

## Meeting of the Board of Governors

4.00 pm on Thursday, 15 October 2020  
via MS Teams

\*3.30pm: Pre-Board presentation – Coronavirus update

### Agenda

No.	Item	Pages	Presenter
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
<b>Chair's business</b>			
5.	Report from Nomination Committee	Verbal Report	JC
6.	Report from Academic Board	Verbal Report	JCole
7.	Governor and Chair appraisals	Verbal Report	JC, HM
<b>Items to discuss</b>			
8.	VC Report	11 - 26	DP
9.	CFO Report	27 - 58	RF
10.	Corporate Risk detailed discussion	59 - 62	RF
11.	Risk Appetite	63 - 78	RF
12.	KPI targets 2020/2021	To Follow	DP
13.	Delegations of authority	79 - 86	JC
<b>Items to note</b> <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>			
14.	Board Strategy Day Report	87 - 90	JS
15.	Report and Decisions of Committees	91 - 102	JS
16.	Board Annual Workplan	103 - 106	JS

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
17.	Review of Standing Orders	107 - 138	JS
18.	CUC Higher Education Code of Governance	139 - 140	JC
19.	Declaration of Interests	141 - 142	JS
20.	Board and committee membership	143 - 148	JS
21.	Public Benefit Guidance	149 - 150	JS

**Date of next meeting**  
**4.00 pm on Thursday, 19 November 2020**

**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, Vinay Tanna and Harriet Tollerson

**In attendance:** Pat Bailey, Michael Broadway, Richard Flatman and James Stevenson

**Supplement:**

- CUC Higher Education Code of Governance
- CUC Higher Education Audit Committees Code of Practice

**Minutes of the meeting of the Board of Governors  
held at 4.00 pm on Thursday, 16 July 2020  
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  
David Phoenix  
Rashda Rana  
Tony Roberts  
Deepa Shah  
Maxwell Smith  
Vinay Tanna  
Harriet Tollerson

**Apologies**

Jeremy Parr

**In attendance**

Pat Bailey  
Michael Broadway  
Sarah Cowley (*for minute 11*)  
Richard Duke (*for minutes 9 and 10*)  
Richard Flatman  
Paul Ivey (*for minute 12*)  
James Stevenson

**1. Welcome and apologies**

The Chair welcomed members to the meeting.

The Chair welcomed Maxwell Smith and Harriet Tollerson to their first Board meeting as student governors.

The above apology was noted.

**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 21 May 2020, subject to a minor amendment and their publication.

**4. Matters arising**

All matters arising had been completed.

**5. Chair's business**

The Chair informed the Board that the Finance, Planning and Resources Committee had received an informative update on impressive progress against the turnaround plan for Lambeth College.

The Board noted that recruitment would start for the three independent governor vacancies in autumn 2020.

The Board noted that the Chair had begun annual governor appraisals. Governors were invited to comment to the Chair on the form of Board meetings once the campus has re-opened in autumn 2020 following the easing of national lockdown.

**6. South Bank Academies update**

The Board noted an update on the work of the South Bank Academies (SBA) Board from Hilary McCallion, also a trustee of SBA.

The Board noted that the SBA Board had held a strategy session and had discussed and supported the group strategy 2020-25 in detail from an SBA perspective. The Board noted the establishment of a Quality Committee in SBA and the increased joint working between the two schools in the SBA multi-academy trust (MAT).

The Board noted that the SBA Board had approved the re-opening of both schools in the MAT in June 2020, following its review of detailed risk assessments.

The Board noted that a revised pay policy is due to be implemented in SBA shortly which should help attract and retain high quality staff.

**7. VC's report**

The Board discussed the Vice Chancellor's report.

The Board noted that, following the easing of national lockdown, progress was being made on the re-opening of the campus. The Group Audit and Risk Committee would review the risk assessment and approach to re-opening in mid-August 2020 on behalf of the Board.

The Vice Chancellor reported that a business case is being prepared for the Sir Simon Milton Westminster UTC to potentially join the SBA MAT. At a meeting of 27 July 2020, the SBA Board would consider the business case and initial due diligence and decide in principle whether to progress to the next stage. The LSBU Board's consent would be required before any transaction.

The Board noted an update on the withdrawal from the TWI partnership.

The Board noted that the draft term sheet with the DfE for the SBC estates strategy was being finalised.

The Board noted that semester 1 2020/21 student recruitment is largely positive. Firm acceptances are up from last year by around 10%. Science and engineering subjects are showing good growth. Areas of challenge are in the Business School and the School of Built Environment and Architecture. International student recruitment is currently running at a decrease of 30%.

The Board noted an update on important league table measures. The Destination of Leavers of Higher Education (DLHE) survey had been replaced by Graduate Outcomes (GO) data. The University's performance had declined by this new measure. In addition, the Board noted that the University's overall NSS score had decreased by 2.4% compared to a sector average of 0.4%. The Board noted that performance in these two areas would adversely impact on LSBU's position in the league tables. The Board requested an analysis of NSS performance at the next meeting of the Finance, Planning and Resources (FPR) Committee.

## 8. CFO's report

The Board discussed the CFO report which updated on current year financial performance, future financial forecast submission date, project Leap, financial year end, strategy, risk and pensions.

The May 2020 management accounts, which had been reviewed in detail by FPR, forecast income to be ahead of budget at £154.2m and for the surplus to be on budget at £1.5m.

The Board noted an update on the financial position of South Bank Colleges (SBC) which was improving. The 2019/20 outturn was broadly in line with expectations and the turnaround plan. The SBC Board had approved its budget for 2020/21.

The Board noted an update on the revolving credit facility negotiations with Lloyds Bank. Lloyds had indicated that it would delay a decision until there was greater certainty on semester 1 student recruitment. The Executive is exploring options with AIB, Barclays and Lambeth Council.

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.

9. **Strategy 2025**

*Richard Duke joined the meeting*

The Board discussed the 2020-25 group strategy which had been discussed in detail at the strategy days of the LSBU Board, the SBA Board and the SBC Board. The SBA Board and the SBC Board had both supported the final strategy at their meetings of 7 July 2020 and 14 July 2020.

The KPI working group would conclude its work early in 2021. KPIs for the single year 20/21 were also being formulated.

The Board approved the strategy, subject to minor amendments.

10. **Group corporate risk approach**

The Board approved the group approach to corporate risk and noted the corporate risk register which had both been reviewed in detail by the Group Audit and Risk Committee.

*Richard Duke left the meeting*

11. **EDI annual report 2019/20**

*Sarah Cowley joined the meeting*

The Board discussed the EDI annual report, 2019/20, which had been reviewed in detail by FPR. The Board supported the annual report, subject to minor amendments.

Following the recent Board EDI workshop, the Board had agreed to treat this area as a priority and challenged the Executive to maintain momentum over the short-term through appropriate actions and KPIs, with particular focus on the awarding gap, and to develop a medium-term strategy for Board approval.

*Sarah Cowley left the meeting*

12. **Enterprise Advisory Board**

*Paul Ivey joined the meeting*

The Board discussed the proposal to establish an enterprise advisory board. The enterprise advisory board would provide challenge and support to enterprise development. Mark Lemmon and Deepa Shah would join the enterprise advisory board.

The Board noted the consequent narrowing of the remit of South Bank University Enterprises Ltd (SBUEL) and approved the amendments to the governance of SBUEL.

