(110,473)	(1%)		1,524,257	1,151,449	(372,808)	(32%)		6,351,299
503,286	502,578	Total Interest Payable	440,000	985,000	545,000	55%		164,167	164,167	()	(%)		275,833
(187)	(1,000,317)	Contribution	()					1,551,726	360,660	(1,191,067)	(330%)		(1,551,726)

5 Year Forecast revised to take account of 19/20 Year end Pos	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Includes £30m RCF but with no movement in working capital							
Table 1: Consolidated statement of comprehensive income an	Audited data						
With reprofiling of the NESC due to delays in that project	Last Audited Year		Last Year	This Year			
With SBC and LSBU 2020/21 Budgets including Pension costs	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Financial year ending:	31/07/2018	31/07/2019	31/07/2020	31/07/2021	31/07/2022	31/07/2023	31/07/2024
1 Income	£000s	£000s	£000s	£000s	£000s	£000s	£000s
1a Course fees and education contracts	106,537	111,344	124,547	120,707	117,744	124,276	128,377
1b Funding body grants	16,544	30,699	41,715	39,848	43,293	43,355	44,238
1c Research grants and contracts	3,738	4,429	4,407	3,671	4,966	6,166	7,166
1d Other income	17,708	33,623	12,901	20,616	24,626	27,217	32,233
1e Investment income	179	303	308	110	110	110	110
1f Donations and endowments	596	646	552	0	1	1	1
1g Total income	145,302	181,044	184,430	184,952	190,740	201,125	212,125
2 Expenditure	£000s	£000s	£000s	£000s	£000s	£000s	£000s
2a Staff costs	82,106	73,189	86,699	92,493	93,636	95,928	100,088
2b Fundamental restructuring costs	0	0	379	1,809	1,500	1,500	1,500
Pension Costs	0	17,196	18,059	20,578	20,578	22,578	24,578
2c Other operating expenses	47,658	56,455	63,967	52,931	53,286	55,779	57,019
2d Depreciation	9,626	10,353	10,627	11,900	14,900	17,500	20,100
2e Interest and other finance costs	4,298	4,586	3,268	5,240	6,240	6,240	6,240
2f Total expenditure	143,688	161,779	182,999	184,952	190,140	199,525	209,525
3 Surplus/(deficit) before other gains/losses and shar	1,614	19,265	1,431	0	600	1,600	2,600
4 Gain/(loss) on disposal of tangible assets	0	0	0	0	0	0	0
5 Gain/(loss) on investments	17	31	0	0	0	0	0
6 Share of operating surplus/(deficit) in joint venture(s)	0	0	0	0	0	0	0
7 Share of operating surplus/(deficit) in associate(s)	0	0	0	0	0	0	0
8 Surplus/(deficit) before tax	1,631	19,296	1,431	0	600	1,600	2,600
9 Taxation	0	0	0	0	0	0	0
10 Surplus/(deficit) for the year	1,631	19,296	1,431	0	600	1,600	2,600
11 Unrealised surplus on revaluation of land and buildin	0	0	0	0	0	0	0
12 Actuarial gain/(loss) in respect of pension schemes	19,086	-3,147	0	0	0	0	0
13 Change in fair value of hedging financial instrument(0	0	0	0	0	0	0
14 Miscellaneous types of other comprehensive income	0	0	0	0	0	0	0
15 Total comprehensive income for the year	20,717	16,149	1,431	0	600	1,600	2,600

Table 2: Consolidated balance sheet

Financial year ending:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	31/07/2018	31/07/2019	31/07/2020	31/07/2021	31/07/2022	31/07/2023	31/07/2024
1 Non-current assets	£000s	£000s	£000s	£000s	£000s	£000s	£000s
1a Intangible assets	1,065	165	137	137	137	137	137
1b Goodwill	0	0	0	0	0	0	0
1c Negative goodwill	0	0	0	0	0	0	0
1d Net amount of goodwill and negative goodwill	0	0	0	0	0	0	0
1e Fixed assets	217,804	295,738	303,202	347,255	362,959	357,508	357,408
1f Heritage assets	0	0	0	0	0	0	0
1g Investments	38	38	38	38	38	38	38
1h Investment in joint venture(s)	0	0	0	0	0	0	0
1i Investments in associate(s)	0	0	0	0	0	0	0
1j Other non-current assets	0	0	0	0	0	0	0
1k Total non-current assets	218,907	295,941	303,377	347,430	363,134	357,683	357,583
2 Current assets	£000s	£000s	£000s	£000s	£000s	£000s	£000s
2a Stock	10	6	6	6	6	6	6
2b Trade and other receivables (excluding loans to direc	19,408	18,999	23,447	23,447	23,447	23,447	23,447
2c Investments	11,573	11,713	6,835	6,835	6,835	6,835	6,835
2d Cash and cash equivalents	37,841	47,088	45,349	28,150	12,618	21,410	26,536
2e Loans to directors	0	0	0	0	0	0	0
2f Accrued course fees	0	0	0	0	0	0	0
2g Other current assets	0	0	0	0	0	0	0

2h Total current assets	68,832	77,806	75,637	58,438	42,906	51,698	56,824
3 Creditors: amounts falling due within one year	£000s	£000s	£000s	£000s	£000s	£000s	£000s
3a Overdrafts	0	0	0	0	0	0	0
3b Bank loans and external borrowing	1,367	1,909	1,944	1,944	1,944	1,944	1,944
3c Obligations under finance leases and service concess	0	0	0	0	0	0	0
3d Deferred course fees	0	0	0	0	0	0	0
3e Tax and social security costs	1,544	1,984	2,282	2,282	2,282	2,282	2,282
3f LSBU Creditor	0	0	0	0	0	0	0
3g Other creditors (amounts falling due within one year)	28,374	30,170	37,973	37,973	37,973	37,973	37,973
3h Total creditors (amounts falling due within one year)	31,285	34,063	42,199	42,199	42,199	42,199	42,199
4 Share of net current assets/(liabilities) in associate	0	0	0	0	0	0	0
5 Net current assets/(liabilities)	37,547	43,743	33,438	16,239	707	9,499	14,625
6 Total assets less current liabilities	256,454	339,684	336,815	363,669	363,841	367,182	372,208
7 Creditors: amounts falling due after more than one year	£000s	£000s	£000s	£000s	£000s	£000s	£000s
7a Bank loans and external borrowing	22,895	34,452	32,507	60,332	57,881	55,154	52,151
7b Obligations under finance leases and service concess	0	0	0	0	0	0	0
7c LSBU Creditor	0	0	0	0	0	0	0
7d Other creditors (amounts falling due after more than one year)	22,527	45,234	36,567	32,161	28,755	27,793	27,793
7e Total creditors (amounts falling due after more than one year)	45,422	79,686	69,074	92,493	86,636	82,947	79,944
8 Provisions	£000s	£000s	£000s	£000s	£000s	£000s	£000s
8a Pension provisions	100,743	133,560	194,252	197,681	203,110	208,539	213,968
8b Other provisions	0	0	0	0	0	0	0
8c Total provisions	100,743	133,560	194,252	197,681	203,110	208,539	213,968
9 Net total assets/(liabilities)	110,289	126,438	73,489	73,495	74,095	75,695	78,295
10 Restricted reserves	£000s	£000s	£000s	£000s	£000s	£000s	£000s
10a Income and expenditure endowment reserve	824	855	862	862	862	862	862
10b Income and expenditure restricted reserve	0	0	0	0	0	0	0
11 Unrestricted reserves							
11a Income and expenditure unrestricted reserve	82,743	99,632	47,375	47,375	47,975	49,575	52,175
11b Revaluation reserve	26,722	25,951	25,257	25,257	25,257	25,257	25,257
11c Other reserves	0	0	0	2	2	3	3
12 Total restricted and unrestricted reserves	110,289	126,438	73,494	73,496	74,096	75,697	78,297
		0	5	1	1	2	2
13 Non controlling interest	0	0	0	0	0	0	0
14 Total reserves	110,289	126,438	73,494	73,496	74,096	75,697	78,297
15 Share capital	110,289	126,438	73,494	73,496	74,096	75,697	78,297

Table 3: Consolidated statement of cash flows

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
0 Financial year ending:	31/07/2018	31/07/2019	31/07/2020	31/07/2021	31/07/2022	31/07/2023	31/07/2024
1 Cash flow from operating activities	£000s	£000s	£000s	£000s	£000s	£000s	£000s
1a Surplus for the year	1,631	19,296	1,431	0	600	1,600	2,600
2 Adjustment for non-cash items	£000s	£000s	£000s	£000s	£000s	£000s	£000s
2a Depreciation	9,626	10,353	10,627	11,900	14,900	17,500	20,100
2b Amortisation of intangibles	0	0	0	0	0	0	0
2c Benefit on acquisition	0	0	0	0	0	0	0
2d Amortisation of goodwill	0	0	0	0	0	0	0
2e Loss/(gain) on investments	-17	-31	308	110	110	110	110
2f Decrease/(increase) in stock	-2	4	0	0	0	0	0
2g Decrease/(increase) in debtors	-1,030	1,387	-4,448	0	0	0	0
2h Increase/(decrease) in creditors	-4,653	3,072	2,450	-2,175	-2,451	-2,727	-3,003
2i Increase/(decrease) in pension provisions	0	7,298	14,989	3,929	5,929	5,929	5,929
2j Increase/(decrease) in other provisions	0	0	0	0	0	0	0
2k Receipt of donated equipment	0	0	0	0	0	0	0
2l Share of operating deficit/(surplus) in joint venture	0	0	0	0	0	0	0
2m Share of operating deficit/(surplus) in associate	0	0	0	0	0	0	0
2n Other adjustment for non-cash items	2,914	-16,210		0	0	0	0

3	Adjustment for investing or financing activities	£000s	£000s	£000s	£000s	£000s	£000s	£000s
3a	Investment income	-22	-23	-308	-110	-110	-110	-110
3b	Interest payable	4,298	4,586	4,920	5,240	6,240	6,240	6,240
3c	Endowment income	0	0	0	0	0	0	0
3d	Loss/(gain) on the sale of fixed assets and intangible	0	0	954	0	0	0	0
3e	Release of TU Grant to support Lambeth College	0	0	-4,926	-4,406	-3,406	-962	0
4	Net cash inflow/(outflow) from operating activities	12,745	29,732	25,997	14,488	21,812	27,580	31,866
5	Cash flows from investing activities	£000s	£000s	£000s	£000s	£000s	£000s	£000s
5a	Proceeds from sales of fixed assets	0	0	0	0	0	0	0
5b	Proceeds from sales of intangible assets	0	0	0	0	0	0	0
5c	Capital grants receipts	0	0	0	0	0	0	0
5d	Disposal of non-current asset investments	0	0	0	0	0	0	0
5e	Withdrawal of deposits	0	0	-4,878	0	0	0	0
5f	Investment income	0	0	0	0	0	0	0
5g	Payments made to acquire fixed assets	-9,623	-17,406	-19,045	-55,953	-30,604	-12,048	-20,000
5h	Payments made to acquire intangible assets	0	0	0	0	0	0	0
5i	New non-current asset investments	5,047	-140	0	0	0	0	0
5j	New deposits	0	0	0	0	0	0	0
5k	Other cash flows from investing activities	1	251	0	0	0	0	0
5l	Total cash flows from investing activities	-4,575	-17,295	-23,923	-55,953	-30,604	-12,048	-20,000
6	Cash flows from financing activities	£000s	£000s	£000s	£000s	£000s	£000s	£000s
6a	Interest paid	-1,347	-1,624	-1,933	-3,565	-4,289	-4,013	-3,737
6b	Interest element of finance lease and service concess	0	0	0	0	0	0	0
6c	Endowment cash received	0	0	0	0	0	0	0
6d	New secured loans	0	0	0	30,000	0	0	0
6e	New unsecured loans	0	0	0	0	0	0	0
6f	Repayments of amounts borrowed	-1,128	-1,566	-1,910	-2,175	-2,451	-2,727	-3,003
6g	Capital element of finance lease and service concessi	0	0	0	0	0	0	0
6h	Dividends paid	0	0	0	0	0	0	0
6i	Other cash flows from financing activities	0	0	30	6	0	0	0
6j	Total cash flows from financing activities	-2,475	-3,190	-3,813	24,266	-6,740	-6,740	-6,740
7	(Decrease)/Increase in cash and cash equivalents in t	5,695	9,247	-1,739	-17,199	-15,532	8,792	5,126

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London South Bank University

Based on the forecasts in appendix 2 the University will meet the covenants in place for its loans with Barclays and AIB.

LSBU only

Debt Service Cover

Adjusted Cashflow for each Relevant Period shall be no less than 125% of its Debt Servicing Costs for such Relevant Period.

Entry	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Net cash inflow/(outflow) from operating activities	22,293	5,983	7,422	24,796	29,497
Investment income	300	110	110	110	110
Endowment cash received	0		0	0	
Exclude any cash pension costs, i.e. not to be added back		0	0	0	
Adjusted Cashflow	22,593	6,093	7,532	24,906	29,607
Interest paid	2,172	2,555	3,555	3,555	3,555
Interest element of finance lease and service concession payments	0	0	0	0	
Repayments of amounts borrowed	1,910	2,175	2,451	2,727	3,003
Capital element of finance lease and service concession payments	0	0	0	0	
Debt Servicing Costs	4,082	4,730	6,006	6,282	6,558
Debt Service Cover	553%	129%	125%	396%	451%
Covenant Level	125%	125%	125%	125%	125%
Forecast Compliance	Compliance	Compliance	Compliance	Compliance	Compliance

Operational Leverage

The ratio of Borrowings at the end of each Relevant Period to Adjusted Operating Surplus for such Relevant Period shall not exceed

Entry	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Bank overdrafts	0	0	0	0	0
Loans repayable to the funding council	0	0	0	0	
Bank loans and external borrowing	1,944	1,944	1,944	1,944	1,944
Obligations under finance leases and service concessions	0	0	0	0	0
Loans repayable to funding council	0	0	0	0	0
Bank loans and external borrowing	32,507	60,332	57,881	55,154	52,151
Obligations under finance leases and service concessions	0	0	0	0	0
Include any Transaction Unit Debt if defined as such by the Transaction	0	0	0	0	0
Borrowings	34,451	62,276	59,825	57,098	54,095
Surplus/(deficit) before other gains/losses and share of surplus/(deficit) in joint ventures and associates	0	0	600	1,600	2,600
Depreciation	9,354	10,500	13,500	15,500	17,500
Interest and other finance costs	1,265	3,300	4,300	4,300	4,300
Amortisation	0	0	0	0	
Pension Items	2,791	2,000	2,000	2,000	2,000
Capital Grants recognised in the year	0	0	0	0	
Release of deferred capital grants	0	0	0	0	
Exclude any one-off grant funding from the Transaction Unit.			0	0	
Adjusted Operating Surplus	13,410	15,800	20,400	23,400	26,400
Operational Leverage	257%	394%	293%	244%	205%
Covenant Level	500%	500%	500%	500%	500%
Forecast Compliance	Compliance	Compliance	Compliance	Compliance	Compliance

Security Cover

The Property Value shall at all times be no less than 140% of the Facilities.

Entry	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Property Value	61,510	61,510			
Property Value	61,510	61,510			
LSBU Facility	33,318				
LSBU Mark to Market					
LC Facility					
LC Mark to Market					
Facilities	33,318				

Operational Leverage	185%				
Covenant Level	140%	140%	140%	140%	140%
Forecast Compliance	Compliance				

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Surplus for the year	0	0	600	1,600	2,600
Transfer from revaluation reserve	694	695	696	697	698
Historical cost surplus	694	695	1,296	2,297	3,298
Operating cashflow/debt servicing cost ratio not less than 1:1					
Operating Cashflow	22,293	5,983	7,422	24,796	29,497
Capital element of bank loan repayments	1,910	2,175	2,451	2,727	3,003
Interest element of bank loan repayments	2,172	2,555	3,555	3,555	3,555
	4,082	4,730	6,006	6,282	6,558
Net cash inflow from debt servicing costs	546%	126%	124%	395%	450%

Agenda Item 8

	INTERNAL
Paper title:	Annual Education Report 2020
Board/Committee:	Board of Governors
Date of meeting:	19 November 2020
Author(s):	Richard Duke, Deborah Johnston, Karen McLernon, Tony Moss, Sally Skillett-Moore, Adam Streames, Warren Turner
Sponsor(s):	Deborah Johnston, PVC Education
Purpose:	For Approval
Recommendation:	To be assured of academic governance in LSBU in terms of quality, standards and student outcomes.

Executive summary

The governing body must actively seek and receive assurance that academic governance is robust and effective.

This report contains information on the key indicators of academic performance:

- Courses approved
- Operation of the external examiner system
- Grade profile
- NSS
- Graduate Outcomes
- Progression

This data provides evidence on the soundness of LSBU academic governance. It suggests that overall performance has been sound in terms of quality and standards, despite the impact of the Covid19 pandemic.

Overall, an appropriate balance has been struck between maintaining standards and adjusting for the new environment. The data do however set out clear areas for future work, particularly in the improvement of progression and graduate outcomes for certain groups of students.

Annual Education Report 2020: for Executive Board approval

Background

The Board of Governors must be assured that our academic standards and quality are appropriate:

The governing body must actively seek and receive assurance that academic governance is robust and effective. Governing bodies also need to provide assurance on academic standards and the integrity of academic qualifications, and will work with the Senate/Academic Board (or equivalent, as specified in their governing instruments) to maintain standards and continuously improve quality. Governing bodies will also wish to receive assurance that specific academic risks (such as those involving partnerships and collaboration, recruitment and retention, data provision, quality assurance and research integrity) are being effectively managed.

This report provides the key indicators to allow the Board to have confidence in LSBU academic provision. In the 2019/20 academic year, this is particularly important as the Board will have concerns not only about our long term trajectory but also our short term mitigation of the impact of the Covid19 pandemic.

By providing evidence on the soundness of our processes and the nature of our outcomes, this report indicates that the Board can be confident that standards and quality have been appropriately maintained. There are areas for future work, however, and these are related both to the longer-term challenge of improving outcomes for certain groups of students as well as the shorter term challenge of our changed working practices in the light of Covid19.

1. Summary of courses approved during the year

The detail is shown in Appendix 1. The key findings are:

- The validation/revalidation process was able to continue despite the impact of Covid19.
- Greater awareness of CMA requirements is in evidence.
- The recommendations and conditions suggest a need for improvements in the paperwork for apprenticeships and January start courses. There is a general need to consider assessment patterns and weight.
- The commendations show good partnership working.

Appendix 1 shows our continued support to strong approval processes and the creation of the Academic Planning Panel.

2. External Examiner Reports

The detail is found in Appendix 2 and suggests that the Board should be assured that:

- The external examiner system worked as intended, despite the disruption of Covid19
- External examiners were largely satisfied that academic adjustments in the face of Covid19 were appropriate and fair, and that academic standards were maintained. There were a small number of External Examiners who were concerned that adjustments led to higher outcomes than would have been the case otherwise.

3. Grade profile and awarding

Appendix 3 shows the detail. Overall, during 2019/20, there has been a small increase in students achieving a good honours degree (i.e. a first or 2:1), with a small decrease in firsts and a slightly larger increase in 2:1:

- This relative stability is, however, not the picture in every school. There were significant increases in the proportion of Firsts in some schools {APS (FT), BEA (FT), ENG (FT and PT), LSS (FT)} and in the proportion of Upper Seconds {ACI (FT), ENG (PT)}.
- The overall awarding gap when comparing white to BME students narrowed by 0.3% points, but still remains significant.

There are three potential reasons for the increase in awarding we see in some Schools:

- changes in awards as a result of the Covid19-related exceptional regulations. However the details of the latter, in Appendix 5, suggest that the Exceptional Regulations have improved progression but have not changed the grade profile at the top end.
- In some Schools, there were pedagogic changes that were expected to improve attainment. The implementation of Transforming the Experience of Students Through Assessment (TESTA) in APS and Business may have also been expected to lead to changes in attainment, changes to the teaching of part-time students in ENG, while the implementation of Awarding Gap projects in LSS might have been expected to lead to improvements in attainment for BAME students.
- However, issues with higher than expected marks were identified in some modules in BEA, ENG and LSS as a result of the rapid transition to online exam alternatives (see Appendix 5).

The increase in award we have seen in some areas has been due to pedagogic interventions to improve attainment. However, continued work is needed around awarding gaps and a new awarding gap strategy is being developed. In addition, there may have been some upward drift due to the rapid switch to online assessment in a few areas and we have been working with academic colleagues to help them develop online assessment activities as well as purchasing proctored software to extend the range of appropriate options.

4. Graduate Outcomes

This report is only able to provide data on the employment (Graduate Outcomes, Appendix 4) results for LSBU for 2019/20 as this is a new data set. To fit with OFS reporting requirements, this data only covers UK domiciled graduates.

Overall at an institutional level, the GO data suggests no result of concern or significant concern for any level of study or mode. However, there are concerns for certain groups of students:

- Significant concern for PGT FT Students from Index of Multiple Deprivation (IMD) quintiles 1&2
- Concern for PGT FT Black and Minority Ethnic (BME) and PGT FT Disabled

There is also a concern by subject:

- The poor PGT FT outcomes are concentrated in Law (Significant concern), Engineering (Significant concern) and Business (Concern)
- The poor First Degree FT concerns arise of significant concern in Agriculture & Food (National School of Baking courses), and concern in Business, Computing, Education, Forensic Sciences, Psychology.

As a key part of the Corporate Strategy work, we are bringing forward a new employability strategy that will aim to create a step-change in student outcomes at all levels.

5. Progression rates

Progression is defined as a student returning in year 2, at a higher level, on any course. The data presented in this report is limited to full time first degree students. Progression rates have increased from 73.8% in 2018/19 to 79.8% in 2019/20 (as of 21st October 2020)

- All Schools have contributed to this, with increasing progression rates, particularly in the Schools of Health and Social Care, Engineering and Law and Social Sciences.
- There has also been an increase in progression in 2019/20 across all ethnic groups. This has been most apparent amongst black students, with a 10% point increase in progression rate.
- The Planning, Performance and Assurance (PPA) team are working on reports that demonstrate performance against the OfS B3 continuation metric, and this will be available soon. Early analysis has identified that the increase in progression rates is broadly reflected by the increase in continuation rates.

It should be noted, that though these results are very encouraging, 2019/20 was an exceptional year, and the academic performance of students in year 2 will have to be monitored to ensure appropriate levels of support is provided. In addition, there remain gaps in progression by ethnic group.

A new progression and retention strategy is being brought forward under the Corporate Strategy, and will work with the Awarding Gap strategy to improve progression for all students.

Appendix 5 assesses the impact of Covid-19 and resulting exceptional regulations on the academic performance of students. It suggests that student outcomes were maintained during the pandemic in an appropriate way.

6. Student experience as measured by the NSS

Overall, there is no evidence that the Covid-19 pandemic or London Road closure had a significant negative impact on the 2020 NSS results. The OfS conducted detailed analysis at sector and provider level to ascertain whether the pandemic has distorted the NSS results and concluded this was not the case. LSBU's 74.1% overall response rate is similar to 2019, with 60.6% of responses submitted before lockdown.

Result trends are not uniform between LSBU courses and Schools, with some schools achieving higher results than others (Appendix 6). The impact of the decline in overall performance on the NSS is significant both in terms of individual subject reputation, but also on a significant decline in performance in league tables, which are in part influenced by key NSS outcomes. Subjects with larger student numbers have the greatest impact.

Performance in 2020 NSS is significantly worse than in the previous cycle in three Schools – HSC, ACI and BEA. A 'Task & Finish' group has been established to lead on the response to the NSS and to prepare for the next cycle.

Conclusion and Overview

This report suggests that our processes for academic quality (through course approval and external examiner oversight) have been successfully maintained while being transferred to virtual operation. The data suggest that overall our standards have remained robust and meet standards elsewhere. The exceptional regulations that we introduced as part of the Covid19 response have positively affected student progression. We have noted that some rise in awarding and hence grade profile.

There are areas for future work, however, particularly in the improvement of progression and graduate outcomes for certain groups of students, by subject, level and ethnicity. This report has indicated the direction of future initiatives.

Overall, this report suggests that the Board can have confidence in the academic governance of the university both in terms of its long-term direction and its response to the Covid19 pandemic.

DEBORAH JOHNSTON

Appendix 1: Summary of courses approved through the year 2019/20

Table A2.1 Total number of validations / revalidations	26
Full Validations Events	22
Light Touch events	4
New Course Validations	10
Re-validations	14
Collaborative Validations	5
School of ACI	4
School of ASC	2
School of BEA	3
School of BUS	8
School of ENG	4
School of HSC	3
School of LSS	2
Total Awards	79
Conditions	41
Recommendations	20
Commendations	31

In 2019/20, we developed new courses and revalidated existing provision across the seven Schools. In total we had 26 validation and revalidation events. Out of these, there were 12 validations including 8 events with the collaborative partners and 14 revalidations. We commenced events in September 2019 and concluded business at the end of September 2020. This was extended past the planned July 2020 date to allow validations that may have been disrupted due to COVID-19 to still take place this year. During this time, we validated and revalidated a total of 79 academic awards. These awards originated from 53 courses and their pathways.

The Business School had the greatest number of validations and reviews followed by the School of Engineering, Arts and Creative Industries, Built Environment and Architecture, Health and Social Care, Law and Social Science and Applied Sciences.

It was an eventful year for the Academic Quality and Enhancement (AQE) team due to the high number of last minute new course proposals and requests for validation events submitted from the Schools in response to the 18-month lead in and development time for new courses. In addition to this, the AQE team had reacted to the COVID-19 pandemic by moving validation and revalidation events to an entirely online process, held over MS Teams and driven by a Lines of Enquiry document to ensure that internal and external panel member scrutiny and comments were addressed.

The course approval and review process was divided into two types:

- Full event
- Light touch event

Full events require holding a half or full day event depending on the complexity of the awards or offering, however, at light touch events the external advisor was not required to attend but instead had to submit their comments to the validation panel electronically.

The 26 events had generated a total of 41 conditions, 20 recommendations and 31 commendations.

- The conditions showed trends around the following areas:
 - Apprenticeship course documentation requiring more detailed explanations of processes and more explicit wording around mentors
 - Where courses have placements, more details were required over the roles and responsibilities of these to provide clarity to students and manage expectations
 - Entry requirements for Apprenticeship courses needing review and amendments to provide clarity over RPL/APL usage
 - For courses with a collaborative partner, the Collaborations Handbooks needed more detail on the processes and procedures for managing the partnership
 - Housekeeping validation documentation (spelling, grammar, out of date or inaccurate information)
- The recommendations made at the validations were related to:
 - To consider providing course structures for January start courses, with regards to summer teaching and resourcing
 - Reviewing assessment expectations after each year to ensure course teams are avoiding burdening students with too many assessments
 - Housekeeping validation documentation (inconsistent formatting and templates used)
- The commendations were regarding:
 - Developing courses to meet the needs of existing students at LSBU, or the needs of a market niche, to provide innovative course designs
 - Student involvement and responsiveness during panel meetings with students or clear student consultation on the validation documentation
 - Stakeholder involvement in the validation process, and clear consultation with employers, PSRBs, and students
 - The openness and responsiveness of the course teams during the validation process and their engagement with the panel

The University's Centre for Research Informed Teaching (CRIT) have previously offered short courses for the staff that are leading or involved in developing courses for validation or re-validation. The short courses are on writing effective learning outcomes, planning high impact pedagogies, developing effective assessment strategies, and inclusive assessments.

The AQE office will be involved in discussions with the CRIT Team to ensure this support can be offered going forward. The AQE office have also taken steps to support the course teams who will be developing new courses and/or reviewing their existing courses in 2020/21.

AQE have consulted with the Schools regarding the timeframe of the course approval / review process. Following approval from the Academic Planning Panel (APP), as soon as an event date is set and agreed by the course team AQE will write to the course team and the School's executive team to inform them of the important deadlines and the minimum documentation required for the validation or revalidation. The letter also outlines the support available to the course team on writing the documentation to ensure it is accurate, consistent and CMA compliant.

Appendix 2: External Examiner Reports

We currently have 193 external examiners for the 2020- 2021 academic year. For 2019- 2020 we have so far received 221 reports. This consists of: 164 Subject Area Board reports; 7 Single Tier Board reports; and 50 Award and Progression Board reports.

This means a total of 171 externals (164 + 7) have submitted at least one report. Some externals who submit a Subject Area Board (SAB) report will also be required to submit an Award and Progression Board (APB) report. This is not the case for externals who submit a Single Tier Board (STB) report, as a STB report is a combination of both the SAB and APB.

The total number of reports still outstanding is believed to be less than 30. It is difficult to put an exact number on this, as the submission of reports can sometimes depend on the engagement of the external during the year. 155 externals have so far been paid their annual fee, or have a fee payment pending. At this stage of the year, all of the above figures are in line with what the experience has been in previous years.

The adjustments made to assessments because of the impact of Covid-19 were largely considered to be appropriate and fair, with academic standards maintained throughout. Some externals did find the move to on-line review of student work to be less convenient and more difficult than reviewing hard copy materials. But staff were congratulated for their quick reactions to the challenges faced by the pandemic and for their support of students throughout, as well as for keeping externals well informed with strong and open communication.

Whilst it was clear externals did not believe students were disadvantaged by the changes caused by Covid-19, not even when it came to issues posed by arranging practice placements. The changes did however present a problem of grade inflation, with many students receiving higher marks in the new format exams. A number of externals remarked that the average marks seemed higher than last year, with a higher than anticipated number of students scoring >70%.

For the most part, externals who attended an award and progression board on MS Teams did not make any negative comments concerning the conduct of the boards. I did notice a number of externals who did not receive an invite to their boards in a timely manner and some of whom were also not notified of the correct timings of the board. These issues were largely due to the change to virtual boards and were usually solved quite quickly.

The below comments are minor suggestions for improvements contained in the APB reports:

'All the paperwork was sent promptly, and the board was very effective even under these adverse conditions (COVID-19). The process was clear and smooth, formulating fair judgement and decisions. There was a significant number of misconduct investigations which is possibly attributed to adjustments due to the COVID-19 situation. This should be taken into consideration for any modifications of the format of future assessments (if the situation continues in the coming year).'

'I've mentioned that the board ran efficiently. On the whole, this was true. We did overrun, but this was largely due to the teams' commitment to getting the decision right. In particular I thought the team did well in navigating the new covid-related regs. That said, I do think that some of the decisions could have prepped a little more at pre-boards, more noticeably on the economics programmes. Overall, a well-run, well-chaired board in which colleagues demonstrated the high level of care they have for students'.

All the remaining comments were very positive. Here is just a small selection of these:

'The Board was conducted in a professional way and discussion was transparent and constructive. This year has been strange and challenging with regard to teaching and assessment. I believe that your staff (both academic and QA support) did raise to the challenge and managed the work in the best way possible to keep high standards as well as be fair to students. Given the circumstances, I believe you did very well and your staff demonstrated good commitment whether it is to distant teaching and assessment or marking, moderation, quality monitoring, etc. You kept external examiners informed and involved throughout the process and with the decision making'.

'The APB was conducted very effectively using MS Teams and worked extremely well during these challenging times of covid-19'

'I observed the board following the university rules fairly and consistently, and with respect to Covid-19 amendments which seemed reasonable and sensible. Attention had been made to the paperwork prior to boards to ensure that results were pre-considered such that the board progressed smoothly and effectively, in spite of the new found virtual status'.

'Considering the difficulties this year, my view is that the School was successful in transitioning to online assessment without sacrificing quality'.

'The administration of the board was conducted in a professional and efficient manner. The board itself was chaired methodically and thoroughly. It was clear that a good level of preparation for the board had been undertaken and that the staff had worked hard to get everything ready. The decision relating to COVID were clear and consistent. The student work that I reviewed was of a similar standard to other programmes in this subject area at other Institutions. The level of challenge to the students looked appropriate and the assessments were engaging and well developed. The feedback given was also of a high standard'.

'The APB went very smoothly given the circumstances. A lot of time clearly went into this, with new COVID regulations, so I wish to commend the academic and admin staff for all of their commitment and hard work, as well as their eye for detail and their clear concern for all of their of their students. I'm satisfied that all decisions were made consistently within the University's regulations, and these appear to be comparable to other UK institutions such as my own. I am also satisfied that the decisions made by the board were fair, and in the best interests of students'.

Appendix 3: Grade profile data

Introduction

This report provides an update on 2019/20 Good honours awards and First class degrees, in line with the OfS Key Performance Metric (KPM) 18: Students achieving Firsts. This report covers UK domiciled, full-time, first degree students as per the OfS's KPM definition, and UK domiciled, part-time, first degree students. Sector comparatives and benchmarks for 2019/20 will not be available until Spring 2021.

Findings

In 2019/20, the proportion of full-time students that achieved Good Honours increased to 73.4% compared to the previous year's 70.7% (+2.7%). This is driven by an increase in the proportion of students that achieved Firsts (32.4%, +3.4% from the previous year), with substantial increases of between 6 and 12 percentage points in four Schools.

The proportion of part-time students that achieved Good honours decreased significantly from 75.3% in the previous year to 69.5% in 19/20. The proportion of students that achieved Firsts decreased to 33.2% compared to the previous year's 38.8% as a result of declines in the two Schools with the largest cohorts of part-time students, BEA and HSC. The gap between full-time and part-time students that achieved Firsts has therefore narrowed.

*Good Honours is defined as students achieving first and upper second class honours

Figure 1: Proportion of students achieving good honours by mode of study

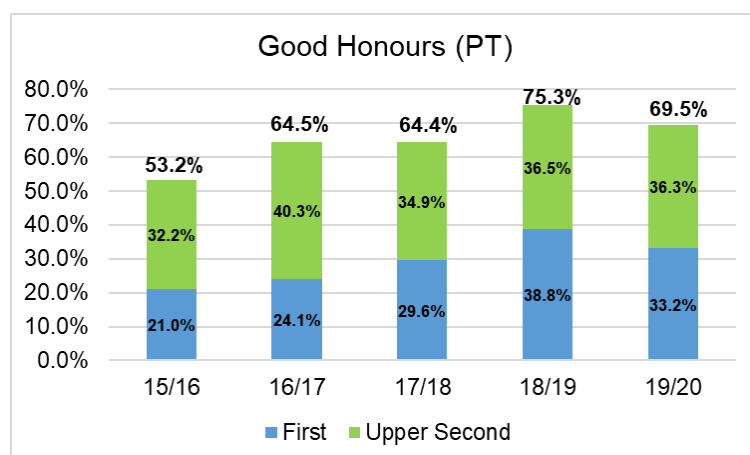
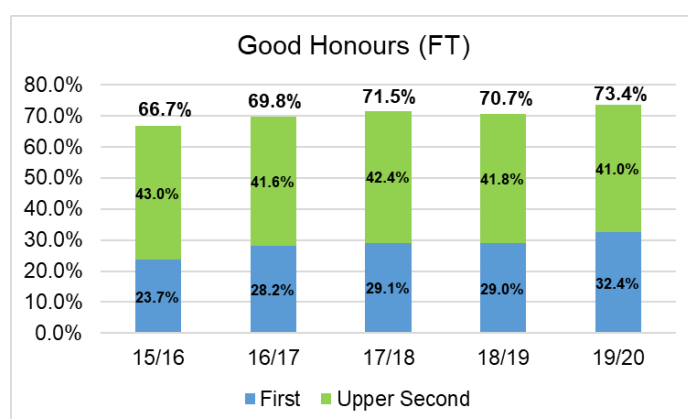


Table 1: Population of students that obtained honours degree classification

	15/16	16/17	17/18	18/19	19/20
Full-time	1868	1925	1894	1841	1721
Part-time	472	439	435	392	380
Other	23	30	31	40	41
Total	2363	2394	2360	2273	2142

Results by School

Five year trends by School are shown in Figures 2 and 3 below, with population numbers in Table 2.

The largest year-on-year movements (>5 percentage points) for meaningful population sizes (>30 FPE) were as follows:

- Large increases in the proportion of Firsts: APS (FT), BEA (FT), ENG (FT and PT), LSS (FT)
- Large decreases in the proportion of Firsts: HSC (PT)
- Large increases in the proportion of Upper Seconds: ACI (FT), ENG (PT)
- Large decreases in the proportion of Upper Seconds: BEA (FT) and LSS (FT)

Commentary on ENG: The number of part-time students achieving Firsts remains the same as the previous year but the population size has decreased significantly. The School implemented extra-curricular activities, which provided students with more learning opportunities. These measures could have contributed to the increase in the proportion of students achieving Firsts.

Appendix 4: Graduate Outcome Data 2020

- The OfS would normally assess B3 indicators as a five-year averages, however for GO we only have one year of data. This cannot be averaged with past DLHE results as the DLHR and GO surveys and their results are not comparable.
- B3 indicators are assessed across all levels and modes of study as well as by student characteristics ('split indicators'), including age, gender, disability, domicile, ethnicity, IMD and POLAR4 quintiles. The Employment outcomes indicator only covers UK domiciled graduates.
- The OfS publication from October 2019 included baselines that indicate whether the OfS judges performance for each indicator to be of no concern, concern or significant concern. These baselines vary by mode and level of study.
- We have used the DLHE baselines in this report; the OfS may revise them for GO.
- A positive outcome for this measure is defined as: UK-domiciled leavers in professional employment (SOC groups 1-3) or studying at postgraduate level as a percentage of all those who are working, studying or seeking work.
- The OfS October 2019 publication did not reference any monitoring at subject level, however they have since stated an intention to monitor at subject level in future.

GO results:

- Overall institutional level: No result of concern or significant concern at institutional level for any level of study or mode.
- Split indicators at institutional level:
 - **Significant concern** for PGT FT IMD quintiles 1&2, 61.6% vs threshold of 65%
 - **Concern** for PGT FT BME, 66.1%, and PGT FT Disabled, 66.7% vs threshold of 70%
 - The poor PGT FT outcomes are concentrated in Law (Significant concern), Engineering (Significant concern) and Business (Concern)
- Subject level, First Degree FT:
 - **Significant concern** in Agriculture & Food (National School of Baking courses), 23.1% vs threshold of 35%
 - **Concern** in Business, Computing, Education, Forensic Sciences, Psychology, against a rather low 50% threshold

Appendix 5

Evaluation of the Covid-19 Exceptional Regulations Addendum

EDI Impact Assessment

Significant association between Ethnicity and any benefit of the exception regs, such that BAME student were more likely than white students to be given some benefit of the provisions of the NDP provisions.

This pattern was evident for all specific provisions of the exceptional regs, with the exception of mark adjustments, where there was no significant association between ethnicity and implementation of this provision.

Impact of Covid Regulations on APB Outcomes

Use of **third sits** was significantly associated with APB outcomes, such that students given third sits were more likely to have an adverse board outcome (Fail/withdraw, RYA, Exit Award). This suggests that 3rd sits were predominantly being offered to students who were likely not to achieve a positive academic outcome, and that the provision of these sits did not reduce the proportion of adverse outcomes experienced by this group.

Implication and Recommendation: widespread use of 3rd sits is not recommended for future years. Schools may wish to consider a more targeted and limited use of 3rd sits, using a policy similar to that already in place for HSC. However, for Schools/courses where compensation and condonement are available to APBs, it would be more advantageous to students to utilise these tools rather than requiring third sits by default.

Use of **Covid Compensation** was significantly associated with APB outcomes, such that students receiving Covid Compensation were less likely to receive any adverse outcomes, and more likely to Progress (though Covid Compensation did not increase the likelihood of awards).

Application of **Covid Condonement** was significantly associated with APB outcomes, such that students were more likely to Progress, less likely to POU, more likely to RYA, and less likely to be made an Award.

Implications and Recommendation: Covid Compensation differed from standard compensation only in that it did not require students to have completed two registrations on a module. Given this was associated with a greater likelihood of positive APB outcomes, it is recommended that Compensation after the main and resit attempt on a first registration be made available to APBs.