*Paul Ivey left the meeting*

**13. Delegations of authority**

The Board noted the update on delegations of authority. The Board noted the approval of the final business case for establishing a Croydon campus and that the 15 year lease is expected to be executed by the end of July 2020.

The Board delegated authority to MPIC to authorise the award of contract for the Leap implementation partner subject to the value of the contract being in line with the business case.

*[Secretary's note: The agreement for the lease of Electric House was legally completed on 27 August 2020.*

*MPIC authorised the award of the implementation partner contract to PwC electronically on 17 August 2020.]*

**14. Updated register of interests**

The Board authorised the additional interests of Jerry Cope and Vinay Tanna as set out in the Board papers. The Board authorised the additional interest of Deepa Shah as a non-executive director of Journey Further. The updated register would be published on the website.

**15. Reports and decisions of committees**

The Board noted the reports and decisions of committees. The Board approved revisions to the terms of reference of the Major Projects and Investment Committee and the Honorary Awards Joint Committee.

**Date of next meeting**

**10 am, on Thursday, 24 September 2020 – strategy day**

**4pm, on Thursday, 15 October 2020 – Board meeting**

**Confirmed as a true record**

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**BOARD OF GOVERNORS - THURSDAY, 16 JULY 2020  
ACTION SHEET**

<b>Agenda No</b>	<b>Agenda/Decision Item</b>	<b>Action</b>	<b>Date Due</b>	<b>Officer</b>	<b>Action Status</b>
5.	Chair's business	Process for recruiting independent governors to begin	Autumn 2020	Chair, Group Secretary	Underway - update to be given under Chair's business
7.	VC's report	Group Audit and Risk Committee to review risk assessment and approach to re-opening during August 2020, on behalf of the Board	August 2020	Vice Chancellor, Chair of GARC	Complete – GARC held extraordinary meetings on 12 August 2020 and 7 September 2020.
7.	VC's report	SBA Board to consider business case for Sir Simon Milton Westminster UTC	27 July 2020	SBA CEO	Complete – business case approved
7.	VC's report	Analysis of NSS and Graduate Outcomes results to go to next meeting of FPR	22 September 2020	CCO	Complete.
11.	EDI annual report 2019/20	Executive to develop a medium-term strategy for EDI and bring to a future Board meeting for approval	Autumn 2020	Chief People Officer	In progress

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	CONFIDENTIAL
Paper title:	Vice Chancellor's Report
Board/Committee	Board of Governors
Date of meeting:	15 October 2020
Author:	David Phoenix, Vice Chancellor
Sponsor:	David Phoenix, Vice Chancellor
Purpose:	For noting
Recommendation:	The Board is requested to note the report.

## **Executive Summary**

After a very busy summer moving provision online, planning for Semester 1 and managing covid, we have started the term in a favourable position. We have achieved our revised headcount target of 7,115 Firm Accepts, and have moved to within 7.5% of our original pre-Covid-19 headcount target of 7,820 Firm Accepts overall. The shortfall remains in the part time market. Re-enrolment has been strong, with over 800 more students re-enrolling than last year. Our immediate focus is now enrolment and student engagement, as well as maximising student recruitment in Semester 2.

League table performance is disappointing but in line with expectation given the new graduate outcomes scores and the fall in NSS this year.

Teams across PSG's and schools are working hard to ensure business continuity, should there be a second lockdown, or a significant outbreak of covid on campus and our plans have been agreed with PHE.

## Vice Chancellor's Report October 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. League Tables**

In September, both the Guardian and Times 2021 ranking tables have been published. The Guardian publication date departs from its usual spring publication. This was to allow it to use the new Graduate Outcome (GO) measures in its table.

In summary, LSBU declined from 68<sup>th</sup> to 93<sup>rd</sup> in the Guardian and from 86<sup>th</sup> to 123<sup>rd</sup> in the Times. On the whole, the tables use similar measures using the same timeframes, but there are also notable differences. The most significant this year is that the Guardian used an average of the previous two years' worth of National Student Survey (NSS) scores, whereas the Times only used 2020 NSS scores, which represented a decline from NSS scores in 2019. The impact however being that unless NSS scores increase in 2021, the Guardian impact will be similar to that in the Times this year. In both tables the largest contributing factor to the decline in rank was LSBU's decline in score in the GO, compared to last DLHE survey that was used in previous publications. The decline in entry tariff was also a contributory factor in declines in both tables. Despite the decline in rank in the Guardian, the only London Moderns to be ahead of LSBU are Kingston (40<sup>th</sup>) and West London (34<sup>th</sup>). However, in the Times, all London Moderns are ahead of LSBU with the exception of London Met, Westminster and East London.

##### **1.1.1 Guardian Analysis**

LSBU's performance against the measures within the ranking are detailed in the table below. This demonstrates that the strong NSS scores in 2019, negated what would have been a more significant decline. Tariff scores declined, due to the mix of students recruited, with a greater proportion at the lower end of tariff entry requirements rather than a change in entry requirements. Student/staff ratio (SSR) is as a result of student recruitment growing faster than staff recruitment.

**Table 1: LSBU Overall Performance**

Measures	2019/20	2020/21	Change in score	Change in rank
Rank	68	93		-25
Overall Score	52.2	52.3	0.1	
% Satisfied with Teaching	82.2	81.9	-0.3	6
% Satisfied with Course	80.1	81.6	1.5	16
% Satisfied with Assessment	69.8	72.8	3.0	25
Continuation	87.0	88.3	1.3	-2
Expenditure per student (FTE)	5.4	5.5	0.1	2
Student: staff ratio	15.6	16.3	-0.7	-15
Career prospects	88	75	-13	-71
Value added score/10	5.6	5.2	-0.4	-10
Average Entry Tariff	112	103	-9	-10

The table below demonstrates performance of LSBU compared to London Moderns in the ranking.

**Table 2: Rank Order**

Institution	Rank	Overall Score
West London	34	63.6
Kingston	40	62.8
<b>London South Bank</b>	<b>93</b>	<b>52.3</b>
Greenwich	95	51.3
St Mary's, Twickenham	101	49.8
Middlesex	111	45.3
East London	112	45.2
Roehampton	116	43.2
Westminster	117	42.3
London Met	118	41.5

### 1.1.2 Times Analysis

The impact of the decline in 2020 NSS scores compared to 2019 can be seen below, with a significant drop in ranking against these measures. Again however, it can be seen that the biggest contribution to the drop in overall rank was due to performance in the GO survey.

**Table 3: LSBU Overall Performance**

Measure	2019/20	2020/21	Change in score	Change in rank
Rank	86	123		-37
Overall Score	480	388	-92	
Teaching quality (%)	80.4	77.9	-2.5	-32
Student experience (%)	77.9	75.5	-2.4	-26
Research rating	9	9	0	-4
Ucas entry points	114	107	-7	-8
Graduate prospects (%)	87.7	70.6	-17.1	-83
Good Honours (Firsts / 2:1s) (%)	69.5	70.7	1.2	-1
Completion rate (%)	77.5	76.4	-1.1	1
Student staff ratio	15.6	16.3	-0.7	-16
Services facilities spend	2156	2327	171	4

Performance against other London Moderns is detailed below.

**Table 4: Rank order**

Institution	Rank	Overall Score
University of West London	60	537
University of Roehampton	78	493
St Mary's University, Twickenham	86	479
University of Greenwich	98	460
Kingston University	104	445
Middlesex University	121	402

<b>London South Bank University</b>	<b>123</b>	<b>388</b>
London Metropolitan University	125	381
University of Westminster	126	363
University of East London	129	324

## 1.2 Progression

Progression is normally reported upon, later in October, but the initial data, is positive, with a further expected small upside to come. As of 30<sup>th</sup> September, year 1 to year 2 progression, had increased from 73.8% in 2018/19 to 78.1% in 2019/20. This is a harsh measures based on a full-time first degree student enrolling into the second year of their programme at a higher level of study (normally from level 4 to level 5). Year 2 to 3 progression has also increased from 82% in 2018/19 to 85% in 2019/20. This is hugely positive, as it shows more students progressing in their studies, as well as providing a resulting financial benefit.

## 1.3 Re-enrolment

As of 2nd October, based on student numbers (using the HESA population) we have re-enrolled over 800 more students than we did last year (7,621 compared to 6,805). This is a very positive position, which will further improve. Student Admin have contacted students as they become eligible to re-enrol, encouraging them to log on to our online system to complete the process and assisting students with any queries.

The Fees team are currently working on building the tuition fees for each student. Once we have that, we will be in a position to state an overall re-enrolment financial position for the University, and break that down into individual school income data.

## 1.4 Graduate Outcomes

The Graduate Outcomes (GO) survey of those who graduated in 18/19 is taking place now and graduates have been in receipt of a programme of support and intervention including:

- workshops, summer careers camp, ring-fenced opportunities, employer events, and 1:1 support available to all graduates;
- shadow calling (2,524 graduates contacted by LSBU, 72% of the EPI cohort (UK domiciled, full-time, first degree);

- a communication campaign across the year culminating in a final School-specific message to those graduates being called now to encourage participation.

For those who graduated in 19/20, (survey taking place in 2021) an *opt-out* graduate offer has been put in place encompassing Alumni, Employability, Enterprise. This activity positively contributes to the new league table measure relating to Graduate Outcomes. Activity includes:

- a bespoke graduate career programme (employer events, virtual careers camps, skills workshops, 1:1 careers coaching targeted skills development, personalised online support, ongoing support relationship, plus dedicated graduate resource to triage graduates to most appropriate intervention);
- increased graduate work experience opportunities through business development, LSBU Employment (agency); internship programme focussed on quality of experience gained, tracking and articulation of skills development, and support into employment post internship – 35 fully funded LSBU internships and target of 120 employer funded/subsidised graduate internships created by the agency and supported by the Employability service;

An enhanced tactical calling programme has been planned and is targeted against courses with lower graduate outcomes before widening calling pool; ascertaining current employment status and delivering interventions as required; familiarisation with the survey to encourage participation; ensuring confidence in articulating skills and responsibilities and accurate contact details to improve response rates.

## **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 target for 19/20 income from Research and Enterprise activity was £18.2M, however the difficult COVID related trading conditions limited this to £13.3M. The ambition of the budget adopted in May to foreshadow the COVID impact was to return in 20/21 to a midpoint between these two numbers; the corresponding target set is £15.3M. This target includes QR funding of £2.4M (which goes directly to schools to sustain the research environment), HEIF funding of £0.7M (which goes directly to REI to sustain the contracting and oversight infrastructure), £3.7M of research income and £8.5M of enterprise income.

During 19/20 some 640 proposals were submitted for funding with a success rate of 25% for research and 66% for enterprise. COVID has not reduced this performance. The current pipeline for research and enterprise is £19M, which is a 14% increase on



the pipeline value for Period 2 in 19/20 (note: the pipeline characteristic is different for research and enterprise, research income is often multiyear, enterprise income comes from annually recurring sources plus in year contracting). The Enterprise Advisory Board will have a first meeting in October, will meet thereafter between Governing Board meetings and will gradually adopt both a challenge and oversight function for this activity.

## 2.2 Global Delivery

The Board Strategy Day gave an opportunity to present the LSBU Global strategy and scope of operation. LSBU Global is built on the pillars of Access to Opportunity, Student Success and Future Impact. Building on the Strategic Plan 20-25 the Board were shown the extent of the current TNE network of operations and as the largest provider of TNE education in the MENA region there is a strong base. New projects are underway in Tashkent, Dubai, Canada and India. Europe is also a post Brexit focus with discussions near agreement with a major applied science university in Germany and a large scale validation opportunity with an educational investment group with presence across Poland. The Board endorsed the new model and scope of activity with the proviso that risk was suitably managed. Final outturn last year was slight above target at just over £2m and with 135 more students than targeted.

**Table 5: Student Numbers**

19/20 Academic year	Student numbers	
BUE Cairo	4483	4400
ASU Bahrain	37	43
Highland College Jersey	44	40
ES Hotels Paris	24	40
Kolding Copenhagen	12	12
FEI Stockholm	40	40
CEG	295	225
	<b>Total</b>	<b>Target</b>
	4935	4800

Below is predicted students numbers for the next two years.

PREDICTED STUDENT NUMBERS											
	LSBU DUBAI	LSBU CAIRO	LSBU/TEAM TASHKENT	LSBU/ASU BAHRAIN	LSBU/BUE EGYPT	LSBU CANADA	LSBU/UCI JERSEY	FEI SWEDEN	IGS PARIS	CEG	TOTAL NUMBER OF STUDENTS
20-21	0	0	500	272	5,500	0	50	21	47	x	6,359
21-22	230	200	1,485	385	5,775	0	55	7	x	374	8,511

In Egypt the founder and benefactor of the British University Egypt. passed away in the US and LSBU acknowledged the significant contribution of Mr Farid Khamis. Condolences were sent to the family.

## **2.3 REF 2020 Update**

LSBU's REF 2021 preparations are proceeding well and the institution is on track to successfully complete all elements of its submission in time for the 31 March 2021 deadline.

The key priority for the past quarter has been on ensuring that Schools have accurately identified which of their eligible staff have Significant Responsibility for Research (SRR) and thus, will be submitted to the REF and further, have the requisite evidence in place to support the SRR and non-SRR identifications made.

A mock-audit of LSBU's HESA/REF staff return is underway to ensure that LSBU can pass Research England's REF 2021 audit of the SRR cohort. The work has highlighted the importance of ensuring that LSBU, for the next REF, has a robust, standardised and universal workload model in operation across all schools for academics.

The LSBU Unit of Assessment (UoA) Research Environment statements are progressing well, with second drafts due on 21 October 2020. The Impact case studies are progressing in accordance with LSBU's REF2021 submission timeline.

There are c.25 case studies in development, of which 21 will be submitted to REF. These have been split into two cohorts: cohort 1, which comprises case studies unaffected by COVID-19 and are due to be completed by 27 November 2020; and cohort 2, which comprises case studies affected by COVID-19 - these are due to be completed by 31 January 2021.