The picture regarding Covid Condonement is more mixed, although this is not surprising given that students requiring Condonement would typically have demonstrated less progress than students who are eligible for Compensation. Further, Covid Condonement differed more significantly from ordinary Condonement, that ordinary vs. Covid compensation, due to the requirement for ECs being dropped. It is recommended that ordinary Condonement be made permanently available to APBs after the main and resit attempt, in the first module registration, but that the ECs requirement remain in place.

Overall Academic Performance (Undergraduate Degree Classification)

There was a significant association between academic year and degree classification, such that more first class awards were made, and fewer upper and lower second class degrees. Third class awards did not differ significantly by year.

When explored by School, this institutional pattern was driven by a higher proportion of first class awards made in BEA, ENG, and LSS.

It is important to note that, while significant, numerically the variation was small. Only 61 more first class awards were made out of a total of 2334 UG awards in total (2.6% of the award total).

Implications and Recommendations: issues with higher than expected marks were identified in several schools last year, as a result of the rapid transition to online exam alternatives. This may explain this pattern of slight grade inflation. BEA, ENG, and LSS would be advised to review any assessments where there was evidence of grade inflation, and consider alternative assessment formats which would ensure that results are appropriately aligned with performance at a course level.

Net Impact of Covid Regulations

Overall, as a direct consequence of applying the Covid regulations, the following favourable APB outcome decisions were made for students:

- 651 Progression decisions (not including POM decisions)
- 249 Award decisions (not including exit awards)

In the 19/20 academic year, there has been a significant increase in the number of POM decisions – increasing from a previous 3-year average of 711, to 1,574 POM decisions for 19/20. However, 84% of these POU decisions were made in HSC, as a consequence of students being unable to complete placements, and exceptionally being allowed to progress with outstanding modules in large numbers.

In order to make a meaningful year on year comparison of APB outcomes, HSC were excluded from the subsequent analysis. A significant association between Academic Year and APB outcomes was shown, such that in comparison with the previous three academic years:

- More students progressed to the next stage
6,143 in 19/20, compared with historic 3 yr average of 4,526
- Fewer students were required to repeat the current stage of study
465 in 19/20, compared with historic 3 yr average of 689
- Fewer students were given an Exit Award
217 in 19/20, compared with historic 3 yr average of 304
- Fewer students were required to progress with outstanding modules
271 in 19/20, compared with historic 3 yr average of 451

There was no significant difference in 19/20 in terms of the proportion of students who failed and were withdrawn by APBs.

Amongst students in their final year, there was no variation in the proportion of Award decisions made by APBs.

Implications and Recommendations: prior to the introduction of the Covid regulations, a decision was made by a Task and Finish Group chaired by the Provost to reduce the Compensation threshold from 30%/40% (UG/PG) to 20%/40%, with the aim of reducing the volume of students who would need to progress with outstanding modules. Due to the subsequent introduction of the Covid regulations, it is not possible to disaggregate the effect of this specific change in our protocol for compensation from the exceptional regulations. However, the net effect has been a substantial reduction in POM decisions.

Professor Tony Moss

4th November 2020

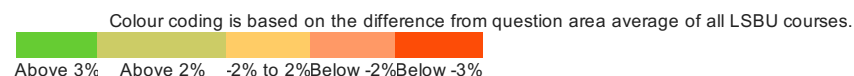
Appendix 6 - NSS performance ranked by Average score

Course Title	School / PSG	The teaching on my course	Learning opportunities	Assessment and feedback	Academic support	Organisation and management	Learning resources	Learning community	Student voice	Student union	Overall Satisfaction	Average score	Rank	No. of respondents (FPE)	% of respondent population
BEng (Hons) Chemical and Process Engineering (FT)	School of Engineering	94.1%	96.1%	86.8%	90.2%	86.3%	96.1%	94.1%	98.0%	88.2%	94.1%	92.3%	1	17	0.9%
BEng (Hons) Mechanical Engineering (FT)	School of Engineering	93.0%	90.6%	85.9%	92.7%	91.7%	91.7%	87.5%	92.7%	87.5%	93.8%	90.6%	2	32	1.7%
BA (Hons) Marketing (FT)	School of Business	86.4%	90.9%	88.6%	84.8%	90.9%	90.9%	95.2%	97.0%	90.9%	90.9%	90.2%	3	11	0.6%
BA (Hons) English with Creative Writing (FT)	School of Arts and Creative Industries	93.8%	95.8%	90.6%	97.9%	79.2%	87.2%	89.7%	85.4%	66.7%	93.8%	89.2%	4	16	0.9%
BSc (Hons) Forensic Science (FT)	School of Applied Sciences	94.8%	84.7%	76.0%	85.9%	90.3%	97.1%	89.6%	95.8%	79.2%	100.0%	88.6%	5	24	1.3%
BA (Hons) Film Studies (FT)	School of Arts and Creative Industries	92.6%	86.3%	82.4%	90.2%	90.2%	88.2%	76.5%	86.3%	62.5%	94.1%	86.1%	6	17	0.9%
BSc (Hons) Commercial Management (Quantity Surveying) (FT)	School of Built Environment and Architecture	79.2%	83.3%	90.3%	85.2%	87.0%	96.3%	80.6%	85.2%	76.5%	77.8%	85.6%	7	18	1.0%
BSc (Hons) Sport and Exercise Science (FT)	School of Applied Sciences	86.5%	84.6%	82.7%	87.2%	84.6%	87.2%	92.0%	86.1%	66.7%	91.7%	85.3%	8	13	0.7%
BSc (Hons) Product Design (FT)	School of Engineering	88.1%	92.1%	79.8%	92.1%	75.8%	85.7%	83.3%	88.9%	66.7%	90.5%	84.9%	9	21	1.1%
BEng (Hons) Electrical and Electronic Engineering (FT)	School of Engineering	88.2%	90.2%	82.4%	76.5%	88.2%	90.2%	91.2%	78.4%	70.6%	88.2%	84.8%	10	17	0.9%
BEng (Hons) Petroleum Engineering (FT)	School of Engineering	81.9%	90.7%	77.1%	85.2%	79.6%	88.9%	91.7%	85.2%	88.9%	83.3%	84.5%	11	18	1.0%
BA (Hons) Education Studies (Work Based) (FT)	School of Law and Social Sciences	95.8%	97.2%	83.3%	80.6%	83.3%	91.4%	58.3%	83.3%	45.5%	100.0%	84.1%	12	12	0.7%
BSc (Hons) Psychology - Clinical (FT)	School of Applied Sciences	83.3%	80.6%	87.5%	80.6%	88.9%	91.7%	79.2%	83.3%	54.5%	91.7%	83.5%	13	12	0.7%
BA (Hons) Accounting and Finance (with placement) (FT)	School of Business	89.1%	85.0%	76.8%	81.6%	86.9%	86.0%	85.4%	80.1%	74.6%	94.1%	83.4%	14	69	3.8%
BEng (Hons) Civil Engineering (FT)	School of Built Environment and Architecture	88.9%	88.9%	76.2%	87.0%	82.4%	85.2%	84.7%	79.6%	60.0%	91.7%	83.1%	15	36	2.0%
BA (Hons) Creative Advertising with Marketing (FT)	School of Arts and Creative Industries	87.5%	83.3%	82.5%	83.3%	73.3%	80.0%	80.0%	90.0%	80.0%	100.0%	82.7%	16	10	0.5%
BSc (Hons) Adult Nursing (FT)	School of Health and Social Care	85.7%	88.9%	80.5%	83.5%	67.5%	90.2%	87.3%	76.4%	64.5%	85.7%	81.6%	17	126	6.9%
BA (Hons) Education Studies (FT)	School of Law and Social Sciences	79.0%	88.2%	76.6%	81.7%	81.7%	81.7%	72.6%	87.0%	76.7%	90.0%	81.0%	18	31	1.7%
LLB (Hons) Law (FT)	School of Law and Social Sciences	90.8%	85.6%	66.5%	86.7%	82.2%	88.8%	73.1%	78.3%	60.7%	95.0%	80.8%	19	60	3.3%
BSc (Hons) Occupational Therapy (PT)	School of Health and Social Care	94.2%	92.3%	78.8%	82.1%	84.6%	84.2%	76.9%	61.5%	33.3%	76.9%	80.5%	20	13	0.7%
BSc (Hons) Occupational Therapy (FT)	School of Health and Social Care	83.6%	89.7%	70.7%	83.7%	75.9%	83.9%	79.3%	80.5%	51.7%	82.8%	79.6%	21	29	1.6%
BSc (Hons) Psychology (FT)	School of Applied Sciences	83.6%	78.2%	78.4%	78.2%	90.7%	79.8%	63.8%	82.4%	46.4%	89.3%	78.8%	22	29	1.6%
BEng (Hons) Quantity Surveying 5yrs (Surveying Apprenticeship) (FT)	School of Built Environment and Architecture	75.0%	81.8%	79.5%	75.8%	84.8%	85.9%	85.4%	72.6%	57.9%	81.0%	78.8%	23	22	1.2%
BSc (Hons) Engineering Product Design (FT)	School of Engineering	81.8%	78.8%	72.7%	84.8%	66.7%	72.7%	95.0%	90.0%	60.0%	90.0%	78.7%	24	11	0.6%
BSc (Hons) Operating Department Practice (FT)	School of Health and Social Care	89.3%	90.5%	75.0%	88.1%	81.0%	65.0%	78.6%	66.7%	57.1%	92.9%	78.7%	25	14	0.8%
BSc (Hons) Mental Health Nursing (FT)	School of Health and Social Care	88.8%	91.7%	65.0%	65.5%	70.8%	91.7%	83.8%	70.8%	66.7%	87.5%	77.7%	26	40	2.2%
BA (Hons) Photography (FT)	School of Arts and Creative Industries	75.8%	86.0%	79.0%	83.9%	61.3%	76.3%	77.4%	84.9%	53.3%	80.6%	77.1%	27	31	1.7%
BSc (Hons) Criminology (FT)	School of Law and Social Sciences	76.1%	77.3%	76.1%	83.3%	90.9%	73.8%	54.5%	84.8%	47.6%	81.8%	76.8%	28	22	1.2%
BSc (Hons) Civil Engineering (FT)	School of Built Environment and Architecture	93.8%	83.3%	70.8%	75.0%	80.6%	68.6%	79.2%	58.3%	75.0%	91.7%	76.5%	29	12	0.7%
BA (Hons) Drama and Performance (FT)	School of Arts and Creative Industries	85.1%	82.3%	69.1%	80.1%	66.0%	78.6%	83.7%	76.8%	52.3%	82.6%	76.5%	30	47	2.6%
BSc (Hons) Diagnostic Radiography (FT)	School of Health and Social Care	84.7%	87.0%	62.5%	83.3%	71.3%	82.4%	79.2%	66.7%	55.2%	88.9%	75.9%	31	36	2.0%
HND Building Services Engineering (PT)	School of Built Environment and Architecture	73.3%	80.0%	75.0%	83.3%	71.1%	81.1%	79.7%	72.2%	55.6%	70.0%	75.8%	32	30	1.6%
BSc (Hons) Quantity Surveying (PT)	School of Built Environment and Architecture	72.0%	78.9%	78.0%	76.2%	74.0%	82.9%	76.3%	71.7%	66.7%	80.0%	75.8%	33	41	2.2%
BEng (Hons) Building Services Engineering (PT)	School of Built Environment and Architecture	79.4%	72.5%	79.4%	70.6%	82.4%	80.0%	72.7%	76.5%	28.6%	88.2%	75.2%	34	17	0.9%
BA (Hons) Business Management with Marketing (FT)	School of Business	77.5%	83.3%	60.0%	73.3%	60.0%	96.6%	70.0%	80.0%	80.0%	80.0%	75.0%	35	10	0.5%
BA (Hons) Business Management with HR (FT)	School of Business	79.5%	87.9%	54.5%	75.8%	68.8%	97.0%	72.7%	69.7%	54.5%	81.8%	74.4%	36	11	0.6%
BA/BSc (Hons) Game Design and Development (FT)	School of Arts and Creative Industries	78.0%	80.0%	78.3%	82.2%	53.3%	77.3%	73.3%	71.1%	50.0%	80.0%	73.6%	37	15	0.8%
BSc (Hons) Bioscience (FT)	School of Applied Sciences	77.8%	74.1%	73.6%	81.5%	66.7%	70.4%	77.8%	68.5%	64.7%	88.9%	73.4%	38	18	1.0%
BA (Hons) Business Management with Accounting (FT)	School of Business	68.2%	90.9%	56.8%	72.7%	75.8%	81.8%	86.4%	63.6%	81.8%	72.7%	73.4%	39	11	0.6%
BA (Hons) Tourism and Hospitality Management (FT)	School of Law and Social Sciences	72.9%	83.3%	62.5%	66.7%	75.0%	91.7%	70.8%	75.0%	45.5%	75.0%	73.2%	40	12	0.7%
BSc (Hons) Architectural Technology (PT)	School of Built Environment and Architecture	77.5%	76.7%	77.5%	66.7%	72.4%	86.7%	55.0%	72.4%	42.9%	60.0%	72.9%	41	10	0.5%
BA (Hons) Business Management with Enterprise & Entrepreneurship (FT)	School of Business	73.2%	85.7%	55.4%	76.2%	76.2%	78.6%	75.0%	71.4%	57.1%	71.4%	72.5%	42	14	0.8%
BA (Hons) Social Work (FT)	School of Health and Social Care	80.6%	90.3%	73.4%	64.5%	58.7%	82.6%	64.5%	63.7%	58.6%	63.3%	72.4%	43	31	1.7%
FdSc Nursing Associate (Apprenticeship) (PT)	School of Health and Social Care	76.9%	84.4%	75.6%	67.7%	54.5%	77.0%	76.0%	69.6%	55.2%	65.8%	72.2%	44	77	4.2%
BA (Hons) Film Practice (FT)	School of Arts and Creative Industries	70.5%	75.4%	71.7%	83.6%	61.5%	81.3%	68.9%	71.6%	47.4%	62.3%	72.1%	45	61	3.3%
BEng (Hons) Building Services Engineering (TAC Design) (FT)	School of Built Environment and Architecture	66.7%	73.3%	70.0%	71.1%	66.7%	81.0%	86.7%	77.8%	30.8%	66.7%	71.5%	46	15	0.8%
BSc (Hons) Children's Nursing (FT)	School of Health and Social Care	80.6%	81.1%	70.7%	65.0%	42.5%	83.6%	76.2%	68.4%	68.2%	73.0%	71.1%	47	76	4.1%
BSc (Hons) Computer Science (FT)	School of Engineering	76.9%	71.8%	53.8%	87.2%	55.3%	67.6%	80.0%	59.0%	58.3%	84.6%	67.9%	48	13	0.7%

Appendix 6 - NSS performance ranked by Average score

Course Title	School / PSG	The teaching on my course	Learning opportunities	Assessment and feedback	Academic support	Organisation and management	Learning resources	Learning community	Student voice	Student union	Overall Satisfaction	Average score	Rank	No. of respondents (FPE)	% of respondent population	
BSc (Hons) Midwifery (FT)	School of Health and Social Care	75.0%	84.0%	48.0%	62.2%	57.3%	94.6%	68.0%	64.0%	45.5%	76.0%	67.7%	49	25	1.4%	
BSc (Hons) Construction Management (FT)	School of Built Environment and Architecture	62.5%	63.9%	64.6%	67.6%	65.7%	77.8%	62.5%	77.8%	54.5%	58.3%	67.2%	50	12	0.7%	
BA (Hons) Journalism (FT)	School of Arts and Creative Industries	70.8%	75.0%	51.0%	80.6%	55.6%	80.9%	68.1%	66.7%	36.4%	62.5%	66.7%	51	24	1.3%	
BA (Hons) Business Management (FT)	School of Business	66.0%	73.7%	54.6%	65.5%	69.3%	74.1%	65.3%	69.0%	62.2%	62.2%	66.5%	52	38	2.1%	
BA (Hons) Architecture (FT)	School of Built Environment and Architecture	70.7%	73.9%	60.9%	71.0%	53.6%	58.8%	65.2%	52.9%	60.0%	60.9%	63.3%	53	23	1.3%	
BSc (Hons) Construction Management (PT)	School of Built Environment and Architecture	58.3%	65.1%	61.9%	60.0%	46.0%	69.4%	54.8%	58.1%	26.3%	61.9%	58.0%	54	21	1.1%	
HND Electrical and Electronic Engineering (PT)	School of Engineering	50.0%	65.6%	59.1%	81.3%	33.3%	74.2%	57.1%	39.4%	60.0%	54.5%	57.4%	55	11	0.6%	
BSc (Hons) Physiotherapy (FT)	School of Health and Social Care	54.3%	66.7%	64.1%	60.6%	31.9%	60.6%	54.3%	62.3%	27.3%	34.8%	56.0%	56	23	1.3%	
BSc (Hons) Therapeutic Radiography (FT)	School of Health and Social Care	56.8%	66.7%	47.7%	51.5%	54.5%	51.5%	63.6%	60.6%	27.3%	45.5%	54.9%	57	11	0.6%	
BEng (Hons) Electrical and Electronic Engineering (PT)	School of Engineering	52.3%	60.6%	56.8%	59.4%	39.4%	84.4%	50.0%	42.4%	22.2%	45.5%	54.5%	58	11	0.6%	
BSc (Hons) Health and Social Care: Administration and Practice (FT)	School of Health and Social Care	57.5%	76.7%	52.5%	43.3%	33.3%	51.7%	55.0%	36.7%	55.6%	50.0%	51.2%	59	10	0.5%	
BSc (Hons) Human Nutrition (FT)	School of Applied Sciences	52.5%	43.3%	35.0%	53.3%	36.7%	63.3%	55.0%	40.0%	50.0%	30.0%	46.9%	60	10	0.5%	
Unknown courses															287	15.6%
Total LSBU respondents	All														1,834	100.0%

Average score is based on average of all questions except Overall Satisfaction.



Score for 2020 average score	83.9%	82.9%	72.6%	79.4%	73.8%	85.8%	75.8%	73.6%	56.0%	82.6%	77.7%
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	CONFIDENTIAL
Paper title:	SBC Estate Development
Board/Committee:	Board of Governors
Date of meeting:	19 November 2020
Author& Sponsor	Professor Paul Ivey – Deputy Vice Chancellor and Chief Business Officer
Purpose:	For Information
Recommendation:	The Board is requested to i) note developing confidence that the Technical College at Vauxhall and the Community College at Clapham can be developed in full and deliver the SBC curriculum plan as declared to the DfE; and ii) note the proposed approval process.

Executive Summary

In December 2019, SBC submitted to the DfE a curriculum plan and estate strategy. Both have been approved and the contract setting out this approval and the conditions attached is close to being finalised. At the point of submission how to resource the estates strategy had been explored by three separate consultancies (Strutt and Parker, Turner Morum, and Avison Young). These indicated a shortfall of income over development of between £5M-£8M; this was deemed close enough to warrant continuation. (N.B. any surplus up to £17.15M returns to the DfE).

The cost to build the Technical College at Vauxhall is some £88M (Blocks A, B and D). The capital for this is to be realised through the disposal of Vauxhall Block C, a large part of the estate at Clapham, and a £20M GLA grant. Excluding the grant asset sales therefore need to generate c £68M. Allowing for inflation since the original work the gap maybe nearer £74M.

Some £23M of cashflow for this SBC development will be advanced from LSBU with repayment via the capital receipts from asset sale. Further detail on the Group cash flow will be circulated ahead of the Board meeting.

In May 2020 Jones Lang LaSalle (JLL) were employed to advise on this disposal and identify the best means to market. Their report indicates a combined disposal value of some £71.5M against the outstanding build cost, Further to this, an approach has been received from a developer to acquire both Vauxhall Block C and the Clapham

estate and build back the community college for SBC. Two options have been tabled and the larger capital receipt is some £78M. If these figures hold to scrutiny then the entire strategy could be funded.

It is too early to table specifics for either the conventional disposal route as reviewed by JLL, or the (very recent) developer option. Quite understandably, there is a considerable amount to work to do on both. However, two important considerations are becoming clear. First, to secure maximum disposal value, SBC will need to forego a presence facing Clapham Common, and second, developing the entire SBC estate as submitted to the DfE within the resources acquired appears probable, i.e. no shortfall.

Approvals process for SBC estates strategy

The SBC Board is responsible for the approval of its estates strategy and for the individual significant transactions required to deliver the strategy. However, under the Governance Agreement between LSBU and SBC, LSBU is required to consent to certain actions of SBC outside its ordinary course of business such as asset disposal and large value contracts. Once the implementation plan is further defined, early in the New Year, the Board will be requested to delegate to MPIC the consents required.

Recommendation

The Board is requested to i) note developing confidence that the Technical College at Vauxhall and the Community College at Clapham can be developed in full and deliver the SBC curriculum plan as declared to the DfE; and ii) note the proposed approval process.



Vauxhall Technical College

A FLAGSHIP TECHNICAL COLLEGE



From the Principal of Lambeth College

The development of a new flagship technical college on the site at Nine Elms is a pioneering and transformative project for south London. The modern, industry driven facilities that we're creating here will provide career-led opportunities for individuals of all ages and all backgrounds, not just from south London but from across London and beyond.

Vauxhall Technical College has been designed to meet the need for a highly-skilled workforce of the future through the development of an employer driven curriculum.

Our Employer and Business Engagement Centre places industry at the heart of our technical college, facilitating growth in apprenticeships at every level and collaborative delivery.

Both the STEAM Skills Centre and the Health and Life Sciences Centre are being designed in collaboration with employers to create a realistic workplace environment.

The 'digital spine' will encourage innovation through bespoke digital hubs and ensure students can access highly specialist sector specific technologies.

We're delivering a vision with community, diversity, social inclusion and economic prosperity at its heart. I am delighted that we can work with local neighbourhoods, businesses and partners across the capital to bring this innovative project to fruition and help the people of south London to prosper.

Fiona Morey
Principal, Lambeth College



From the Vice Chancellor of London South Bank University (LSBU)

LSBU has been at the forefront of providing high quality professional and technical education for the people and employers of south London for over 125 years, with a mission to transform lives, businesses and communities through education and insight.

Today, the educational and skills needs of our communities are wide ranging, spanning secondary and further as well as higher education. We believe these can best be met by working in partnership. That's why we are pioneering an alternative solution, bringing together like-minded specialist organisations that provide high quality, student-centred education to create a family of educational providers for south London – the LSBU Group. The Group currently comprises LSBU, South Bank Academies (South Bank Engineering Academy and South Bank Technical College), South Bank Colleges (Lambeth College), and South Bank Enterprises

Each organisation remains a specialist institution, focused on providing high quality education in its respective field; at the same time, we all share a common educational approach.

Together, we offer students accessible, high quality education across a range of levels and types, providing a genuine choice between technical, vocational and academic pathways. This enables us to focus on individual students, ensuring that each one can build the portfolio of skills, experience and qualifications required to meet their needs and achieve their ambitions.

I am delighted that Lambeth College, as part of LSBU Group, is going to provide next-generation technical and vocational education that meets the needs not only of students, but the whole community. In its vision, accessibility and genuine integration between industry and faculty, this is an innovative approach the likes of which we haven't seen for more than 50 years. I am proud to be part of it.

Professor David Phoenix OBE
Vice-Chancellor
London South Bank University

“Lambeth Council is delighted to see Lambeth College enter this new and exciting chapter in its development. Its long history of offering technical and vocational education in south London will be further enhanced by the state of the art development in Vauxhall, providing technical further education for the 21st century. We look forward to the college making an even greater contribution to the success of local learners, employers, communities and to south London as a whole.”

Andrew Travers
CEO, Lambeth Council

An innovative approach to Further Education

We believe Further Education is about more than just qualifications; it's about preparing students for life beyond their studies and equipping them with the tools they need to fulfil their career aspirations.

Vauxhall Technical College will help address "the missing middle", both by providing high quality education and training at these levels but principally by addressing the broken rungs in the educational ladder between levels 3 and 4.

Our ambition is to:

- Increase the number of young people accessing level 3 technical education
- Establish clear occupational progression pipelines that support young people and adults to undertake level 2-4 technical education

- Engage directly with employers in the design and delivery of our offer
- Increase the take-up of Apprenticeships for Lambeth residents
- Increase the number of adults engaged in training and upskilling and reskilling
- Provide bespoke provision tailored to meet local demand, in particular addressing the needs of those at risk of becoming NEET and/or excluded from education and/or the workplace
- Increase the number of adults and young people achieving English and maths as gateway qualifications.

Overall, our aim is to establish a high profile technical college focused on the delivery of technical education at Vauxhall.

Employability at the heart of learning

At our Vauxhall campus, we will be breaking new ground in Further Education, with an innovative delivery model that integrates faculty with industry. Our framework is devised and delivered with local employers and supported by industry panels, while the majority of our faculty staff have been employed in industry and have the relevant specialist experience and knowledge to add real value for our students.

This is work-based education. The majority of our courses are accredited with professional institutes, giving our leavers a clear route into their chosen sector. Every course will have a workplace placement and we're putting a particular focus on supporting young people into apprenticeships.

The college itself is designed to feel as much like the workplace as possible. The **STEAM Skills Centre** will comprise construction workshops and laboratories as well as classrooms, offering sector-based, vocational learning across

- Construction
- Engineering
- Science
- Dentistry
- Computing
- Digital Arts Industries.

Running through the building will be a 'digital spine', housing specialist facilities for each area and encouraging social learning activities.

In the second phase of development, the **Health and Life Sciences Centre** will offer similar state-of-the-art facilities for vocational training at levels 2-4 in

- Nursing
- Health and Social Care
- Early Years Education
- Sport Science
- Psychology
- Pharmacy.

We hope to develop this with Guys and St Thomas' Hospital, which is already a sponsor of South Bank Technical College, part of LSBU Group. The second block will include a simulation suite to enhance real world learning to enable school pupils to come and experience what it will be like to work in the NHS.

The third phase will be the **Employer and Business Engagement Centre** and will support the delivery of new interdisciplinary curricula and business education. The centre will further facilitate engagement between employers, the college and students.

Each course is clearly linked to a career pathway, with input from local employers, industry-recommended technology and resources and live briefs that simulate a 21st century working environment. There are work-based inputs on all courses, whether that's work experience, internships, apprenticeships, or on-the-job training.

With our 100% vocational training, we're supporting students in a progression to jobs in the Lambeth area, helping them to find a career in which they can flourish and giving local employers the tech-savvy, business-ready people that companies need to thrive.

Students will have the opportunity to engage with employers; employers will have the opportunity to recruit new staff and upskill current employees; the college will be able to ensure that curricula and staff are up to date with latest developments in relevant sectors.

The building will feature a centre for vocational careers education offering sessions for primary and secondary school children, including regular "employer encounters" supported by local employers and employer groups. A rolling programme of recruitment events for young people and adults will further strengthen the links between the college and the community.

This innovation space will also encourage and support SMEs and business start-ups including in the key digital and creative sectors, allowing them to access the kind of opportunities and facilities that they might not ordinarily be able to afford at such an early stage in their development.

The Employer and Business Engagement Centre will also replicate LSBU Group's ground-breaking Passmore Centre which provides a hub for apprentices and employers. LSBU is one of the UK's leading providers of education for Higher and Degree Apprenticeships. These programmes will offer high quality pathways and provide an aspirational step for those on Advanced Apprenticeships and other vocational programmes at levels 1-3. This facility will be ideal for supporting delivery of the National Retraining Scheme once it is rolled out to London.



A technical college for the 21st century

Lambeth College has been providing technical education in south London since 1859. Today, we want to build on that history with the ground-breaking redevelopment of our Nine Elms site. The proposed industry relevant technical facilities at the new campus will offer world-class vocational STEAM (Science, Technology, Engineering, Arts & Media) courses, alongside traditional technical education.

The creation of the STEAM Skills Centre will see over £100million invested in the surrounding area, generating significant growth in apprenticeships and jobs. Our vision is to create a Further Education college that's fit for the future, that breaks down barriers and opens up opportunities for young people and adults across the communities we serve.

Community is at the heart of our vision. We're working in close partnership with local employers to design 100% vocational, relevant courses that mean our students are ready to hit the ground running, enabling businesses to get the people they want and graduates to flourish.

The new development will re-open pedestrian routes from north to south in Vauxhall and establish open green spaces for the whole neighbourhood to enjoy.

Our Employer and Business Engagement Centre will provide local SMEs and business start-ups with an invaluable innovation space, giving them access to opportunities they might otherwise not be able to afford. Together, our buildings, our courses and our approach will help create a stimulating environment in which to live, work and learn, enhancing the community and helping it to thrive.



A proud history of community focussed technical education

The seeds of what would become Lambeth College were planted in 1859, with the foundation of Lower Norwood Working Men's Institute. Brixton School of Building followed in 1904 and, together, they provided specialist training to the large number of building workers in Camberwell and Lambeth.

The recognition of the importance of practical, vocational training continued to expand and grow in both colleges, with national certificates and diplomas added to the curriculum and apprenticeships being established during the first half of the twentieth century.

In 1993, South London College (previously Lower Norwood Working Men's Institute), Brixton College and Vauxhall College combined to become Lambeth College.

Lambeth College joined the London South Bank University (LSBU) Group in February 2019. The Group's shared values of excellence, professionalism, integrity, inclusivity and creativity and its mission to transform lives, communities, businesses and society through applied education and insight are reflected in our ambitious vision for further education in Vauxhall.

The new development at Vauxhall will compliment provision and expertise at Clapham and Brixton sites.

The Clapham Campus will focus on gateway provision, delivering English, maths and digital skills and entry to employment provision. The campus will also continue to be home to our SEND provision supporting students to develop independent learning and entry to employment skills.

The Brixton Campus is already well established as a centre of excellence for ESOL directly meeting the needs of many Lambeth residents. We will continue to develop and enhance the work at the centre including provision on employment and digital skills for our ESOL students and supporting progression to Vauxhall Technical College.

We are driven by our commitment to student success and ensuring access to opportunity for all.



Lambeth College 1859–2021

1859

1885
London County Council (LCC)
Technical Education classes
in Gipsy Road School

1895
Lower Norwood Working Men's Institute
becomes Norwood Technical Institute

1935
National certificates
and diplomas
are added to the
curriculum

1964
The new Brixton
Day College
building is opened

1952
Brixton Day
College is
opened on
Brixton Hill

1968
Tower Bridge Site, part
of Norwood, launches
its innovative dental
and science curriculum

1993
South London
College, Norwood,
Brixton College and
Vauxhall College
combine to become
Lambeth College

2013
Clapham Campus
is renovated to
accommodate the
provision of many
new courses

2019
An exciting new era
begins as Lambeth
College joins
the LSBU Group

2021
The state-of-the-art
Nine Elms Skills Centre
is due to open,
providing our
communities with a
world-class STEAM
skills training facility

2021

1859
Lower Norwood Working Men's Institute
is founded

1893
LCC Technical Education Board
is founded

1904
Brixton School of
Building opens

1943
Apprenticeship arrangements
and day release are introduced
and expand rapidly after WWII

1961
Brixton Day College
on Brixton Hill is
knocked down

1968
Brixton Day College
splits into Vauxhall
College of Building
and Brixton College
Further Education

1970
Lower Norwood
Working Men's
Institute becomes
South London
College

1980's
Brixton College
pioneers the
expansion of the
further education
curriculum and
Access to Higher
Education courses

2003
Lambeth College moves to
Clapham Southside and the
1929 Henry Thornton School
building is demolished

2016
Plans are announced for a
£45 million re-development
of the Vauxhall Campus, to
become the Nine Elms Skills
Centre

2012
Lambeth College becomes
an employability-focused
college with the priority of
finding learners employment
in Lambeth

A space to share

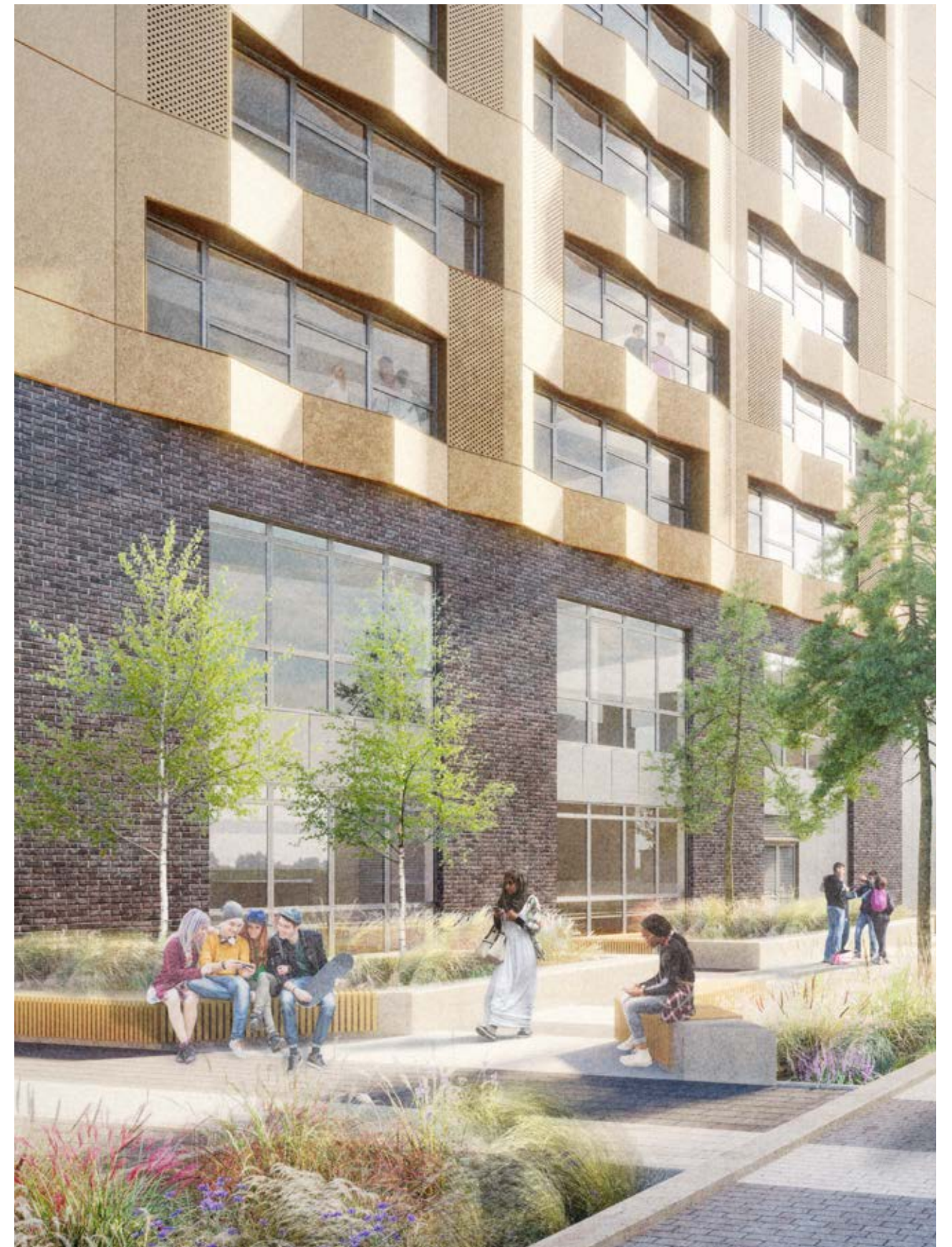
The phased masterplan for Vauxhall will provide 25,000m² of floor space. But the plan goes far beyond the buildings themselves. The carefully considered design has a common language that encompasses the whole site, creating a coherent campus that responds to the character of its surroundings.

The green public spaces on campus are designed to work in harmony with the way people relate to their surroundings. The masterplan proposes using natural materials to create an inviting landscape, with wildflowers and street planting bringing nature back to the urban environment – something that has been proven to improve mental health. Throughout the campus, places to meet will encourage people to interact, helping their social well-being. And in terms of physical health, an increase in the tree canopy will help reduce the urban heat island effect and improve air quality.

The campus is geared towards both pedestrians and cyclists. A pedestrian through-route from Belmore Street to Thorparch Road will re-establish the north-south connection that always existed until the late 1960s, while cycle tracks, generous cycle parking space and green-roof bike stores will encourage people to leave their cars behind.

This colourful, open and accessible landscape is fronted by a large entrance area, designed to create a feeling of welcome and wonder in every student, resident and visitor. We want the people of south London to feel part of the campus and to benefit from the amenities and beautiful surroundings. This is a space for our community. A space to share.

We are delivering a vision with community, diversity, inclusion and economic prosperity at its heart.



Breaking down barriers

At the heart of the LSBU Group is a belief that everyone deserves the chance to succeed, no matter what their background. We're a learning community, where we unlock talent, raise aspirations and realise dreams. We pride ourselves on our inclusivity and accessibility.

That's why, at Vauxhall Technical College, the emphasis is on creating opportunities for residents in the culturally and socially diverse communities we serve. Our programmes are designed to engage our local community and break down the barriers to technical education for under-represented groups. We want to see more women in engineering, more men going into the social care sector.

On a practical level, our central location offers excellent transport links, which will be further enhanced by the planned extension to the Northern Line by autumn 2021. Within our student rooms and studio apartments, at least 35% will be designated affordable accommodation, with 10% being wheelchair adaptable.

By enriching opportunities for local neighbourhoods and supporting progression to local jobs, we're opening up access to all and giving back to the place where we have our roots.

Local context

Vauxhall Technical College is situated in the Vauxhall Nine Elms Battersea Opportunity Area (OA), which straddles the boroughs of Lambeth and Wandsworth. This OA was launched in March 2012 by the previous London Mayor, Boris Johnson.

The OA Planning Framework states that: "A key challenge will be connecting the surrounding communities, especially the most deprived ones, to the opportunities presented by new investment in the area. Active measures will be required to connect local people and businesses to new commercial, training and education opportunities and to improve access to education and health facilities. This will help integrate new development with the surrounding area and assist in tackling current problems of unemployment, low skills, poor health, crime and disorder."

The Framework further states that: "Opportunities to improve access to education, skills and training, healthcare, childcare, employment and open space for existing communities should be maximised through the provision of new, and improvement of existing, social and physical infrastructure."

Vauxhall Technical College will make a vital contribution to delivering this improved access to education, skills, training and employment as well as supporting the well-being agenda through the Health Skills Centre.

At the same time, the college is fully aligned to the Lambeth Strategy for Sustainable Growth and Inclusive Opportunity. This highlights the need to improve the learning and skills system in the area, and the need to "boost the volume and relevance of vocational training, linking learning to key sectoral growth opportunities" and to "raise educational attainment, address skills gaps and promote research and development". The strategy also states that "supporting enterprise within our disadvantaged communities is crucial".

Our approach has been developed in part through discussion with key local partners including leading employers and employer groups including South Bank Employers' Group and Battersea Academy for Skills and Employment (BASE). LSBU and Lambeth College have over 1000 employer partners and the Employer and Business Engagement Centre will be an embodiment of the government's vision of joint working between employers and a learning provider.

In summary...

Realising this ambitious vision for technical education in south London is vital to the businesses located in the region, to those that live here and to economic growth in the area. Building this new technical college is dependent on close partnership working between the college, our local council, the Department for Education and employers. It is this collaboration that will enable us to establish a strong reputation for technical education and leave a legacy for generations to come.

**EMPLOYABILITY
IS EMBEDDED IN
EVERY ASPECT
OF OUR OFFER**



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	CONFIDENTIAL
Paper title:	TEAM University, Tashkent
Board/Committee:	Board of Governors
Date of meeting:	19 November 2020
Author:	Stuart Bannerman, Associate PVC International
Sponsor:	Paul Ivey, Deputy Vice-Chancellor and Chief Business Officer
Purpose:	For approval
Recommendation:	Subject to validation by the Academic Board and the signing of a memorandum of cooperation, the Board is requested to approve the establishment of a partnership with TEAM University.

Executive Summary

As discussed at the Board Strategy day on 24 September 2020, the LSBU Global strategy is now unfolding. The first of the new projects to come through is the opportunity in Uzbekistan which was first flagged as a possibility because of the rise in student recruitment to LSBU from the country, the existing involvement with the British Council and LSBU Enterprise (which continues) and the indication from one of the Board of Governors that this would be a location worth considering.