Based on the data collected for the 2019/20 staff HESA return, LSBU expects to submit 188.8 FTE staff which amounts to ca. 200 staff on a head-count basis (LSBU submitted 101.7 FTE staff (116 head count) to REF 2014). Work is underway also to complete the 2019/20 Research income and doctoral completions returns to HESA. Over the course of the REF period, there have been impressive improvements in research income. Thus, in 2013/14, 2014/15 and 2015/16, annual income was £2.25 million, £2.352 and £2.232 million respectively. Then, in 2016/17 it was £3.089 million, in 2017/18 it was £3.739 million and in 2018/19 it was £4.429 million. For 2019/20 it was ca. £4.1 million (this number is still to be finalised). With relation to doctoral student completions, since 2014, there has been a step-change at LSBU, with a 250-300% increase recorded.

## **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**

With 7,300 Firm Accepts recruited, the university has achieved its revised headcount target of 7,115 Firm Accepts, and has moved to within 7.5% of its original pre-Covid-19 headcount target of 7,820 Firm Accepts overall. We expect this to narrow to within 5-6% by the close of S1 recruitment on Friday 2<sup>nd</sup> October. The remaining gap to target largely sits within part-time (particularly Apprenticeship) courses and full-time Overseas postgraduate courses which will not achieve the original target, but there is opportunity to make up the shortfall in these areas through in-year starts, and potentially through a larger OS intake in S2.

From a population of 6,810 that are eligible to enrol, 87% or 5,935 students have engaged to date, versus 6,285 (or 92%) that engaged out of a population of 6,835 last year. The engagement in enrolment is therefore weaker both by number and proportion of eligible students, but we are continuing to follow-up and prompt students to start the process. Additionally, the number of full enrolments continues to track behind last year (2,460 versus 4,830) owing to various process changes following the implementation of a new fully online enrolment process. At this stage last year, more than 75% of students in the enrolment pipeline had fully enrolled, but this figure only stands at 42% currently with the remaining 58% still being processed. An action plan to address the delays has been deployed.

Our revenue model indicates £47m-£51m of new-starter income versus a target of £48m in S1, but it is based on FAs and engagement in the process which are performing broadly in line with last year. It does not account for the high volume of incomplete enrolments we are seeing in the process this year. Students who have not fully enrolled can still access learning materials and Moodle, but they will not receive student finance until the university has fully enrolled them, and the delayed process may see students becoming disengaged or dropping out of the process. an update will be provided at the board meeting.

### **3.2 Apprenticeships**

LSBU has 1476 apprentices continuing on programme with an additional 107 apprentices with studies interrupted due to COVID-19 related circumstances. LSBU expects to enrol a further 522 apprentices in October 2020, therefore meeting the 2000 apprentices enrolled target by the end of the year.

LSBU completed the 19/20 academic year with a 55.1% achievement rate. This is 12% higher than the Provider Group average (other HEI providers) but 10% below

the average of the apprenticeship sector more broadly. The quality assurance, monitoring and improvement processes have been strengthened considerably in the last quarter. A new Deputy Director Quality (Apprenticeships) has been appointed and a robust self-assessment report and quality improvement plan in place.

LSBU has a target of 75% achievement for 20/21 and has started the year strongly with the first Building Service Technician’s graduating this summer 2020 and progressing to the L6 in October 2020. LSBU is the first apprenticeship provider in the country to graduate apprentices on this programme.

**Table 6: 19/20 – achievement report**

App Standard Name	Hybrid End	Standard Achievement Overall %	No. Complete
Building Services Design Engineer (degree) - 198	19/20	100.00	2
Chartered Surveyor (degree) - 050	19/20	50.00	1
Healthcare Assistant Practitioner - 102	19/20	54.05	40
		55.13	43

September 2020 recruitment has been impacted extensively by the economic downturn however is in place to ensure the additional apprentices are recruited ‘in year’ to ensure the overall 20/21 target is met. LSBU has won a number of key tenders including the retailer Harrods and a number of NHS trusts. University academics continue to be involved in the development of apprenticeship standards ranging from Broadcasting to Clinical psychologist. LSBU moved up to 25<sup>th</sup> (out of 381 providers) in the “Rate my apprenticeship” tables published in September and we were 6<sup>th</sup> place out of Universities. The majority of the top 50 are Private Providers.

LSBU Project Management apprentice won London Borough Council’s apprentice of Year award for his outstanding contribution to coordinating foodbank services for Islington Council.

## 4.0 Group Issues and Environment

### 4.1 South Bank Academies Trust

Following a turbulent final term and summer, both South Bank Academies schools have had a successful start to the academic year. Very close attention was paid to guidance in order to plan and risk assess to minimise the risk of infection spread. As a consequence, many operational changes have been brought in, including the locations of year group ‘bubbles’, new classroom and furniture configurations, corridor movement systems, student entry and exit points, catering and sanitation

arrangements as well as arrangements to support social distancing. These systems have bedded in well; student attendance is around 90% against an average estimated by government in the high 80's in mid-September and students are working calmly and purposefully in both schools. Staff and student wellbeing has been prioritised with a number of arrangements in place to support our communities. In anticipation of further developments related to Covid, we are well prepared to switch to a system of curriculum delivery using blended or remote delivery. Ways of supporting students with access to devices are being explored to minimise further loss of learning amongst our most disadvantaged groups.

Outcomes can not be directly compared to previous years: the algorithm-driven alternative to examinations was dropped in favour of centre assessed grades (CAGs) nationally for both A level and GCSE. These CAGs were arrived at following a robust process including internal standardisation and moderation. We are pleased to report that the improvement trajectory in both schools was captured by the outcomes, which supported students into excellent destinations. Again in both schools for 2020 we have no NEET students – all headed for positive destinations, including into a new offer at the UTC in the form of a Year 14 HNC offer in engineering for a group of internal students. Attainment at GCSE increased from 2019 to 2020. Attainment 8 of 48 at UAE was above target (46.5) and the 2019 score of 41. At the UTC the 2020 Attainment 8 score of 39 was below target of 41 but well above the 2019 score of 34. Progress at both schools was at least in line with national levels; at the UTC over half a grade above. At A level, we saw a 100% pass rate and substantial improvement in proportions achieving A\*-C grade (62% at UAE and 72% at the UTC).

In terms of recruitment, at UAE, student numbers in Year 7 are fractionally below forecast but Year 12 numbers have substantially increased to almost double last year's. At the UTC meanwhile, Year 10 intake was below forecast but again Year 12 numbers have substantially increased and are now over our notional capacity of 150.

We have recently bid for acquisition of Westminster UTC and should have an indication of the outcome before the board meeting.

## **4.2 South Bank Colleges**

This year's qualifications awarding process has been adapted in light of COVID. The majority of qualifications were awarded via centre assessed grades (CAGs) 400 have been impacted by delayed qualifications process. This means that we are still teaching our young people and adults on 19/20 vocational qualifications up until the end of September. Achievements are currently on track to be in line with, or above national average.

Recruitment is on target with 16-18 year olds, recruitment at 1281 against a college target of 1275 and the DfE target of 1196. Final data will be available at the end of October funding census point. Adult recruitment is on target for this stage in the year and is particularly strong in ESOL.

In addition to our traditional offer and enrolment we have a number of new and developing courses that have been offered as part of working with the GLA and JCP. We have a Sector Based Work Academy for the Civil Service and will be launching a new employment hub later this term. We have met with Lambeth Council and are supporting the Lambeth Promise and a range of provision linked to supporting young people into employment and adults impacted by redundancies.