The TEAM operation is supported by a group of entrepreneurs who have taken very seriously their responsibilities in planning and executing the project and brought in resource wherever it was needed. This is particularly true of the key personnel, which has drawn considerably from the Westminster University Tashkent base and has been in existence for 18 years. Validating LSBU programmes adapted for Tashkent through an organisation which has acquired the capability to do this in truly excellent facilities, is a rare opportunity and should deliver as BUE has done for the University.

Extract from the draft minutes of the Major Projects and Investment Committee, 29 October 2020 (approved by the Chair)

“The committee discussed the proposed new partnership with TEAM University in Tashkent. Validation of LSBU degrees would take place from 2021.

The committee discussed the potential risks associated with the partnership and noted that Uzbekistan was rated at 153/180 on the global Corruption Perceptions Index. The Executive confirmed that due diligence checks had taken place and that no 'red flags' had been raised regarding any individual involved in TEAM University at a senior level.

The committee noted that the proposed partnership contract allowed for the partnership to be terminated at will.

The committee noted that all significant new international partnerships required approval by the Board of Governors.

Subject to validation by the Academic Board and the signing of a memorandum of cooperation, the committee recommended that the Board approve the establishment of a partnership with TEAM University.”

Recommendation

Subject to validation by the Academic Board and the signing of a memorandum of cooperation, the Board is requested to approve the establishment of a partnership with TEAM University.

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TEAM University

TEAM University originated within an entrepreneurial society who were concerned by the lack of provision within the higher education system of Uzbekistan. The business plan first concentrated on creating an appropriate fund and then bringing in the right management team for the University. While the initial focus was on the procurement of a partner UK university, required by the Uzbekistan ministry of education as well as the acquiring of the presidential decree, the focus soon after moved into the operational phase. There are increasing numbers of academic and operational staff being brought in next to the high-level management team of the university. They have recently taken over the site of what has been described as the Harrods of Tashkent. It is ideally located in the centre of the city and TEAM have already launched their own foundation program, with students being enrolled and attending classes in a blended format.

The strategic direction and investment of TEAM University is underpinned by a strong entrepreneurial cohort with a wealth of experience in TNE operations. TEAM staffing includes a strong international team of academics with decades of experience in Europe, the UK and the USA. With all the appropriate governance, risk and quality assurance procedures in place, TEAM University Tashkent intends to become a leading University in Uzbekistan and the wider central Asian markets.

The Board of Directors who set the operational and strategic direction of TEAM University include members with a wealth of experience in both academia and entrepreneurship in the region. Some key TEAM staff members include

Chair of the Board

Alan P. France

MBA, University of Liverpool, 1976
PG Cert Teaching, Higher Education, University of Leeds, 1979
International Teachers Programme, HEC Paris, 1985
1st Deputy Rector Westminster International University (2002 – 2020)
Former Dean of University of Lancashire Business School (1990 - 2001)

Rector

Alisher Khasanov

MA International Business, Westminster University Tashkent
PG Cert Teaching and Learning, Westminster University Tashkent
Risk Consulting Manager – KPMG Tashkent (2018 - 2020)
Deputy Rector Finance - Westminster University Tashkent (2015 - 2018)
General Director – JV “Transcontinental” LLC (2002 - 2012)

Deputy Rector Academic Administration

Aleksey Semyonov

Hubert H. Humphrey Fellowship, Pennsylvania State University, US, 2020
MPhil, University of Cambridge, UK, 2010, Psychology and Education
PGCert, University of Westminster, UK, 2008, Teaching and Learning
BSc, University of Westminster, UK, 2005, Computer Science
Academic Registrar – Westminster University Tashkent (2013 – 2019)
Head of Quality Enhancement – Westminster University Tashkent (2011 – 2013)

Deputy Rector Academic

Lobar G Babakhodjaeva

PHD in Education Tashkent State Pedagogic University
PG Cert Teaching and Learning, Westminster University Tashkent
MSc Business Computing, Westminster University UK
MA International Tourism, Tashkent State Economic University
Dean of Teaching & Learning - Westminster University Tashkent (2003 – 2020)

Deputy Rector Student Engagement

Viktoriya Levinskaya

MA Diploma with Honours in Philosophy, Tashkent State University
PhD in Philosophy, Tashkent State University
Learning & Resource Manager - Westminster University Tashkent (2003 – 2020)

The Proposal

The collaboration between LSBU and TEAM would involve the validation of three LSBU business degrees for face-to-face teaching in Tashkent, beginning September 2021. TEAM are also very interested in expanding their offering to include hospitality and tourism programmes following their own market research into local demand.

The new LSBU Strategic Plan 2020-25, placing emphasis on local impact, access to opportunity and being fit for the future, meaning the core mission and vision of TEAM University matches LSBU's strategic objectives.

Process

Earlier this year TEAM obtained the required presidential licence to operate, and subsequently launched their own Foundation Program for their first students in October 2020. From 2021, students will be enrolling on 4-year LSBU-validated degree programmes.

An MOU was signed between TEAM and LSBU some months ago and the academic and legal teams have been preparing the documentation for a memorandum of cooperation. Due to the restrictions imposed by Covid-19, the validation for the programs will be a virtual process and according to TQE will last approximately six weeks. The focus is on business, entrepreneurship and enterprise education, all of which LSBU is in a strong position to provide. The further interest in hospitality and tourism, given the present circumstances, will be on hold for at least a year.

Risk assessment

Two due diligence reports were commissioned early on in the process and include all the individuals involved at senior level in TEAM University and a financial check. No red flags have been found in the public domain. LSBU is also encouraged by the close involvement of the British Council protecting the interests of a UK university.

The financial risks are minimal, and TEAM are following the new procedure of having to pay upfront costs for development. Thereafter TEAM will follow a per capita pattern similar to that found in BUE depending on the number of students. The 15% fee will reduce to 10% once the agreed student number thresholds are met with a 2% contribution to a student support fund.

TEAM University is led by Mr Alisher Khasanov, whom has the role of Rector. Mr Khasanov brings a wealth of experience from both the Academic world as Deputy Rector in Finance with Westminster University, and Professional experience in risk management and consultancy with KPMG. Mr Khasanov is currently a PHD fellow pursuing Transnational Education in higher education, strategic development from host countries perspective.

Projected TEAM TNE Income (Oct 2020)-Summary

	2020/21	2021/22	2022/23	2023/24	2024/25
Projected Student Numbers	300	725	1839	2997	4304
Total Fee Income	£931,905	£2,425,275	£6,151,170	£11,027,761	£20,041,770
Total LSBU annual charge	£70,000	£363,791	£799,652	£1,323,331	£2,405,012
Total projected Net Contribution	-£33,125	£77,039	£348,140	£658,054	£1,073,759
Net Contribution %	-47%	21%	44%	50%	54%

MPIC Considerations

The TEAM University paper was discussed at the MPIC Board on the 29th October 2020. The following was noted:

- the Executive confirmed that the due diligence checks had taken place and that no 'red flags' had been raised regarding any individual involved in TEAM University at a senior level.
- It was noted that the proposed partnership contract allowed for partnership to be terminated at will
- noted that all significant new international partnerships required approval by the Board of Governors

Subject to validation and the signing of a Memorandum of Co-operation, the committee recommended that the Board approve the establishment of a partnership with TEAM University. Official MPIC minutes to be circulated on Thursday 12th November 2020.

Appendix 1: TEAM Courses

In the first stage (beginning 2021), Team University LLC, Tashkent, Uzbekistan intend to deliver the following:

Course	LSBU Award	[Premises approved for delivery]	Host school at LSBU
<i>BA (Hons) Entrepreneurship with Digital Innovation</i>	<i>BA (Hons) Entrepreneurship with Digital Innovation</i>	<i>TEAM UNIVERSITY LLC, TASHKENT, UZBEKISTAN</i>	School of Business
<i>BA (Hons) Entrepreneurship with Creative Industries</i>	<i>BA (Hons) Entrepreneurship with Creative Industries</i>	<i>TEAM UNIVERSITY LLC, TASHKENT, UZBEKISTAN</i>	School of Business
<i>BA (Hons) Entrepreneurship with International Business</i>	<i>BA (Hons) Entrepreneurship with International Business</i>	<i>TEAM UNIVERSITY LLC, TASHKENT, UZBEKISTAN</i>	School of Business

In a second stage (beginning 2022), the following are planned to run:

Course	LSBU Award	[Premises approved for delivery]	Host school at LSBU
<i>BA (Hons) Tourism and Hospitality Management</i>	<i>BA (Hons) Tourism and Hospitality Management</i>	<i>TEAM UNIVERSITY LLC, TASHKENT, UZBEKISTAN</i>	<i>School of Law and Social Sciences</i>
<i>Executive programmes</i>	<i>TBC</i>	<i>TEAM UNIVERSITY LLC, TASHKENT, UZBEKISTAN</i>	<i>TBC</i>
<i>Master programmes</i>	<i>TBC</i>	<i>TEAM UNIVERSITY LLC, TASHKENT, UZBEKISTAN</i>	<i>TBC</i>

Appendix 2: Rendering of TEAM University Tashkent



Uzbekistan

A new LSBU partnership with a brand new entrepreneurial university in Uzbekistan that has ambitious plans for future growth.

As part of the Internationalisation Strategy to pursue impact with globally strategic partners, LSBU has won a competitive bid to partner with a new Enterprise University in Uzbekistan.

Tashkent Entrepreneurship and Applied Management Institute (TEAM) is an exciting start-up entrepreneurial university and is the first independent privately funded university to gain a decree to be established in Uzbekistan. Their intention is to establish a private entrepreneurial-spirited university of moderate size, with its own brand, targeting demand in Uzbekistan and regional markets.

that this will develop and expand into a model like that of BUE in Egypt. LSBU will introduce a programme of course validation starting with foundation level courses, and then undergraduate programmes (and beyond).

TEAM is eager to make an impact, and the partnership with LSBU is a key component. The long-term partnership with LSBU is a cornerstone of this focus, as LSBU brings expertise and a strong legacy of entrepreneurial spirit that is in synergy with the ethos of TEAM.

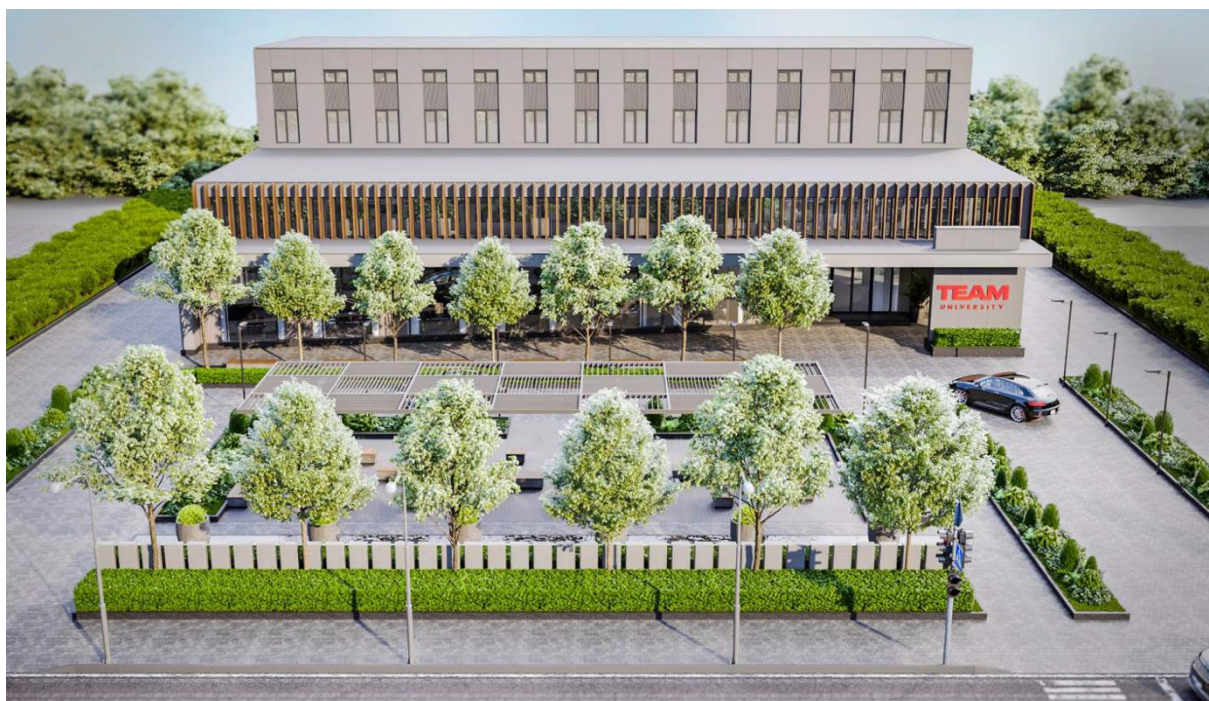
An ambitious but well considered plan for expansion in student numbers has been projected (0-5,000 in just five years), based upon mutual benefit for the partners and an increasing desire for greater collaboration beyond validation and quality assurance. ■

PROPOSAL

The proposal is for an initial partnership arrangement between LSBU and TEAM University spanning 5 years, but we hope



TEAM is eager to make an impact, and the partnership with LSBU is a key component.



Appendix 3: TEAM University Financial Model-Summary

	2020/21	2021/22	2022/23	2023/24	2024/25
Projected Student Numbers	300	725	1839	2997	4304
Tuition fee/student	£3,106.35	£3,345.30	£3,345.30	£3,679.83	£4,626.07
Yr S Total	£1,553,175	£3,345,300	£4,181,625	£5,519,745	£7,401,712
Yr2	£0	£1,622,471	£3,295,121	£4,544,590	£6,869,714
Yr3	£0	£0	£1,572,291	£3,569,435	£5,643,805
Yr4	£0	£0	£0	£1,674,323	£4,417,897
Total Fee Income	£931,905	£2,425,275	£6,151,170	£11,027,761	£20,041,770
One-off LSBU Validation Event Fee*	£35,000	£0	£0	£0	£0
Validation Fee % charge	N/A	15%	13%	12%	10%
Annual LSBU Validation Fee	£0	£363,791	£799,652	£1,323,331	£2,004,177
Additional LSBU Charges	£35,000	£0	£0	£0	£0
TEAMS Payment to "Student Fund"	£0	£0	£0	£0	£400,835
Total annual charge	£70,000	£363,791	£799,652	£1,323,331	£2,405,012
Total projected Net Contribution	-£33,125	£77,039	£348,140	£658,054	£1,073,759
Net Contribution %	-47%	21%	44%	50%	54%

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	CONFIDENTIAL
Paper title:	LSBU Group Pensions Proposal
Board/Committee:	Board of Governors
Date of meeting:	19 November 2020
Author:	Richard Flatman, Group Chief Financial Officer
Sponsor:	Richard Flatman, Group Chief Financial Officer
Purpose:	For approval
Recommendation:	<p>That the Board, on the recommendation of the Group Pensions Sub-committee:</p> <ul style="list-style-type: none"> • approves the implementation of the proposed new group DC pension scheme at LSBU. (Implementation will be a matter for the Executive to consider and report back). • Confirms support for SBUEL (100% subsidiary of LSBU) to implement the new scheme. Implementation of the scheme was considered by the Board of SBUEL on 10/11/20 and approved subject to agreement by LSBU Board and agreement by the Executive of the implementation date. <p>A separate recommendation is being presented to the SBC board on 18/11/20 for implementation of the same scheme at both SBC and SW4 Catering Limited (100% owned subsidiary of SBC). A verbal update will be provided at the meeting regarding the outcome of those discussions.</p> <p>The proposed scheme structure is as set out in section 4 of this report (as amended during consultation) and as recommended by the Group Pensions Sub-Committee.</p>

1. Purpose

The purpose of this report is for the Board to approve implementation at LSBU of the new defined contribution scheme as recommended by the Group Pensions Sub-committee, support approval and implementation across the wider group, including LSBU's 100% owned subsidiary SBUEL, and delegate implementation to the Executive.

2. Background and consultation process

As previously reported to the Board, the LSBU group has been consulting on proposals to change its pension provision for new starters within Professional Service Groups in LSBU and SBC and for all new staff in their respective subsidiary companies SBUEL and SW4 with effect from a proposed implementation date (originally 1 October 2020).

In approving the recommendation to consult, the Board reviewed in detail the proposed structure of the new scheme and the rationale for the proposed change as recommended by the Group Pensions sub-committee.

The original offer set out to TU's is summarised below:

	Lower rate %	Default %	Max matched %
Employers*	7	7	10
Employee	2	5	8
Total contributions	9	12	18

*plus Death in service and ill health retirement cover at an estimated cost of an additional 2%.

The proposal will not affect existing LSBU (or SBC) professional service staff who will continue to have access to the LPFA scheme.

Approval is also recommended for implementation at SBUEL and SW4. Implementation will affect all new staff in both SBUEL and SW4 and all existing staff who, if approved, will be transferred immediately upon implementation into the new scheme. However, the change will be positive as the new scheme structure offers enhancements to the current scheme for existing staff in both SBUEL and SW4 as follows:

- For SW4 staff the new scheme offers a significant improvement on the current contribution structure of 3%/5% employer/employee with little flexibility for lower or higher matched contributions.
- The SBUEL current Aviva DC scheme is more generous than SW4 with a default 6%/3% employer/employee contribution and max match contributions of 3% rising to 9%/6%. The

employer contribution however is capped at 9% although there is flexibility for higher contribution by the employee.

The consultation process

Five meetings were held with separate trade unions (10 meetings in total) including:

- for LSBU; UCU, Unison and GMB
- for SBC; UCU, Unison and the National Education Union (NEU).

The meetings commenced on 16 June and the final meeting was held with SBC TU's on the 13 October. In addition, two joint pension Working Group Meetings were held with SBC and LSBU unions. The consultation was originally due to close on 14 August, but was extended at the request of the TU's to 30 September.

All staff were communicated with throughout the process via emails, intranet based updates including a list of FAQ's and information presentations from Aviva (the new provider) and the LFPA. In addition "drop in sessions" were arranged for any staff who required more information. Questions were also answered via the all staff "pensions inbox".

3. Consultation outcome

At the final meeting held with LSBU TU's on 10 September, no formal counter proposal was received, however concern was raised about the ethnicity and gender pay gap. It was felt any such gap may end up being widened in the future as new staff joining would benefit from a less generous pension and the majority of our lower paid staff would be more likely to be women and those from a BAME background.

At the final meeting held with SBC TU's on 23 September, a counter proposal from Unison and UCU on behalf of SBC was received as follows:

- Default increases from 12% to 18% with a 12%/6% employer-employee split.
- Maximum match increases from 18% to 22% with an 14%/8% employer-employee split
- Lower increases from 9% to 12% with 10%/2% employer-employee split
- Implementation date to move to January 2021.

4. Recommendation

Group Executive considered this counter offer and met with the SBC unions again on 13 October to reject the counter offer on the grounds of non – affordability, but to propose its own revised offer for implementation across the group as follows:

- Flexibility could be accommodated regarding the implementation date of the new scheme, (subsequently considered again by and could be moved but not beyond a 1 August 2021 implementation date).
- To increase employer contributions at low and default (but not max) levels by 1% at a projected additional group cost of £280k pa. This would improve the combined contributions at low and default levels but reduce the total contribution at max match level from 18% to 17%. The scheme will remain compliant with the new Pension Quality Mark (PQM).
- To continue working up a revised reward package alongside implementation of the pension proposal
- To ensure effective communications to reassure current staff that their LPFA pensions remain in place.

The amended and enhanced scheme structure is as follows:

	Lower rate %	Default %	Max matched %
Employers*	8	8	10
Employee	2	5	7
Total contributions	10	13	17

*plus Death in service and ill health retirement cover at an estimated cost of an additional 2%.

For LSBU and SBC the new scheme structure will apply only for new professional service staff from the agreed implementation date. It will not affect existing professional service staff who will continue to have access to the LPFA scheme. At the request of the Unions we have also confirmed that existing staff will be able to continue to access the LPFA scheme if they change roles and/or are promoted within LSBU, SBC or the wider group.

The new scheme will affect existing staff of SBUEL and SW4 but in a positive way.

Claims concerning the potential future impact of the new scheme on women and BAME staff were rejected on the basis that we could not accurately predict the future composition of the workforce, but full commitment was given to ensure that narrowing such pay gap, would continue to be a key aim of the People, Culture and Inclusion Strategy 2020-2025.

The Group Pensions Sub-committee met on 22 October and recommended that implementation of the new scheme be approved by the respective Boards with the option of the enhanced scheme assuming no industrial action, and with discretion for implementation to be determined to suit local circumstances as recommended by the Executive, subject to an agreed backstop date.

The Board is therefore asked to approve implementation at LSBU of the new defined contribution scheme as recommended by the Group Pensions Sub-committee, support approval and implementation across the wider group, including LSBU's 100% owned subsidiary SBUEL, and delegate implementation to the Executive subject to a backstop date for implementation of 1/8/21.

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	CONFIDENTIAL
Paper title:	Group Audit and Risk Committee Annual Report
Board/Committee:	Board of Governors
Date of meeting:	19 November 2020
Author(s):	Kerry Johnson, Governance Officer
Sponsor(s):	Duncan Brown, Chair of Group Audit and Risk Committee
Purpose:	For Information
Recommendation:	The Board is requested to note the 2019/20 Group Audit and Risk Committee annual report.

Executive summary

Introduction

The Group Audit and Risk Committee (GARC) is required under the terms and conditions of funding with the OfS to produce an annual report of the committee to the Board of Governors and the Accountable Officer (the Vice Chancellor). This report will also be submitted to the OfS.

Guidance from OfS is that the annual report must include any significant issues and should be considered by the Board before approval of accounts. It must also include the committee's opinions on the adequacy and effectiveness of LSBU's arrangements for the following:

- Risk management, control and governance;
- Economy, efficiency and effectiveness (value for money);
- Management and quality assurance of data submitted to the Higher Education Statistics Agency (HESA), the Student Loans Company, the OfS, Research England and other bodies.

GARC opinions

1. The Committee's opinion on the institution's risk management, control and governance is that these arrangements are adequate and effective.
2. The Committee's opinion on the arrangements for the economy, efficiency and effectiveness of the University is that they are adequate and effective.

3. The Committee's opinion on the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS, Research England and other bodies is that the University has adequate assurance.

Recommendation

The Board is requested to note the 2019/20 Group Audit and Risk Committee annual report.

Annual Report of the Group Audit and Risk Committee to the Board of Governors and the Accountable Officer 2019/20

Executive summary

During the year to 31 July 2020, the Group Audit and Risk Committee met four times.

Matters completed by the Committee for the year 2019/20 include:

- review and clearance of the University's 2019/20 annual report and accounts (paragraph 8);
- review of external audit findings and KPMG's letter of representation (paragraph 8);
- approval of the plan for BDO's internal audit review work for the following year (paragraph 12);
- at each meeting, detailed consideration of BDO's internal audit reports (paragraph 12);
- four meetings with BDO and four meetings with KPMG in the absence of all University staff;
- consideration of the annual internal audit report (paragraph 14);
- regular review of the corporate risk framework (paragraph 17);
- approval of a statement of internal control (paragraph 19).

At its meeting of 17 October 2019 the Board of Governors approved a revised terms of reference to reflect the role of the Committee in relation to the LSBU Group. It was agreed that the Committee would have a Group-wide remit, and that South Bank Academies and South Bank Colleges would continue to hold their own respective audit committees to oversee local audit matters. The name of the Committee was changed from "Audit Committee" to "Group Audit and Risk Committee" to reflect this change.

Introduction

1. This report covers the financial and academic year from 1 August 2019 to 31 July 2020 and includes any significant issues up to the date of the signing of this report and consideration of the financial statements for the year.
2. No member of the Group Audit and Risk Committee has, or has had during the year, a direct role in the management of the University. All members of the Committee are asked to declare any interests in any item of business on the agenda at each meeting.
3. During 2019/20, the Group Audit and Risk Committee was chaired by Duncan Brown, an independent governor. Other members of the Committee during the year were: John Cole (appointed 1 May 2019), Mark Lemmon (appointed 1 May 2019) and independent co-optee, Rob Orr (appointed 5 February 2019). The Audit Committee considers it has individuals with an appropriate mix of skills and experience to allow it to discharge its duties effectively.
4. All members of the Committee are independent of management. James Stevenson, Group Secretary & Clerk to the Board, served as secretary to the Committee throughout the year.
5. The Committee held four business meetings during the financial year to 31 July 2020. The Vice Chancellor, Chief Financial Officer and, as required, other members of the Executive were present. The internal auditors and the external auditors were present at all four meetings. For the financial & academic year 2020/21 the Committee will also hold four regular business meetings (October, November, February, and June), and has held two extraordinary meetings in August and September 2020 to review the re-opening of the campus in a covid-secure way and an internal audit report on cyber security
6. The Committee's terms of reference are reviewed annually in the autumn. The Committee has an agreed forward business plan which is used to plan its agendas during the year and is reviewed at each meeting.

External Audit

7. At its meeting of 18 June 2020, the Committee approved the external audit plan for the financial year 2019/20.

8. At its meeting of 5 November 2020, the Committee considered and recommended to the Board for approval the draft financial statements for the year ended 31 July 2020. The Committee considered in detail the audit opinion from KPMG UK LLP. The Committee considered and recommended to the Board for approval the letter of representation from the Board of Governors to KPMG UK LLP.
9. Performance indicators have been agreed against which the performance of the external auditors is measured. At its meeting of 5 November 2020, the Committee received a report on performance against indicators. The external auditors met all of the agreed performance indicators.
10. On 5 November 2020, the Committee met KPMG UK LLP in the absence of any University employees to discuss the year end audit and other matters.
11. Non-audit work provided by KPMG UK LLP for LSBU for the year ended 31 July 2020 was as follows:
 - £8,400 (advice in relation to VAT group)
 - £7,200 (covenant compliance work)
 - £4,920 (subsidiary tax computations)
 - £23,820 (international tax compliance)
 - £3,600 (capital goods scheme adjustment)

Internal Audit

12. The University's Internal Auditors for the year were BDO LLP. BDO worked to an internal audit plan of 206 days (reflecting the move to auditing the whole LSBU Group) approved by the Committee at its meeting of 1 October 2019. 194 days of work were delivered. The Committee has received progress reports from BDO against the plan at every meeting.
13. During the year 17 internal audits were undertaken (2019: 12). The Continuous Audit programme of key financial systems and student data was undertaken throughout the year.
14. The internal auditor's annual report for 2019/20 (dated October 2020) provided a positive assurance statement with an overall opinion of "generally satisfactory with improvements required in some areas". The internal audit annual report found:

"The controls in the areas which we examined were found to be suitably designed and operating effectively to achieve the specific risk management,

control and governance arrangements and value for money. However, there are some areas where weaknesses and/or non-compliance were identified and therefore may put the achievement of objectives at risk. Where weaknesses have been identified, improvements are required to enhance the design and/or effectiveness of risk management, control and governance arrangements and value for money arrangements.”

15. In total, 18 high risk findings were raised across the Group. Nine of these were raised across the four financial control related audits, seven raised in the IT security review, one relating to health and safety and one relating to UKVI Tier 4. BDO concluded that “the control weaknesses identified in these audits were specific to those areas and do not weaken the overall control environment. Management has also agreed action plans for each of the audits and progress to implement these is underway”.
16. The Committee met BDO prior to each of its four regular meetings, in the absence of any of the University’s employees.

Risk management, control and governance

17. The Committee reviewed the corporate risk register at each meeting, with the exception of 13 February 2020 (the risk register was circulated electronically to the committee on 6 March 2020). In addition, the committee annually reviews risk strategy and risk appetite and makes recommendations to the Board of Governors. The University’s corporate risk framework is aligned to the Corporate Strategy. The 2020-25 Strategy was approved by the Board of Governors on 16 July 2020.
18. During the year BDO undertook a review of the risk management arrangements within the Group, in light of the new Group risk policy. The review identified 20 areas where further development is required in order to reach the proposed target maturity levels.
19. At its meeting on 5 November 2020, the committee reviewed the effectiveness of internal controls and approved the full compliance statement for inclusion in the annual report and accounts.

Economy, Efficiency and Effectiveness

20. BDO considers value for money as part of its work on LSBU’s systems of internal control and as part of each internal audit review. In its annual report, BDO states that they “are able to provide reasonable assurance on the adequacy of the Group’s arrangements for economy, efficiency and effectiveness”.

Management and quality assurance of data submitted to Higher Education Statistics Agency, the Student Loans Company, the OfS, Research England and other bodies

21. Both financial and student data are monitored regularly through management controls and independently tested through the internal audit continuous audit programme. No significant findings have been reported.
22. Two internal audits of student data at LSBU were carried out during 2019/20. No findings of high significance were raised and controls were found to be designed and operating satisfactorily with some minor improvements required.
23. An internal audit of HESA student data was considered by the committee at its meeting of 18 June 2020. The audit provided substantial assurance over both the design and operational effectiveness of the controls with no significant findings raised.

Public Interest Disclosure

24. Under the “Speak Up” policy the Group Secretary reported on Speak Up activity at every meeting of the Group Audit and Risk Committee. The Chair of the Committee acts as the independent point of contact for anyone wishing to raise a Speak Up matter outside line management, and reviews the conclusion of any subsequent investigation.
25. Four matters were reported through the Speak Up policy during the year. Two of these reports were found not to be Speak Up matters, and referred to alternative complaints procedures.
26. One report was an allegation of bullying and academic malpractice. Following investigation, no evidence was found of bullying or academic malpractice.
27. The fourth matter was a report of alleged fraud. The formal investigation had not yet been concluded at the time of writing, though initial findings suggest that no fraud had taken place.

Anti-Fraud

28. Under LSBU’s anti-fraud policy the Chief Financial Officer reported on any fraud matters at every business meeting. Four irregularities were reported to the

Committee during 2019/20. At its meeting on 1 October 2019, the Committee was informed of one incident of breach of contract by a staff member and one incident involving software procurement. The employee matter was reported to the police through Action Fraud and repayment of salary was sought. The software purchase incident was found to be due to procedural failures, with no indication of fraud having taken place

29. One incident was reported to the Committee at its meeting of 7 November 2019, involving an SBA purchasing card. The matter was reported to the police through Action Fraud.
30. At its meeting of 13 February 2020 the Committee was informed of one incident of theft of computer equipment, involving approximately ten computers. The matter was reported to the Metropolitan Police.
31. The anti-fraud policy was updated during 2019/20 to reflect its application across the LSBU Group.

Group Audit and Risk Committee effectiveness assessment

32. The Group Audit and Risk Committee will undertake an effectiveness review over winter 2020/21, to be reported at its meeting of 11 February 2021. This review will assess the committee against the new Higher Education Audit Committees Code of Practice, as published by the CUC in May 2020.

Opinion of the Group Audit and Risk Committee

Risk Management, Control and Governance

33. The Committee's opinion on the institution's risk management, control and governance is that these arrangements are adequate and effective.
34. This opinion is based on:
 - the Internal Audit annual report for 2019/20 which gave the opinion that "the controls in the areas which we examined were found to be suitably designed and operating effectively to achieve the specific risk management, control and governance arrangements".
 - the Executive's detailed review of internal controls. This review was considered by the Audit Committee on 5 November 2020.

Economy, Efficiency and Effectiveness

35. The Committee's opinion on the arrangements for the economy, efficiency and effectiveness of the University is that they are adequate and effective.
36. This opinion is based on the Internal Audit annual report, 2019/20 which gave the opinion that "[BDO] were able to provide reasonable assurance on the adequacy of the Group's arrangements for economy, efficiency and effectiveness".

Management and quality assurance of data submitted to Higher Education Statistics Agency, the Student Loans Company, the OfS, Research England and other bodies

37. The Committee's opinion on the management and quality assurance of data submitted to Higher Education Statistics Agency, the Student Loans Company, the OfS, Research England and other bodies is that the University has adequate assurance.
38. Both financial and student data are monitored regularly through management controls and independently tested through the internal audit continuous audit programme. No significant findings have been reported.

This annual report was approved by the Group Audit and Risk Committee on 5 November 2020.

Signed

Duncan Brown
Chair of the Group Audit and Risk Committee
November 2020

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	CONFIDENTIAL
Paper title:	Letter of Representation
Board/Committee:	Board of Governors
Date of meeting:	19 November 2020
Author(s):	KPMG
Sponsor(s):	Richard Flatman, Group CFO
Purpose:	For Approval
Recommendation:	The Board is requested to approve the Letter of Representation, relating to the audit of the accounts for the London South Bank University Group.

Summary:

The Letter of Representation requires the Board to give specific assurances to the auditors, KPMG, over matters regarding the financial statements and the year end audit. It should be signed by the Chair of the Board at the time of signing the accounts. The attached draft letter contains the following items specific to LSBU, with all other items being standard representations.

- The University’s subsidiary (South Bank Colleges) has received a pre-action claim for re-imbursement of costs by a developer in respect of the Vauxhall development project undertaken by South Bank Colleges’ predecessor, Lambeth College Corporation. The Governing Body believes that any claim is unlikely to succeed and cannot be financially quantified at the date of signing. To the best of its knowledge and belief it is satisfied that no provision is necessary in respect of this claim.
- The University has a number of ongoing court cases. The University believes that these claims are unlikely to succeed at the date of signing. To the best of its knowledge and belief it is satisfied that no provision is necessary in respect of these claims.

Recommendation:

The Board is requested to approve the Letter of Representation, relating to the audit of the accounts for the London South Bank University Group.

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(Letterhead of Client)

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

[Date]

Dear Fleur

This representation letter is provided in connection with your audit of the Group and University financial statements of London South Bank University (“the University”), for the year ended 31st July 2020, for the purpose of expressing an opinion as to whether the financial statements:

- i. give a true and fair view of the state of the Group’s and University’s affairs as at 31st July 2020 and of the Group’s and University’s income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- ii. have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education (FEHE SORP);
- iii. meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students; and
- iv. have been prepared in accordance with the Companies Act 2006.

These financial statements comprise the Group and University balance sheets as at 31st July 2020, the Group and University Statements of Comprehensive Income, the Group and University Statements of Changes in Reserves, and the Group Statement of cash flows, and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Governing Body confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Governing Body confirms, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Governing Body has fulfilled its responsibilities, as set out in the terms of the audit engagement dated 30 March 2017, for the preparation of financial statements that:
 - give a true and fair view of the state of the Group’s and the University’s affairs as at the end of its financial year and of the Group’s and University’s income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended; and
 - have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including FRS 102), and the FEHE Statement of Recommended Practice;

- meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students; and
- have been prepared in accordance with the requirements of the Companies Act 2006

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Governing Body in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which Section 32 of FRS 102 (*Events after the End of the Reporting Period*) requires adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.

Information provided

5. The Governing Body has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Governing Body for the purpose of the audit; and
 - unrestricted access to persons within the Group and the University from whom you determined it necessary to obtain audit evidence.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. The Governing Body confirms the following:
 - (i) The Governing Body has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

- (ii) The Governing Body has disclosed to you all information in relation to:
 - (a) Fraud or suspected fraud that it is aware of and that affects the Group and the University and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and

- (b) allegations of fraud, or suspected fraud, affecting the Group and the University's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Governing Body acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Governing Body acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

8. The Governing Body has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
9. The Governing Body has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with FRS 102 Section 21, *Provisions and Contingencies*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
10. The Governing Body has disclosed to you the identity of the Group and the University's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with FRS 102 Section 33, *Related Party Disclosures*.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in FRS 102.

11. The Governing Body confirms that:
 - (a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the University's and Group's ability to continue as a going concern as required to provide a true and fair view and to comply with FRS 102.
 - (b) No material events or conditions have been identified that may cast significant doubt on the ability of the University and the Group to continue as a going concern.
12. On the basis of the process established by the Governing Body and having made appropriate enquiries, the Governing Body is satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities are consistent with its knowledge of the business and in accordance with the requirements of section 28 of FRS 102 .
13. The Governing Body further confirms that:
 - (a) all significant retirement benefits, including any arrangements that are:
 - statutory, contractual or implicit in the employer's actions;
 - arise in the UK and the Republic of Ireland or overseas;
 - funded or unfunded; and
 - approved or unapproved,have been identified and properly accounted for; and
 - (b) all plan amendments, settlements and curtailments have been identified and properly accounted for.

14. In particular the Governing Body confirms that:

- there are no significant matters that have arisen that would require a restatement of the corresponding figures;
- the Governing Body confirms that costs or credits attributable to the agreement of a deficit recovery plan for the Universities Superannuation Scheme (USS) are calculated using assumptions that are consistent with its knowledge of the business. In particular, the Governing Body confirms that the assumptions for assumed salary inflation in each year during the life of the plan and assumed USS membership changes during the life of the plan are consistent with the University's projected employee population profile;
- we are not aware of any issues or disputes associated with delivery undertaken by partners which would impact on the financial statements;
- we are of the opinion that the land and buildings included within tangible fixed assets have been valued appropriately in accordance with the requirements of FRS 102, and to the best of our knowledge and belief we are satisfied that no impairment provision is necessary in respect of the University's estate.
- To the best of our knowledge and belief the University has complied with the requirements of the Charities Act 2011. In particular, the University has disclosed all payments made in relation to trustees expenses and all "connected institutions and bodies" have been disclosed appropriately. Furthermore, all serious incidents, as defined under the Act, have been captured and recorded appropriately.
- There are no issues arising from the finalisation of student data for the year ending 31 July 2020 which has been used to produce the University's 2019 HESA return which would have a material impact on teaching funding from the Office for Students or English undergraduate fee income recognised in the financial statements.
- We are not aware of any issues relating to the University's other Office For Students or Research England funding streams years (e.g. Higher Education) innovation Fund grants which may lead to a clawback in funding over and above that recognised in the financial statements.
- To the best of our knowledge and belief the University has complied with the terms and conditions of any capital grant funding received during the year and in respect of other capital grant funding received during the year and in respect of other capital grant funding received in prior years. In all instances, the University is satisfied that the agreed outputs against which each project will be assessed will be delivered.
- To the best of our knowledge and belief the University has complied with the terms and conditions of any revenue grant funding (for example research funding) received in recent years and where agreed outputs are to be delivered as part of the grant agreement, the University has or anticipates delivering these.
- In all material respects funds from whatever source administered by the Group and the University for specific purposes have been applied to those purposes during the year ended 31 July 2020.

- to the best of our knowledge and belief the University has complied with the Office for Students guidance for access and participation spend and any spend classified as access and participation spend is in accordance with this guidance.
- The University's subsidiary (South Bank Colleges) has received a pre-action claim for reimbursement of costs by a developer in respect of the Vauxhall development project undertaken by South Bank Colleges' predecessor, Lambeth College Corporation. The Governing Body believes that any claim is unlikely to succeed and cannot be financially quantified at the date of signing. To the best of its knowledge and belief it is satisfied that no provision is necessary in respect of this claim.
- The University has a number of ongoing court cases. The University believes that these claims are unlikely to succeed at the date of signing. To the best of its knowledge and belief it is satisfied that no provision is necessary in respect of these claims.

This letter was tabled and agreed at the meeting of the Governing Body on [insert date].

Yours faithfully,

Jeremy Cope
Chair of the Board

Appendix A to the Representation Letter of South Bank University: Definitions

Financial Statements

A complete set of financial statements comprises:

- Group and University balance sheets as at the end of the period;
- Group and University Statement of Comprehensive Income for the period;
- Group and University Statement of Changes in Reserves for the period;
- Group Cash Flow Statement for the period; and
- notes, comprising a summary of significant accounting policies and other explanatory information.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* states that:

Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or combination of both, could be the determining factor.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* as the “reporting entity”).

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions apply:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled, or jointly controlled by a person identified in (a).
 - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related party transaction

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Appendix B to the Management Representation Letter of XYZ University

Summary of unadjusted audit differences

Under the requirements of ISA 260 we are required to present any unadjusted audit differences, other than those which are clearly trifling, to the Audit Committee.

Summary of unadjusted audit differences for the year ended 31 July 2020.