In regard to COVID-19 we have been responding to Government guidance throughout and have met or exceeded all regulations to date. Staff have been working throughout the summer to ensure we were ready to welcome students back on site for the new academic year. We have secured 1,000 laptops and are in the process of starting to issue these to students.

#### **4.3 Croydon Campus**

Marketing is now underway for the campus opening in September 2021. We will shortly be opening a marketing suite in Croydon town centre to support marketing activity. The landlord for Electric House has commenced the refurbishment work to establish LSBU Croydon and negotiations on agreed designs with LSBU Stakeholders and the Landlord's Project Manager have been concluded. Planning and Listed Building Consent was granted on 25<sup>th</sup> August 2020 with conditions. An Agreement for Lease was signed on 27<sup>th</sup> August 2020 and Contracts exchanged on 28<sup>th</sup> August 2020.

#### **4.4 Health Education and Skills Centre (Tabard street)**

The Centre is a ground breaking approach to health education and outreach. Uniquely, it makes an all-through offer from Entry Level to Level 8 in a single sector. The Centre will extend Group capabilities by providing additional capacity for our Nursing and Nursing Associate teaching programmes; a bespoke facility for the University's renowned executive education health systems innovation programme; and London's only HealthTec facility. We will also be offering a range of health focused programmes from ESOL and Entry Level to Level 3 both for new entrants to health and social care and for upskilling existing NHS staff; and an outreach programme for primary and secondary school children. We are in discussion with Guy's and St Thomas's Trust (GSTT) about their involvement which is likely to focus on joint outreach and recruitment activity utilising the virtual reality health education facility funded by Health Education England. We are working with GSTT on plans for naming, joint branding and a formal launch event. We will start to use the facility in

October. The development also supported an increase in our health recruitment of 116 additional students for September 2020. We will look towards an opening event in coming months.

## **5.0 Strategic Enablers**

### **5.1 Campus Development Southwark**

Despite reduced labour and limited operations by the supply chain due to the Covid pandemic resulting in a shortage of materials, good progress has been made by the Contractor renovating London Road (LR). Perry Library will, therefore, stay 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.

### **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. A tender exercise through a recognised framework is underway to identify an alternative Design and Build contractor for the Nine Elms STEAM centre (NESC). A recommendation as to appointment of the contractor will be presented to MPIC for consideration and approval at its meeting on 29<sup>th</sup> October with an intended appointment and completion dates of November 2020 and June 2022, respectively. The completion of the DfE agreement, and final signing of the s106 are critical for this time frame. No construction works can commence until the s106 has been cleared. Draw down on the GLA grant has started.

Jones Lang LaSalle (JLL) are finalising their report identifying ways in which SBC can realise the maximum development value for both Clapham and Vauxhall campuses. JLL have completed the following: market assessment, highest and best use study, financial analysis and delivery model, planning note and soft market testing. An options appraisal and a recommendation from JLL is imminent for consideration by the SBC board.

### **5.3 Managing CoV-19**

LSBU submitted its Covid-19 Outbreak Response Plan to the DFE. The plan has been fully signed off by the Local Director of Public Health. The Acting Director of Group Assurance will be participating in a Lambeth multi agency covid exercise on 1 October, as well as briefing the Southwark Council Covid Outbreak Control Board on LSBU planning. LSBU has not had any positive covid cases within Halls of Residence as at 30 September. However in light of the situation at Universities elsewhere in the country, additional planning continues to take place for managing any large scale self-isolation in Halls.

From 2-30 September, LSBU has had a total of 8 positive cases. 1 case was a member of professional services staff who had not worked on campus since March 2020. 2 cases were in a single team within Estates, and the staff were related. One case was an external estates contractor. 4 cases were students. All appropriate action has been taken.

There has been 1 positive student case at Lambeth College as of 28 September, and no positive staff cases. There have been no positive staff or pupil cases reported to SBA as at 30 September.

14,000 face coverings have been made available for emergency use if LSBU students forget/lose their own coverings. Staff in student facing roles who wish to use a face visor may use one supplied by LSBU.

1050 people have downloaded the "Safezone" track and trace app as of 30 September. The take up continues to be promoted and monitored. An alternative method of reporting/tracing is available for anyone without a smartphone.

In the event of a major outbreak, the local Director of Public Health will deploy a mobile testing van to LSBU. The University is also currently investigating options for purchasing private testing.

Working with Southwark Public Health, LSBU was identified as demonstrating good practice and forward planning. This led to an invitation to discuss its approach with officials from the Cabinet Office on 16 September, and a positive meeting took place.

A BDO Audit of Group Covid arrangements commenced on 21 September.

### **5.4 Public Affairs**

Our activity over the summer concentrated on work with the local councils which are all reviewing their strategies in response to the economic and social issues created by Covid-19. We also contributed to a wide range of government and other



consultations including on technical education and on apprenticeship funding. We met with the Shadow FE and HE Minister Emma Hardy and local MP Helen Hayes.

### **5.5 New JNCHES 2020-21**

UCEA, acting on behalf of the participating employers, has arranged a special meeting with the HE trade unions under the auspices of New JNCHES to reach agreement on a pay freeze for 2020-21, because of the unprecedented challenges facing the HE sector this year. This replaces the normal negotiating process as UCEA has a clear mandate from participating employers to achieve financial certainty swiftly to aid planning for the difficult academic year ahead.

The HEIs participating in the New JNCHES pay awards consider that they need financial certainty for budget planning for the coming academic year. They seek to resolve that swiftly without protracted discussions continuing further. Therefore, the participating HEIs have given UCEA an unequivocal mandate for zero per cent uplift, with no flexibility.

HEIs recognise the additional work demands and stress caused by Covid-19 and new ways of working and many are rewarding that additional effort in creative ways, with a variety of means, ranging from awards, and additional time off. The People team are preparing proposals for our staff which will focus on recognition and awards.

### **5.6 People and Organisational Development**

The OD team are facilitating focus groups with staff that have returned to campus. The purpose of the focus groups is to gain a deeper understanding of the return to campus experience. Questions are focussed on the practicalities of being back on campus, concerns and wellbeing.

The EDI team are progressing the next steps in the BLM response including Executive leadership sessions on race and VC staff communication. We are also exploring and developing an EDI framework and focusing on the Awarding Gap with an overarching programme approach being developed.

The 2020 staff survey results showed a positive increase in engagement. Our engagement score is 73%, up 7% on 2019, and 4% above the HE sector benchmark. Results showed a positive increase across all themes, with the biggest increase in leadership, +12% on 2019.

## **5.7 Leap Update**

The LEAP programme is progressing on time and tracking to budget. The programme signed a licensing deal with Salesforce in July as the preferred software provider for a Customer Relationship Management system and discovery work is now underway with the preferred implementation partner for the upgraded Student Record System, U4SM. PwC were appointed as implementation partner for the CRM technologies over the summer, and a revised release plan, which builds the technology at pace has been agreed. This plan releases benefits earlier and reduces forecast total programme costs slightly.

Notwithstanding that the work now proceeds at pace, through commercial negotiation with PwC we have agreed a delayed payment profile for work done which enables the flattened cash flow profile requested by MPIC/Board in May.

## **5.8 IT update**

Since lockdown began, six technology workstreams were set up and met fortnightly to address key technology challenges, with 49 members contributing from across the Group. The workstreams focussed on staff devices, student access to hardware, online platforms/software, training & support, on-campus technology and online materials. The workstreams are continuing into semester one to ensure speedy resolution of any issues that occur. Some of the more notable outputs include; new software to support large online events, a training/support programme to support academic staff to transition to online learning delivery; a student learning fund and laptop purchase scheme, allowing student to spread costs over the academic year.

# Agenda Item 9

	CONFIDENTIAL
Paper title:	Report from the Group Chief Financial Officer
Board/Committee:	Board of Governors
Date of meeting:	15 October 2020
Author(s):	Richard Flatman, Group Chief Financial Officer
Sponsor(s):	Richard Flatman, Group Chief Financial Officer
Purpose:	To update the Board on group financial matters including the draft financial result for 2019/20 (subject to audit).
Recommendation:	The Board is requested to note the report.

## Attachments:

Appendix 1: Management accounts summary to 31 July 2020.

Appendix 2: OFS Interim Finance Return

Appendix 3: Summary of progress on corporate strategy and KPIs

## Report from the Group Chief Financial Officer: October 2020

### 1. Financial performance

#### *Year-end results*

##### *LSBU*

The University draft full year management accounts to 31 July 2020 are included as Appendix 1.

Although the year-end accounts have yet to be audited, we are currently trending to a surplus of £1.5m, which would deliver the University on budget.

We are currently reporting income for the year of £157.1m, an increase of £8.0m (5.4%) on the 18/19 reported outturn and £5m (3.3%) more than budget. This growth was driven by tuition fees, which were £13.0m (12.7%) more than for the previous year, and £8.7m (8.2%) more than budget. Over a third of the year on year increase in income was due to the £4.7m growth in overseas student fees.

In terms of the impact that the Covid-19 crisis had on 19/20 income, the areas which were most significantly affected were Term-time Lettings which ended the year £1.5m below budget, CPPD related income which fell by £1.3m compared to budget, Food Sales (£0.8m lower than budget) and Vacation Lettings (£1.1m under budget). In total these areas generated £4.0m less income than in 18/19, a drop of 26.8%. We have not yet seen an accelerated level of student withdrawals and interruptions so released £1.4m from the provision we had previously made for lost income; leaving £641k that will be held in reserve against potential backdated dropouts.

At the end of July, we had enrolled 818 more student FTE than at the end of 18/19, an increase of 6.5%. New students were up by 9.4% on the previous year, and continuing students up by 4.0%. We have billed £115.4m of tuition fees (including Health Contract income) compared to £102.4m at the same time last year, an increase of £13.0m (12.7%). In terms of lost income from dropouts, we performed better than last year despite the Covid-19 crisis. During 19/20 we lost £4.3m student fee income compared to £4.5m the previous year, a reduction of 4.9% year-on-year.

Excluding structural staff costs, the total spend on recurring staff cost at the end of the year was £88.2m, £1.4m (1.6%) less than budget and £7.0m (8.7%) more

than in 18/19. This represents 56.2% of total income. Structural staff costs were £2.7m less than budget due to redundancy costs being less than budget/forecast and a negative year end pensions adjustment of £1.7m relating to the USS pension scheme.

OPEX for the year was £6.8m more than the Jun-20 forecast. £3m relates to the reclassification of items previously shown as exceptional items following investment in approved projects, Covid-19 response costs and to cover asset disposals and write downs which were charged to OPEX. The balance reflects the decision to expense the impaired legal and design costs relating to the redevelopment of St Georges Quarter (£3m) and to write off historic costs of works to the London Road building (£1m).

At year end, the University was holding cash and cash equivalents of £51.3m including £2.9m with respect to the Lambeth College transaction. Without these transactions the University was holding £48.4m, a small decline on the equivalent position of £49.7m in Jul-19. Importantly however, after adjusting for cashflow timing differences on London Road and LEAP, the cashflow is approximately £3m better than forecast, as a result of delivering a surplus on budget but after inclusion of significant non-cash impairments.

The above position delivers EBITDA at 13.1%, which compares favourably to the 11.1% in 18/19.

### *SBC*

The consolidated accounts for 2019/20 will include the first full year of SBC trading covering the period from 1 August 2019 to 31 July 2020.

The unaudited results for the period show an operating deficit of deficit of £3.7m after including recharges from LSBU. There is a further expense of £1m relating to the interest on the novated Barclays loan. This will be offset by £4.7m of grant release and will not adversely affect the group consolidated surplus.

The college had been trending to an operating deficit for the year of £2.8m, which would have delivered the college on budget and in line with the CFADS model presented to the DFE as part of the takeover negotiations. The key reason for the adverse variance in reported surplus and the movement from the previous forecast position is due to a £1.9m LPFA Pension adjustment that affects both Staff costs and Interest Payable. We had provided £1m in both the budget and the forecast but in August 2020, it was confirmed that the charge would be £1.9m, which is the key reason for the £0.9m deterioration in reported performance.

In terms of operating expenses, the college finished the year with expenses of £9.5m against a budget position of £9.9m. Depreciation was also less than the budget. These savings however were offset by a decline in income from both Tuition fees and facility lettings due to the effective closure of the college due to Covid 19.

The August 2020 LPFA pension cost report has also indicated a projected increase in the pension charge from £1.9m to £2.3m in 2020/21. This is significantly higher than the amount provided in the SBC budget. LSBU will be having a mid-year budget review in November once there is greater certainty regarding the potential impact of Covid-19 on recruitment and retention, and it will be necessary for SBC to have a similar review at that time and to amend the budget for this additional pension cost.

All results are subject to audit completion.

## **2. Year end audit**

Draft year-end statutory financial statements, consolidating LSBU, SBUEL and SBC have been produced and the audit by KPMG is progressing well. The external audit team from KPMG are conducting this year's audit remotely and it is not expected that the team will need to come onsite. Areas of audit focus include valuation of net pension liability, carrying value of fixed assets, revenue recognition, management override of controls and going concern. In addition KPMG will review the University's Access and Participation expenditure and use of funds at South Bank Colleges. No material matters regarding the year end result have been reported to Audit Committee arising from any external audit work done to date.

## **3. 2020/21 financial performance**

Agreement has already been reached nationally on a pay freeze for 2020-21 because of the unprecedented challenges facing the HE sector this year.

However, even after accounting for the pay freeze, we started the year with an unbalanced budget and a staff cost challenge of approx. £3m.

We are currently undertaking key activities with regard to the potential savings required to deliver the scenario 2b budget:

- An assessment of organisational shape, showing where we need to invest and where we need to make savings (and what that means in terms of staff)
- A refreshed assessment of potential efficiency savings through the Align programme (some of which will be staff cost related).