Unadjusted audit differences (£'000)				
No.	Detail	SOCI Dr/(cr)	SOFP Dr/(cr)	Comments
1	Dr Cash Cr Creditors CR Debtors CR Deferred Income CR Grant Income DR Exchange Losses DR Other Expenditure		2,968 (562) (699) (1705) (31) 16 13	There were a high number of reconciling items included on the year end bank reconciliation that should have been posted in 2019-20 but were not, as a result cash was understated.
2	DR Retained Earnings CR Expenditure		692 (692)	Our testing of capital additions identified a number of debit transactions included as negative AUC additions that related to assets that had previously been brought into use (and should now be fully depreciated). The total amount written off in year of £692k has been included as an error as the amount should have been written off in previous periods, therefore expenditure in year is overstated and prior year expenditure (brought forward retained earnings) understated.
3	DR Creditors (deferred income) > 1 year CR Creditors (deferred income) < 1 year		310 (310)	South Bank Colleges - £310k should have been released against Deferred Capital Grant > 1 year rather than TU Advances < 1 year. As a result there was a disclosure error with Capital Grants overstated £310k in version 1.
4	DR Payable CR Accrued Income		462 (462)	South Bank Colleges - Classification error resulting from the incorrect invoice being issued by LSBU to SBC. A credit note was not issued by year end so expenditure was moved to 7005 which maps to prepayment.
Total		£(694)	£694	

Adjusted audit differences

ISA 260 also requires us to report differences found during our audit which have been adjusted by management in arriving at the final results for the University. These adjusted amounts need to be considered by the Audit Committee as they may indicate broader failures in systems of controls which will need addressing.

There were no adjusted audit differences.

There were also a number of other presentational adjustments made to the accounts following our review including grossing up of balances and reclassification of other balances. These have all been adjusted for and are reflected in the financial statements.

	CONFIDENTIAL
Paper title:	Going Concern Assurance
Board/Committee	Board of Governors
Date of meeting:	19 November 2020
Author:	Richard Flatman, Group Chief Financial Officer
Sponsor:	Richard Flatman, Group Chief Financial Officer
Purpose:	For approval
Recommendation:	Board is requested to note the assurance sources and approve the going concern basis for preparation of the accounts.

The board of Governors is required to produce a statement in the annual accounts that the University Group continues to be a going concern. The draft statement in the 2019/20 accounts together with cross references to notes on assurance sources is below:

Cash flow forecasts have been prepared for a period of 4 years from the date of approval of these financial statements. The Group always plans to have sufficient liquid assets to meet its liabilities as they fall due and monitors and reports cashflow balances and covenant compliance on a regular basis. Cash balances and bank deposits at 31/7/20 were £52.1m and are forecast to decrease to £28.5m by 31/7/21 as the Group continues to deliver its current capital programme. A £30m revolving credit facility has been established to provide sufficient cashflow to meet the Group's ongoing capital investment programme and working capital requirements. Drawdown against this facility is forecast to begin in 2021/22. Current borrowing facilities are considered adequate to meet current operational plans (note 1).

A small budget surplus has been approved for 2020/21, and cashflow from operations of £14.7m is forecast, reflecting the need for continued financial control whilst maintaining appropriate levels of investment to drive the necessary corporate strategic outcomes. At this early stage of the year, whilst accepting that there may be variations on individual budget lines, we are not moving away from agreed budget

outcomes although Covid continues to present challenges and risks to delivery (note 2).

Recruitment and re-enrolment are both looking positive although we will continue to monitor the position carefully over the next few months. Semester 2 recruitment is also looking strong. As is always the case, a comprehensive mid-year budget review is planned during the first semester of 2020/21. This will look closely at recruitment, re-enrolment and associated income forecasts. The Group is also undertaking an assessment of organisational shape, showing where investment and efficiency savings are required (note 3).

We will continue to monitor the position carefully over the next few months. The principal risks to successful financial delivery in 2020/21 remain Covid related including recruitment, withdrawals, and halls fee income levels. We remain committed to providing a blended learning environment and a rich student experience notwithstanding the Covid challenges (note 4).

After taking all of these matters into consideration), the Board of Governors is of the opinion that it will be able to manage and respond effectively to the severe but plausible downside related to the impact of COVID-19. Consequently, the Board of Governors is confident that the Group and parent University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements (the going concern assessment period) and therefore have prepared the financial statements on a going concern basis.

The key elements that give us assurance regarding institutional sustainability, and which support the going concern statement, are set out below:

Note	Assurance
1	<ul style="list-style-type: none"> <li data-bbox="480 1585 1342 1697">• Have reviewed capital programme spend and negotiated revised payment profiles where appropriate (eg LEAP as reported to MPIC 17/9) <li data-bbox="480 1738 1342 1883">• Have reworked our capital expenditure forecasts and cashflow forecasts including an assessment of operating cashflows expected to be generated during 20/21 (MPIC/FPR September 2020) <li data-bbox="480 1924 1374 2022">• Have negotiated and implemented an RCF with Barclays which is unrestricted as to use and is immediately available for drawdown as required to service cashflow needs

	<p>(detailed regular reports to RCF Sub-committee, FPR, MPIC and Board)</p> <ul style="list-style-type: none"> • Have tested our revised covenants against the budget scenario for 20/21 and our longer term forecasts and are compliant based on those forecasts (RCF sub- committee and CFO report to Board).
2	<ul style="list-style-type: none"> • Our forecasting is accurate and we have delivered to financial forecasts as reported throughout last year (see July management accounts FPR 22/9) • We prepared a number of alternative scenarios post Covid for consideration in setting an appropriate budget for 20/21 (May 2020 Board meeting) • Have reworked and downgraded future financial forecasts (as submitted to Barclays during Revolving Credit Facility negotiations in Summer 2020) • Sept management accounts broadly in line with budget scenario 2(b) and no requirement at present to move away from agreed budget (FPR 3/11).
3	<ul style="list-style-type: none"> • 2020 Semester 1 Recruitment and retention is ahead of target and budget income forecast as are applications for Semester 2 entry (FPR 3/11).
4	<ul style="list-style-type: none"> • We have a robust risk management process which considers risk (including financial risk) on a regular, continual basis (as reported to Board and Audit Committee) • Our Covid-19 risk assessment and response has been subject to internal audit review and received moderate assurance in terms of design and substantial assurance for effectiveness. (GARC 5/11).

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	CONFIDENTIAL
Paper title:	Remuneration Committee report to Board
Board/Committee:	Board of Governors
Date of meeting:	19 November 2020
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	Jeremy Parr, Chair of the Remuneration Committee
Purpose:	For Information
Recommendation:	The Board is requested to note the annual remuneration report.

Executive summary

Annual remuneration report

Under ‘The Higher Education Senior Staff Remuneration Code’ by the CUC, the Remuneration Committee has produced an annual remuneration report to the Board. The University must also publish a remuneration annual statement, which the Code expects should be the same as the report provided to the Board.

The Remuneration Committee has agreed that the report to the Board and the public report should be the same. The report will form part of the annual report and accounts and be published on the University’s website.

Under the Code, the report should “provide sufficient assurance to the governing body that the Remuneration Committee has effectively discharged its responsibilities”.

The report largely follows the template report provided by the CUC and sets out the University’s approach to remuneration for all staff and Senior Executives, how executive salaries are benchmarked, institutional performance, the performance, pay and bonus of the Vice Chancellor and the University’s approach to external income for executive members, severance and expenses.

As set out in the report, the committee agreed that based on the distinctive challenges and structure of the LSBU group the following relevant benchmarks and indicators would normally be taken into consideration when setting and reviewing the Vice Chancellor’s salary:

- Institutions of similar size and type based on UCEA data (this data will be interpreted to take account of LSBU’s London location by adding 5%);

- London modern universities; and
- Other universities with a group structure or similar complexity of structure or regulatory framework.

However, in the light of the general approach to freezing pay across the sector, and followed by LSBU, a full benchmarking exercise was not relevant in setting pay from 1 August 2020.

Recommendation

The Board is requested to note the annual remuneration report.

Annual Remuneration Report, 2019/20

Introduction

This remuneration report sets out the University's approach to determining senior pay and outlines performance and reward during the year.

The Remuneration Committee is responsible for determining the remuneration of the Vice Chancellor and Senior Executives covered by the Senior Remuneration Policy as approved by the Board. Senior Executives are the senior leaders of LSBU who report directly to the Vice Chancellor. The Senior Executives for the year are listed on page **x**.

The Board has adopted the CUC Remuneration Code and approved a senior remuneration policy.

Full details of the senior pay policies referred to in this report are available on the LSBU website.

Terms of Reference

The Remuneration Committee's Terms of Reference are available [online](#).

Committee Membership 2019/20

The members of the committee for the year 2019/20 were Jeremy Parr (Committee Chair), Jerry Cope (Chair of the Board), Michael Cutbill (Vice Chair of the Board) and Mee Ling Ng. All members of the committee are independent governors. No members of the executive are members of the committee. The Vice Chancellor is invited to committee meetings where appropriate, such as to make recommendations on pay awards and bonuses of senior executives. No member of the executive was present for any discussion on their own remuneration.

Committee meetings 2019/20

The committee met twice in the 2019/20 academic year.

- 21 November 2019
- 30 June 2020

The committee also met on 3 November 2020 to consider Senior Executive performance and remuneration for 2019/20.

Approach to remuneration of all staff in 2019/20 and for 1 August 2020 onward

LSBU is a large complex organisation requiring both general and specialised leadership to fulfil its strategic objective of being seen as the leading Modern University in London. This requires the provision of high quality teaching and support to its students, at home and

overseas, enabling them to face the real world confidently and successfully. The teaching environment will be underpinned by input from employers and will have a strong focus on Enterprise and applied Research.

To achieve this objective, LSBU needs to attract, retain and motivate a strong calibre of leaders with competitive remuneration packages, within both a London and international labour market. However, the approach to senior remuneration must be framed within a context that all LSBU employees are, and feel, remunerated fairly for their roles and responsibilities and enthusiasm for the success of the University.

At LSBU, we create an environment which attracts and fosters the very best staff, and in which all staff, whatever their role, feel valued and proud of the University and take appropriate responsibility for its development. Embracing and integrating equality and diversity and inclusion is fundamental to our success and growth as an institution of higher education.

Senior Remuneration

In setting senior remuneration, LSBU has adopted the CUC Higher Education Senior Staff Remuneration Code (2018).

LSBU's Senior Remuneration Policy (agreed by the Board in October 2018) sets out the following principles for senior remuneration:

- Remuneration will be applied to ensure that it is discrimination free, and based on job scale and complexity;
- Overall remuneration levels, including benefits, will be comparable, taking account of geography and affordability, to a set of equivalent institutions, decided by the Remuneration Committee but independently validated and, if appropriate, refreshed at least once every three years;
- Starting packages will reflect the experience and capability and particular circumstances of candidates, and the size and challenge of the particular role facing them;
- New starters will initially therefore often receive higher than average annual increases as their performance moves above the median expected for the role;
- Overall nonetheless the average % annual pay increases for senior executives as a whole will normally be no higher than for all employees, including the value of increments, where paid;
- Account will also be taken of the ratio of the VC's base salary and total remuneration to the median earnings of the Institution as a whole, both absolute and the change from the previous years.
- Individual annual pay increases will be influenced by performance, but in general good or exceptional performance will be rewarded mainly by annual unconsolidated bonus rather than basic pay;
- This individual performance annual bonus scheme, currently set at a maximum of 10% of basic pay, will be based on pre-agreed clear measurable output-based

objectives; no individual bonus will normally be paid unless the University meets an overall financial target set by the Board as a whole;

- At the Remuneration Committee's discretion, a team bonus awarded against specific team objectives in addition to the individual bonus will operate, currently set at a maximum of 8% with the potential to rise to 10% on the approval of the Remuneration Committee
- At the Board's discretion, the overall package may also include a longer-term incentive scheme, the perceived value of which should be included in assessing comparability with equivalent institutions;
- The Board will publish the value of the packages of some or all of its senior executives, in the way defined and required by the Office for Students (OfS);
- These principles will be resubmitted to the full Board for endorsement, as a minimum once every three years and will be published in LSBU's Report & Accounts

Benchmarking

The committee has agreed that based on the distinctive challenges and structure of the LSBU group the following relevant benchmarks and indicators would normally be taken into consideration when setting and reviewing the Vice Chancellor's salary:

- Institutions of similar size and type based on UCEA data (this data will be interpreted to take account of LSBU's London location by adding 5%);
- London modern universities; and
- Other universities with a group structure or similar complexity of structure or regulatory framework.

However, in the light of the general approach to freezing pay across the sector, and followed by LSBU, a full benchmarking exercise was not relevant in setting pay from 1 August 2020.

Other senior executive pay will also normally be independently benchmarked every three years. The last review of relevant benchmarking was undertaken by Korn Ferry in November 2018.

The Hay Group Guide Chart Profile Method of job evaluation was used to set the benchmark for all Executive level jobs and salaries.

Institutional performance, 2019/20

The Board monitors the performance of the University through the agreed key performance indicators. As set out in the *Strategic Report*, the University performed well in terms of both financial and many strategic outcomes.

Institutional performance including areas measured by the key performance indicators plus individual objectives are reviewed as part of individual Senior Executives' appraisals and are overseen by the Remuneration Committee.

Vice Chancellor performance, 2019/20

This assessment of Vice Chancellor performance is for academic year 2019/2020. The bonus awarded based on performance for academic year 2019/20 will be paid in financial year 2020/21 and appear in next year's accounts.

The Vice Chancellor's performance was reviewed by the Chair of the Board as part of the appraisal process, looking at key results both against key KPIs for the University, which the Vice Chancellor oversees, and against the specific personal objectives (marked *) set for the Vice Chancellor by the Remuneration Committee:

- *The financial stability of the organisation has been ensured and the diversity of income streams has been increased;
- Strong and robust plans have been made and implemented to maintain student learning whilst maintaining high standards of safety across all parts of the LSBU Group;
- Recruitment in 2020, has held up or increased, thanks to the growing reputation of the University, except in the areas of overseas and part-time students, sectors badly affected in LSBU and elsewhere by the pandemic (in these latter areas steps are being taken to increase activity in year);
- Progression rates at the University were significantly above target;
- *Institutional reputation across the Group has improved but disappointingly specific League table rankings for the University have decreased primarily following a change in the measurement in the Sector of student outcomes, but also impacted by a relative drop in National Student Survey scores ;
- Good progress both financially and in terms of student outcomes continues to be made at Lambeth College, a key element of the family of educational institutions' strategy, has been completed;
- Costs have been controlled carefully, but with investment in key strategic areas;
- *The staff engagement score again improved, this year by a considerable 7%, at a time of significant change and disruption;
- *Progress has been made on a number of major improvement projects;
- An exciting new Group strategy building on the growing family of educational institutions vision has been approved by the Board; and
- There has been strong and confident leadership both internally and externally, including representing LSBU to key stakeholders.

So in summary LSBU has generally made good progress this year, both in terms of handling the considerable short-term pressures but also in moving forward strategically, all at a particularly complex and challenging time. The Group is well placed to thrive in a potentially tough environment going forward, The Board continues to recognise the importance of maintaining a strong and determined leadership team across all areas of activity.

During the year under review, the Vice Chancellor was awarded a bonus of £17.9k for individual performance (a bonus of £20k was awarded for performance in 2018/19) and a bonus of £15.5k for team performance.

Performance related pay, 2019/20 and 2020/21

Under the Senior Remuneration Policy, for 2019/20, the Vice Chancellor and Senior Executives were eligible for a bonus of up to 10% of salary and for a team bonus of up to 8% of salary as set out in the remuneration principles above. The award of both individual and team bonuses is reviewed and approved by the Remuneration Committee.

During the year, the University met its overall financial target and eight members of the executive were eligible to receive an individual bonus and seven members a team bonus. Following the appraisal process and a report on performance against individual measurable objectives, the Committee approved eight individual (including the Vice Chancellor) bonuses and a team bonus (of 6.5%) together totalling £100k (for 2018/19 performance, eight individual bonuses and a team bonus were awarded totalling £136k).

There is a separate performance related pay scheme for Senior Managers (grades A – B. Bonus of up to 3% of salary) and Senior Leaders (grade C. Bonus of up to 10% of salary). Staff eligible for performance related pay receive annual inflation uplifts to their base pay. Bonuses for performance during 2019/20 will be determined in November 2020.

Total Remuneration: Vice Chancellor

The table below sets out payments to the Vice Chancellor during 2019/20 with a comparison to 2018/19. The bonus figure relates to performance in the previous year.

Emoluments of the Vice Chancellor	2019–20	2018–19
	£'000	£'000
Salary	238	234
Accommodation allowance	10	0
Performance related pay	30	19
Taxable benefits	1	10
Pension scheme contributions or payments in lieu of pension contributions	35	34
Total	314	297

In August 2019, the Vice Chancellor paid back a loan of £350k in full to the University (full details of the loan are included in note 8(E)). From August 2019, the Remuneration Committee agreed a central London accommodation allowance of £10,000.

For the current year, the Vice Chancellor has been awarded a pay increase of 0%, in line with the average annual pay rise for all employees.

Pay Multiple

The Vice Chancellor's basic salary is 6.23 times the median pay of staff across the organisation, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The Vice Chancellor's total remuneration salary is 6.94 times the median total remuneration of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The pay multiple has remained in line with that of previous years.

Year	Ratio – basic salary	Ratio – total remuneration
2019/20	6.23	6.94
2018/19	6.15	6.78
2017/18	6.18	6.86
2016/17	6.33	7.01
2015/16	6.10	6.97

The ratios do not include agency workers.

The LSBU ratios compare to the average sector ratio of 7.8 for basic pay and 8.2 for total remuneration (based on OfS data for 2017/18).

External appointments, expenses and severance

LSBU's policy on the retention of income generated from external bodies is that Executive members are expected to declare any external income. The expectation is that external income will not be retained but on occasion permission to retain income may be given by the Vice Chancellor (and in the case of the Vice Chancellor by the Chair of the Board). Where Executive members are appointed on a fractional basis it may well be external activity can be accommodated outside of contract but it should still be declared to avoid conflict. The Remuneration Committee reviews these declarations.

In 2019/20, the Vice Chancellor donated royalties to the University's hardship fund. The Vice Chancellor did not undertake any external remunerated activity.

LSBU's Expense policy is available online. It applies to all staff including Senior Executives.

In 2019/20, the Vice Chancellor's expenses totalled £1,296. These are payments on a purchasing card for travel, accommodation, meals, entertaining and other authorised costs. In addition, work-related travel costs of £ 290 were booked through the University's central travel buying team for the Vice Chancellor.

The Remuneration Committee has approved a policy on severance arrangements.

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	CONFIDENTIAL
Paper title:	Prevent Annual Return
Board/Committee:	Board of Governors
Date of meeting:	19 November 2020
Author(s):	Ed Spacey, Acting Director of Group Assurance.
Sponsor(s):	Fiona Morey, Executive Lead for Prevent
Purpose:	For approval
Recommendation:	The Board is requested to approve the contents of the annual Prevent return ahead of submission to the OfS.

Executive summary

The annual Prevent return outlines the range of measures undertaken in order to demonstrate due regard to the Prevent Duty.

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Prevent Annual Report

1.0 Background and Purpose

- 1.1 To provide an annual report on the implementation of the “Prevent Duty”.
The “Prevent Duty” is the responsibility to stop people being drawn into terrorism.
- 1.2 The monitoring framework requires the University to submit an annual return to the Office for Students by 1 December 2020. The report covers the period of the last academic year and developments to date.

2.0 OFS Statement of Assurance

Recommendation

The Board of Governors approves the statement below and notes the text. A signed document is needed for the OfS return.

London South Bank University has had due regard to the need to prevent people being drawn into terrorism (the Prevent duty) and has demonstrated this by having

- A strong embedded Prevent governance and reporting structure
- Partnership working with London Regional HE Prevent Network (including hosting) and DFE Groups
- Evidence of an effective package of wellbeing arrangements
- An audited project management approach to responding to Covid

3.0 Accountability statement

(Governing bodies/proprietors are required to provide a short statement outlining the mechanisms to which they have been assured they are able to sign the declaration satisfactorily. This is proposed as below).

- The Vice Chancellor is fully engaged with Prevent and the Pro Vice Chancellor Compulsory and Further Education (PVC) is Executive Lead.
- There have been no referrals to “Channel” during September 2019 to date.
- In 2019/20 there were 4 occasions where prevent issues were raised internally, compared to 9 last year (4 last year were about the same individual). Referral sources were 1 Student (Flatmate), Lecturers 2 and Police 1. No further prevent action was required in any case.
- LSBU has a strong student welfare governance approach. It ranges from weekly student concern response meetings (TBC welfare cases), to an Annual Board Report.

- The PVC chairs a Safeguarding Committee, which monitors Prevent. Prevent issues are also reported to the Health and Safety Joint Committee three times per year.
- The Prevent Policy, Risk Assessment, Action Plan and External Speakers Policy has been reviewed with no significant changes. The approach to prevent training and completion is monitored/reviewed by the Safeguarding Committee.
- Covid prompted reconsideration of items within the risk assessment/implications of online learning. LSBU issued written reminders to gain external speaker approval for all online events.
- Additional student hardship funds were introduced.
- Student services delivered enhanced wellbeing support, including mental health and isolation. There are weekly communications, daily online support programmes, and pulse surveys. There is a full support package for those self isolating in Halls, including practical measures.
- The Acting Director of Group Assurance (formerly Head of Compliance) is responsible both for Covid Recovery and strategic prevent issues. LSBU commissioned BDO to audit its approach to Covid including compliance and student engagement.
- The Acting Director of Group Assurance continues to be an active member of the London Regional Higher Education Prevent Network. He regularly attends Roundtable consultation meetings with the DFE on Counter Extremism, and its working groups on the approach to Prevent Training.

Name	
Signed	
Date	

	CONFIDENTIAL
Paper title:	Report and decisions of committees
Board/Committee:	Board of Governors
Date of meeting:	19 November 2020
Author(s):	Kerry Johnson, Governance Officer
Sponsor(s):	Relevant committee chairs
Purpose:	To update the Board on committee decisions
Recommendation:	The Board is requested to note the report on decisions of committees and subsidiary boards.

Executive summary

A summary of committee and subsidiary board decisions is provided for information. Minutes and papers are available on modern.gov.

The Board is requested to approve:

- Modern Slavery Act statement

Other relevant papers are included separately as agenda items.

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Group Pensions Sub-Committee – [22 October 2020](#)

The committee discussed an update on the consultation with staff across the LSBU Group on the pension proposals. Following discussions with staff, an enhanced offer was proposed and supported by the committee. The committee recommended the enhanced offer to the boards in the LSBU Group. The committee supported that individual companies in the Group should be able to determine how best to implement the revised scheme in their companies, if approved.

SBC Sub-Committee Meeting – [22 October 2020](#)

The SBC Board on 14 July 2020, delegated authority to a sub-committee to authorise entry into the draft contract with the DfE on behalf of SBC for the estates strategy, subject to the contract not committing SBC to unfunded expenditure.

The committee was broadly content with the draft contract subject to clarification on some of the definitions in the contract. The committee requested that an updated version of the contract be circulated for its approval.

DfE Contract Sub-Committee (LSBU) – [22 October 2020](#)

The committee discussed the near final draft contract with the DfE. The proposed contract was a condition of the DfE consenting to the SBC estates strategy.

The committee supported the principles of the contract on the basis that it did not materially increase the liabilities of the LSBU Group.

The committee discussed the proposed parent company guarantee to the DfE. The committee noted the advice from VWV that, as SBC is a charitable subsidiary of LSBU with similar objects, LSBU had the power to give a guarantee. In addition, the committee was satisfied that giving a guarantee was in the best interests of LSBU as it would enable SBC to operate effectively and deliver outcomes for its students benefitting the LSBU Group. The committee also considered the financial risk to the University of giving the guarantee to be low as it was unlikely that SBC would default on its obligations to the DfE.

The committee was broadly content with the draft contract subject to clarification on some of the definitions in the contract. The committee requested that an updated version of the contract be circulated for its approval.

SBC Sub-Committee Meeting – [27 October 2020](#)

The SBC Board on 16 September 2020, delegated authority to the sub-committee to approve the appointment of a contractor to deliver the NESC main construction work (phase 2).

The Committee approved the recommendation to appoint Graham Construction Limited to undertake the construction of the STEAM Building on the Vauxhall

campus (Block A) at a total cost of £26,726,850 plus VAT totalling to £32,072,220. LSBU MPIC consent would be sought at its meeting of 29 October 2020.

Academic Board – [28 October 2020](#)

The Board approved:

- The recommendations of the Annual Education report. The Board requested an appendix to accompany the report containing a summary of how the University's academic KPIs map directly or indirectly to the OfS Conditions of Registration.
- The revised Lecture Capture policy. The next steps for the policy's implementation would be to consult with the unions in late November.
- Amendment to the Academic Regulations for 2020/21. The amendment carried forward changes introduced in 2019/20 due to the coronavirus pandemic to the application of compensation and condonement for assessments and examinations.
- A proposal to establish a task and finish group to draft a vision for decolonising the curriculum.

The Board discussed:

- The 2019/20 NSS results and 2020/21 action plan, which the Board noted would be led by a task and finish group formally reporting to the University Management Committee. The Board was supportive of the group's approach to improve NSS engagement, repair the feedback loop so that students do not wait until completion of the NSS to inform the University of issues, and more targeted support for course directors.
- The Student Academic Outcomes report (semesters 1 and 2 2019/20).
- The AULA digital learning platform pilot. The Board supported expanding the pilot to test the platform in further Schools.
- Planning for January-starting courses in 2020/21. It was noted that a full year calendar consultation would take place once plans for semester 2 are completed.
- The racial awarding gap and Academic Planning Panel programme.
- The revised Partner Management Process using HAPLO. The Board was concerned about the academic risk of partnerships and quality assurance of franchise validations. It agreed to discuss the process in greater detail at its next meeting.

The Board received and noted:

- An update from the Provost on positive COVID-19 cases at LSBU, estates development at London Road and the Croydon campus site, 2020/21 enrolment challenges, 2019/20 progression rates, and poll survey feedback.
- The Annual Research Ethics report.
- Reports from sub-committees.

Major Projects and Investment Committee – [29 October 2020](#)

The committee consented to:

- The appointment of Graham Construction Ltd to undertake the construction of the NESc, with a total cost of £26,726,850 + VAT.

The committee approved:

- LSBU and SBC network replacement – approved the remaining planned capital expenditure investment of £2.2m to allow phase one of the network replacement programme to proceed.

The committee recommended for approval by the Board:

- TEAM University, Tashkent – subject to validation by the Academic Board and the signing of a memorandum of cooperation, the committee recommended that the Board approve the establishment of a partnership with TEAM University.

The committee noted:

- Project LEAP update – noted the progress on WP4.0 and noted that further approval would be sought for WP5.0 during November 2020.
- SBC estates – noted the progress on the Nine Elms STEAM Centre and progress associated with the SBC estates programme.
- Southwark Campus redevelopment update.

Finance, Planning and Resources – [3 November 2020](#)

The committee discussed:

- Management accounts to 30 September 2020;
- Student recruitment and retention – as at 23 October 2020 the University had fully enrolled 5,440 students. Applications for semester two continued to track ahead of 2019/20;
- Annual report and accounts 2019/20 – noted that surplus of £1.4m was in line with the budget. Noted that a revised version of the accounts would be circulated ahead of the Board on 19 November, as changes were still to be made;
- Strategic POD report;
- Target operating model – noted current status of the work on the Group target operating model. Further update to come in April 2021.

The committee noted:

- Treasury management report – total bank balances of £50.2m and outstanding loans of £33.6m;
- 2019/20 strategic enabler KPI and 2025 KPI framework update.

- Update on compliance with charity fundraising regulations and guidance.

Remuneration Committee – 3 November 2020

The committee discussed and approved pay award and bonuses to members of the Group Executive. The committee noted the objectives of members of the Group Executive for the 2020/21 year.

Further detail is provided in the annual remuneration report (separate item on the agenda).

Group Audit and Risk Committee – [5 November 2020](#)

The committee approved:

- External audit letter of representation;
- Internal controls annual review of effectiveness 2019/20 – approved a ‘full compliance’ statement for 2019/20;
- Group financial regulations – approved amendments to the financial regulations and the move to Group financial regulations.

The committee reviewed and recommended to the Board:

- Annual report and accounts for year ending 31 July 2020, subject to amendments;
- Group Audit and Risk Committee annual report to the Board;
- 2020 Modern Slavery Act statement;
- Prevent annual return.

The committee reviewed and recommended the following matters to be reported to the Board:

- External audit findings;
- Going concern statement – further information to come to provide assurance to the Board;

The committee noted:

- Update on actions following the UKVI Tier 4 internal audit;
- Update on actions following the cyber security internal audit;
- Internal audit progress report;
- Internal audit report: apprenticeships, which provided a moderate level of assurance for control design and for operational effectiveness;
- Risk management maturity levels and review of risk management across the LSBU Group;
- Internal audit annual report and opinion, which was “generally satisfactory with improvements required in some areas”;

- Pension assumptions – discussions ongoing with actuaries; final assumptions to be included in the annual report and accounts
- External audit performance against KPIs;
- Public benefit statement;
- Corporate governance statement;
- Data assurance report
- Anti-fraud, bribery and corruption report – no new instances since the committee last met;
- Data protection report – three new incidents since the last meeting, one of which was notifiable to the ICO;
- Reportable events update – no reportable events since the last meeting;
- Speak up report – no new cases raised since the last meeting;
- Committee annual business plan.

South Bank University Enterprises Ltd Board – [10 November 2020](#)

The committee approved:

- SBUEL statutory accounts 2019/20, subject to amendments
- External audit letter of representation;
- External audit findings – noted that the two misstatements referred to had been corrected;
- Group pension proposals – approved the implementation of a new defined contribution pension scheme for employees of SBUEL.

South Bank Colleges Board – [18 November 2020](#)

The Board will discuss and, if thought fit, approve:

- The Pensions proposal;
- The Executive Principal's Report (to include Achievement Outcome, Update on Recruitment, KPIs for 2020/21);
- An Update on Estates Programme (to include JLL Report);
- The Chief Financial Officer Report;
- The Proposed Trustee Appraisal Process.

If thought fit, the Board will approve:

- The Annual Report and Accounts and Year-end Reports 2019/20;
- SBC adopts LSBU Group Financial Regulations;
- Updated Equality & Diversity Policy 2020/21 and Review Annual Report 2019/20;
- Lambeth College Self-Assessment Report (SAR) 2019/20;
- A Sub-contracting contract;
- Trustee Register of Interest – Update.

The Board will note:

- The Public Benefit Guidance;
- The Board Annual Work Plan 2021

	CONFIDENTIAL
Paper title:	Modern Slavery Statement 2020
Board/Committee	Board of Governors
Date of meeting:	19 November 2020
Author:	James Rockliffe, Director of Procurement Services
Sponsor:	Richard Flatman, Chief Financial Officer
Purpose:	For Approval
Recommendation:	The Board is requested to approve the 2020 Modern Slavery Statement.

Executive Summary

- We are required to obtain approval from our 'Board of Directors'. See the enclosed extract from PWC's modern slavery guidance.
- The statement must be approved by the Board of Governors to enable the University to state that it meets its statutory obligations in respect of modern slavery legislation when bidding for funding.
- Publication is advised within six months of year end; however, this is not a definitive deadline. Our intention is to publish the statement on the University website on or before 31 January 2021.
- A new paragraph has been included about the UK exiting the EU and the potential impact on our supply chains. A detailed paragraph about COVID-19 will be relevant to next year's statement when the impact of the pandemic on supply markets will be clearer.

5 Who should approve your statement?

The Act states:

- If your business is a body corporate other than a limited liability partnership, it must be approved by the board of directors (or equivalent management body) and signed by a director (or equivalent);
- If your business is a limited liability partnership, it must be approved by the members and signed by a designated member;
- If your business is a limited partnership registered under the Limited Partnerships Act 1907, it must be signed by a general partner; and
- If your business is any other kind of partnership, it must be signed by a partner.

Recommendation

The Board is requested to approve the 2020 Modern Slavery Statement.

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Modern Slavery Statement 2020

Introduction

London South Bank University (“LSBU” or “the University”) is committed to preventing acts of modern slavery and human trafficking from occurring within its business and supply chain and imposes the same high standards on its suppliers.

LSBU is one of London’s oldest universities. It has a rich history with strong educational roots dating back to 1892. The University as it is today was created in 1992.

This statement is made in accordance with section 54 (1) of the Modern Slavery Act 2015 and sets out the steps taken by LSBU during the financial year ending 31 July 2019 and constitutes LSBU’s slavery and human trafficking statement.

LSBU is committed to running the organisation ethically, sustainably and responsibly. We strive to maintain high ethical principles and to respect human rights. We are committed to procuring goods and services and employing people without causing harm to others.

Structure of our organisation

London South Bank University is a UK based University. It employs approximately 2,000 staff and teaches over 18,000 students. It operates primarily in the UK but has partnership arrangements with providers of education in the UK and overseas. LSBU has a total income of approximately £150 million. Information regarding the University’s business and structure is available at <https://www.lsbu.ac.uk/about-us/people/governance>.

Our Governance



The Sustainability Steering Group is responsible for the oversight, development and ongoing monitoring of the University environmental and sustainability strategy and overall direction. Work within this area is reported to the University's Executive Committee

Our spend categories and those that present risks of human rights abuses

The principal categories which the University deems as carrying significant risks are security, catering, cleaning, IT, laboratory consumables, uniforms and workwear. The University deems the corresponding source countries to be as follows:

Category	Country
Security and Reception services	United Kingdom
Catering services	United Kingdom
Cleaning services	United Kingdom
Laboratory consumables	Malaysia, Indonesia, India, Pakistan
IT Equipment	East Asia, China, Eastern Europe, Mexico
Uniforms/Workwear	UK, Indonesia, Malaysia, China, Bangladesh

Due diligence and compliance

The University is a member of the London Universities Procurement Consortium (LUPC), which is a non-profit professional buying organisation. LUPC is a member of Procurement England Limited (PEL). These bodies have together published a shared Sustainability Policy to which all PEL member consortia are committed.

LUPC has also published its own Slavery and Human Trafficking Statement setting out its position with regard to modern slavery and human trafficking.

The University also purchases via the APUC, NEUPC, SUPC, NWUPC consortia and via Crown Commercial Services which have also published their own Slavery and Human Trafficking Statements.

The University is an affiliate member of Electronics Watch. Electronics Watch is an independent monitoring organisation that assists public sector buyers to protect labour rights and improve working conditions for an estimated 18 million workers in their global electronic supply chains more effectively than any single public buyer sector could accomplish on its own.

The University procures IT equipment through the LUPC led national electronics framework agreement for Desktop and Notebook PCs, which includes model Electronics Watch contract clauses. The University affiliate membership allows the use of the same clauses, resources and information to work with suppliers to improve conditions for electronics workers globally.

Further actions and key goals for 2021

The University recognises that (i) the United Kingdom's exit from the European Union and (ii) its response to the Coronavirus pandemic may require new sources of supplies and equipment to be established. As a result, additional measures to develop confidence in new supply chain relationships may be required.

To supplement the actions taken this financial year to prevent slavery or human trafficking from occurring in its business or supply chains, the University will continue to review its approach to Anti-Slavery and consider further measures to combat modern slavery and trafficking.

The University reaffirms its commitment to improving its understanding of supply chains and to continue to develop processes and ways of working to identify categories where the risk of modern slavery or human trafficking may exist.

The University will continue to work with its partners (especially the LUPC) to gain experience of supply chain due diligence and mitigation of the risks to human rights in supply chains.

The University will ensure that senior managers responsible for higher risk spend categories and contracts receive Modern Slavery awareness training.

It will also continue to attend events and use available learning material produced especially for public procurement practitioners.

Approval

This statement was approved by LSBU's Board of Governors on [xx] November 2020 and will be reviewed annually.

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Professor David Phoenix
Vice-Chancellor and Chief Executive

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	CONFIDENTIAL
Paper title:	CUC Higher Education Code of Governance
Board/Committee	Board of Governors
Date of meeting:	19 November 2020
Author:	Kerry Johnson, Governance Officer
Sponsor:	Jerry Cope, Chair of the Board of Governors
Purpose:	For noting
Recommendation:	The Board is requested to note the revisions to the Higher Education Code of Governance.

Executive Summary

The Committee of University Chairs published the revised Higher Education Code of Governance in September 2020, following consultation with the sector. The purpose of the code is to identify the key values and elements that form an effective governance framework.

The code is premised on an ‘apply or explain’ basis, meaning that governing bodies are expected to be able to explain and justify the reasons for not adopting elements of the code.

LSBU will be expected to report on compliance with the revised code in next year’s accounts. The governance team has now reviewed the code in detail and has found few material changes. The majority of revisions involve changes to wording and layout.

Material changes to the code

The governance team has noted the following material changes, all of which have already been adopted:

- *2.9: The governing body should provide assurance on the extent of the institution’s compliance with the Higher Education Senior Staff Remuneration Code (published June 2018 by the CUC).*

The Board agreed to adopt the CUC Higher Education Senior Staff Remuneration Code at its meeting of 12 July 2018 and receives an annual report, which is included in the annual accounts, from the Remuneration Committee following the guidance in the code. It is proposed that, from next year, the Corporate Governance Statement will include a brief section on compliance with the code.

- *2.11 Further guidance on the role of audit committees is published separately by CUC and governing bodies should assess the extent to which they comply with that guidance.*

The Board agreed to adopt the CUC Higher Education Audit Committees Code of Practice at its meeting of 15 October 2020. It is proposed that, from next year, the Corporate Governance Statement will include a brief section on the committee's compliance with the code.

- *5.8 The governing body also needs to consider the benefits of appointing a Senior Independent Governor (SIG) or equivalent role and explain the rationale for decisions made in this regard. Their role is seen in other sectors as an important aid to good governance; to help advise the Chair, to be an intermediary for other Board members and to help facilitate an annual appraisal of the Chair. The role of the SIG is different to the Deputy Chair, who should be part of the leadership of the Board and deputise for the Chair as well as take on specific duties which are assigned to them. The SIG should be a voice and a sounding board for other governors to sense-check the effectiveness of the governance arrangements, and to formally lead the appraisal of the Chair (and the Deputy Chair).*

The Board approved the creation of the role of SIG, and the corresponding role description, at its meeting of 12 March 2020. At the same meeting, the Board appointed Hilary McCallion as the SIG with immediate effect. The SIG carried out an appraisal of the Chair during summer 2020.

- *Appendix 2: statement of primary responsibilities*

The Board approved revised standing orders, including an updated statement of primary responsibilities as per the update contained within the new CUC code, at its meeting of 15 October 2020.

The six key elements

The six elements of effective governance (reduced from seven in the previous code),

as set out in the code, are:

1. **Accountability:** the governing body is collectively responsible and accountable for institutional activities, approving all final decisions on matters of fundamental concern within its remit.
2. **Sustainability:** working with the Executive, the governing body sets the mission, strategic direction, overall aims and values of the institution. In ensuring the sustainability of the institution the governing body actively seeks and receives assurance that delivery of the strategic plan is in line with legislative and regulatory requirements, institutional values, policies and procedures, and that there are effective systems of control and risk management in place.
3. **Reputation:** the governing body safeguards and promotes institutional reputation and autonomy by operating in accordance with the values that underpin this Code, its various elements and the principles of public life.
4. **Equality, inclusivity and diversity:** the governing body promotes a positive culture which supports ethical behaviour, equality, inclusivity and diversity across the institution, including in the governing body's own operation and composition. This includes ensuring under-representation and differences in outcomes are challenged and, where practicable, corrective action is taken to ensure fair outcomes for all.
5. **Effectiveness:** the governing body ensures that governance structures and processes are robust, effective and agile by scrutinising and evaluating governance performance against this Code (and other codes where an institution's constitutional form requires it), and recognised standards of good practice.
6. **Engagement:** governing bodies understand the various stakeholders of the institution (globally, nationally and locally) and are assured that appropriate and meaningful engagement takes place to allow stakeholder views to be considered and reflected in relevant decision-making processes.

The revised code was provided as a supplement to the 15 October 2020 Board pack, and can be found on Modern Gov [here](#).

Recommendation

The Board is requested to note the revisions to the Higher Education Code of Governance.

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