We will also have a comprehensive budget review in November when there is more clarity about recruitment and income forecasts. Assuming that we are not in our best case scenario, and in addition to any in year staff cost changes, there will be a couple of levers available including:

- accelerated implementation of Align savings
- reduced £3M investment Pot and/or the targeted £2M surplus

At present against the scenario 2b budget, we are currently forecasting a number of key outcome variances against the target surplus of £2m

	£m
As per 2(b):	
• Surplus	2.0
• Contingency	3.0
Headroom to break even in 2(b)	5.0
Potential improved progression	4.0
Total	9.0
Less:	
Staff cost challenge (post increments)	(4.0)
Increased pensions	(2.0)*
Potential hall fees income shortfall	(2.0)
Revised contingency	(1.0)
Surplus (pre Align savings and any additional in year staff cost adjustment)	0

\*

Whilst adequate provision had been made in the 19/20 LSBU budget for the LPFA I&E pensions charge of £9m (included within total recurring staff costs of £88.2m), the FRS102 report received August 2020 shows a projected increase of £4m to £13m in 2020/21. No provision is made for this in the budget. We have shared the information with Mercers, who are supporting us on our pensions implementation project, and they have only been able to account for approx. £2m of the increase. The full projected increase of £4m is driven largely by the reduction in discount rate from 2.1% at 31 July 19 to 1.35% at 31 July 20. This seems very prudent given that it is significantly lower than CPI of 2.2%. Sensitivity analysis shows that every change of 0.1% in this assumption reduces the projected future cost by £440k. We will review this assumption closely with Barnet Waddingham, the actuary. However, before doing so we are awaiting

benchmark information from KPMG to see how our rate of 1.35% compares with the discount rate assumption range used across their sector clients. We have assumed that the pension cost will increase by £2m rather than the full £4m. The latter would take us into deficit which would require in year cost adjustment to remain in surplus and hence not put our covenants at risk.

At this early stage of the year, whilst accepting that there may be variations on individual budget lines, we are not moving away from Scenario 2(b) although in the circumstances post Covid we may have to accept a result closer to break even than planned. 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.

The principal risks to successful financial delivery in 2020/21 remain Covid related including recruitment, withdrawals, demands for tuition fee refunds unless we can successfully provide more than online delivery and hall refunds if Covid escalates or the lockdown position changes for the worse.

#### **4. Risk and control**

##### *Internal audit annual opinion*

The internal audit programme for 2019/20 is complete and the draft annual report from BDO, our internal auditors, has been received. Assurance ratings received in year are as follows:

- There have been no reports with no assurance rating.
- There are a number of areas where “Limited assurance” was provided over the design of controls:
  - LSBU - Accounts Receivable, UKVI Tier 2 and Tier 5, UKVI Tier 4 and IT Security
  - SBC - Accounts Payable and Health & Safety for SBC
  - SBA - AP and Parent Pay and IT Security.

And a number of areas where “Limited assurance” was provided over the effectiveness of controls as follows:

- LSBU – Accounts Receivable, UKVI Tier 4 and IT Security
- SBC – IT Security
- SBA - AP and Parent Pay and IT Security.



Management have accepted all recommendations and appropriate action is being taken to address those weaknesses and implement agreed actions.

- Across the group, 116 recommendations were raised during the year, of which 18 were high risk, 70 medium risk and 28 low risk. As this is the first year that BDO have been engaged as internal auditors, there are no comparative figures.
- 104 recommendations were outstanding at the start of the year and to date. Of these 44 (32%) have been implemented, 25 (24%) are in progress and 32 (31%) are not yet due. 63% of recommendations due have been implemented in full with the remainder in progress.

The annual opinion of the Internal auditors states that the risk management activities and controls in the areas which they examined were found to be suitably designed and were operating with sufficient effectiveness to provide reasonable assurance that the related risk management, control and governance objectives were achieved throughout the period under review with the exception of the areas noted. The annual opinion statement is no longer required to be submitted to OfS but is important in formulating our conclusion on the effectiveness of our controls and the statement included in the year end accounts. We therefore had a robust discussion with BDO regarding the wording of their report (which is essentially a summary of the assurance ratings received in year) and this will come back to audit committee in November.

#### *Statement of Internal control for inclusion in the statutory accounts*

On the basis of these results (and in particular the fact that there are no “no assurance” outcomes), and other management checks, the year-end financial accounts will include a full compliance statement in relation to LSBU’s system of internal control. A detailed report setting out the assurance sources was reported to Audit Committee in October. Further consideration will be made at November Committee to take account of any further changes and the external audit management letter.

#### **Group Risk Approach**

The Group Audit and Risk Committee approved the 2020/21 Group Risk Policy in June 2020. This outlined an approach to risk, with a view to having consistent risk management processes across the Group, aligned to the 2025 Strategy. This will provide risk registers at Group, entity and local area levels.

In accordance with the Risk Policy, a risk appetite is established at each entity level within the Group. This is not aggregated at Group level. The risk appetite recommended by the Executive for LSBU is unchanged as follows:

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

This process will be replicated for both SBC and SBA and the outcome taken to Group Audit and Risk committee for consideration.

## **5. Cashflow / Treasury**

### *Revolving Credit Facility (RCF)*

At its meeting of 21 May 2020, the Board of Governors supported a proposal for a Revolving Credit Facility (RCF) up to £45m and delegated authority to an RCF sub-committee to approve award and the granting of any security. The sub-committee met on 1 June and agreed a recommendation that we advise Lloyds Bank plc that they are preferred lender on the basis of a 4 year £45m commitment with a margin of 1.15%, non-utilisation fee of 0.5% and an arrangement fee of 0.75% secured on property (to be decided). All subject to further due diligence and credit approval.

When the RCF sub-committee met in June we had 3 options available including a £45m facility from both Lloyds and Allied Irish (AIB) and £30m from Barclays. At that stage we selected Lloyds as preferred lender on a combination of price (compared with AIB) and additional headroom that the facility of £45m would provide (compared with Barclays).

Both Lloyds and AIB subsequently confirmed that whilst remaining open to dialogue and re-visiting our request over the next few months, they would like the benefit of visibility on student recruitment and wider social distancing implications on the campus environment before committing to the facility and were therefore unable to proceed further at this stage.

We have therefore finalised negotiations with Barclays. RCF sub-committee met on 3 September and authorised completion of the new facility with Barclays for a 4 year term (subject to extension options) for a £30m commitment with a margin of 1.45%, non-utilisation fee of 0.5% and an arrangement fee of 0.45%.

Financial covenants are on the same basis as the existing facility agreement with the exception that operational leverage will ratchet down from 5x to 4x from 22/23 onwards. We have tested the covenants and this is acceptable based on current forecasts.

The RCF is secured by the charge currently granted by LSBU over McLaren House subject to the value satisfying the asset cover requirement of 140% (which it seems to have done).

Closing cash balances in the updated cashflow forecast after taking account of the £30m facility are as follows:

£000's	2019/20	2020/21	2021/22	2022/23	2023/24
Closing cash balance	41,120	28,523	15,774	34,089	41,914

The figure of £15.7m in 2021/22 is important as it represents liquidity based on the forecast group expenditure profile of approximately 30 days. Post Covid, the OfS has reviewed the regulatory reporting regime and the key reportable financial event is now whether liquidity is reasonably likely to drop below 30 days. We will continue to manage cashflow tightly but the £30m facility should be sufficient. It does not however provide additional headroom and we will therefore continue to explore other options including Lambeth Council and/or top up funding from Lloyds or AIB at a later stage when there is more certainty on income flows from current year recruitment.

#### *Potential loan finding from Lambeth Council*

A significant part of the RCF will be used to bridge fund the development of the Nine Elms Skills centre in advance of asset disposal at Clapham. This is at the same time that the University has only recently taken on the Lambeth College commercial loan with Barclays (£13m), which was novated to LSBU at the time of merger.

Consequently, over the past few months, we have been in discussion with Lambeth Council about the possibility of funding. Our arguments for funding support are the:

- strategic importance of the proposed new Vauxhall Technology college to Lambeth and South London
- fact that LSBU has itself been investing heavily in its estate, facilities and digital infrastructure to provide the blended learning experience that we expect future students to require

- impact of Covid, not just on income but on our ability to generate sufficient funds through up front asset disposals to fund the NESC and part fund the wider estate as originally assumed in the estate development plans

Funding from Lambeth Council would enable us to delay the proposed sale of the Clapham site until business confidence returns and maximum value can be achieved.

We had previously provided to the Council a pack of financial documentation similar to that provided to Barclays, including future financial forecasts. We subsequently met only a few days ago with the Council's new Director of Regeneration and Housing Growth. Subsequent email exchanges have indicated that the minimum rate the council could go to is 2.5% (their starting rate was 6%) although this would require senior sign off and will also be subject to contract and cabinet approval. This is something we will continue to explore although the Council has also stated a preference for exploring with us the wider opportunity in terms of redevelopment rather than pure loan.

Additional funding would provide headroom on the RCF as originally intended with the RCF target of £45m.

## **6. Pensions**

### *LGPS*

The Local Government Pension Scheme (LGPS) service charge in respect of the University's membership of the LPFA (London Pension Fund Authority) for 2019/20 has reduced by £0.4m compared to the previous year from £9.9m to £9.5m. It is however, £700k higher than the service charge for the year of £8.8m projected by the actuaries. The service charge is included in reported staff costs for the year.

As noted in section 3 of this report, the projection for 2020/21 is that the service cost will increase by a further c£4m to £13.4m although we are reviewing the assumptions. This increase is not included in the budget.

The impact is not only on the I&E. The FRS102 deficit in the LPFA scheme for the University has increased from £99.3m at 31 July 2019 to £152.5m at 31 July 2020. Comparative figures for SBC are £19.2m and £28.1m respectively. This is driven primarily by the reduction in the real discount rate year on year.

### *Proposal for future pension provision to professional service staff*

As reported previously to Board, we have been consulting over the past few months with unions at both LSBU and SBC on the proposal that new professional service staff joining both companies will not in future be eligible to join the Local Government pensions scheme (LGPS) as at present. As an alternative, we are

setting up a new (restructured) defined contribution (DC) scheme that will be operated through Aviva. The new scheme, which meets the Pensions Quality Mark (PQM), will also be available to members of SBUEL and SW4 (subsidiaries of LSBU and SBC respectively) and is more generous than existing pension schemes available to staff in those companies.

The period of consultation was extended twice to 30 September and has now ended. During that time there were 5 or 6 meetings each with union representatives at both LSBU and SBC and in addition a number of joint workshops to examine the proposals in more detail. We have also held webinars and virtual drop in sessions to share information with current staff.

A few days before the end of the consultation period, we received a counter proposal from SBC Unison representatives with a different, and much more generous, scheme structure with significantly higher employer contributions at all levels. The Executive will review this counter proposal before formally responding. A verbal update will be provided to Board in the meeting.

The most significant risk is the threat of a trade dispute at SBC. However, as the current proposal will not affect existing staff, who will continue to have access to the LGPS scheme, our advice is that it is unlikely the unions can assert that there is a valid trade dispute because the proposals have no impact on current workers. Indeed, for this reason, we were not even required to consult on the proposals.

A key priority remains increased and effective communications to reassure staff that their LGPS pensions will remain in place.

The consultation outcome is expected to be communicated to staff by the end of October 2020 and implemented with effect from 1 January 2021.

## *USS*

In line with FRS102, the University is required to recognise a liability for the contributions payable in order to fund the deficit in the USS scheme. This is a contractual obligation to pay out a sum of money between 2020 and 2034 to fund the deficit in the USS scheme (a scheme in which LSBU has fewer than 50 academic staff members).

Individual employers, including LSBU, cannot identify their share of assets and liabilities in the scheme, but rather this is a contribution to the deficit based on a percentage of the pensionable pay of our membership. A deficit modeller has been produced by BUFDG (the British Universities' Finance Directors Group) to assist employers with meeting this requirement. The University must choose the assumptions it uses when making this calculation and, as in previous years, we

have chosen to use the same assumptions as for the LGPS scheme accounting report. The university's auditors will review this as part of their year-end work, but in previous years have agreed that it is reasonable to use this approach. The financial impact this year is positive with a credit of £1.7m, reversing the significant increase made last year.

We have recently responded to a consultation on a proposed new debt monitoring framework for USS. These proposals were first discussed as part of the 2018 valuation and we also submitted a response at that time. LSBU is a minority employer with only a small number of academic staff being members of the USS scheme (typically those joining LSBU who are already USS members). We feel strongly that the proposals could disadvantage minority employers such as LSBU. Whilst not having a particular problem with debt monitoring, which seems quite reasonable in the circumstances given the scale of the USS deficit, we do have serious concerns with the proposals for pari-passu security; which could potentially unfairly impact minority members. Even if structured so that the security is limited to the employers share of the deficit (which in itself might be more difficult for employers with a smaller share of the deficit), the proposals will make borrowing even more difficult and costly than it is already. Our submission therefore stated that we cannot support the proposal for pari- passu security.

USS has also recently launched with UUK its first formal consultation on the proposed methodology and assumptions for the Scheme's Technical Provisions on the 2020 actuarial valuation. This particular consultation involves the trustee seeking views on the assumptions which it proposes to use in assessing the funding position of the scheme in relation to the rights which have been built up. In every scenario presented there will be a deficit in the scheme's funding position and therefore future deficit recovery contributions will be needed.

## **7. Other matters**

### *Finance return to OfS*

The finance return used to be submitted to HEFCE in mid July but has now been pushed back by the OfS to coincide with year-end reporting. Templates have been released and the OFS now require an interim return covering our draft full year 19/20 position together with a 1-year forecast for 20/21. The return must be submitted by Oct 30 and be signed off by the LSBU Group's accountable officer. It does not require Board approval but the return is included as appendix 2 for information.

Although not required at this stage, we have completed a full 5-year forecast review to ensure that we have a clear picture of the likely cash position over the

next few years. This will be subject to ongoing review and may require further change post mid-year budget review in November.

### *Corporate strategy/ KPIs*

Real progress has been made on agreeing outcomes, deliverables, KPIs and an accountability framework to clarify executive ownership. We have also agreed a more formal Strategy Implementation Project with oversight by an Implementation Board to track progress on priority deliverables.

A summary of progress is provided in Appendix 3.

### *LEAP*

The LEAP programme continues to track on time and to budget. There are two core technologies which enable the LEAP vision; a Customer Relationship Management System (CRM) and a Student Record System (SRS). Earlier in the year it was agreed that Salesforce was the preferred CRM technology and U4SM the preferred SRS system.

Further to commercial negotiations, LSBU signed a 5-year licensing deal with Salesforce in July in line with the business case, and PwC were contracted as implementation partners for this technology in September. As part of this, a revised release plan has been agreed to build the CRM technology more rapidly. This has the effect of releasing benefit to LSBU earlier whilst keeping costs within the programme budget signed off by the Board in May and potentially reducing them marginally. It also means that business change work can move at an appropriate pace for LSBU rather than being tied to the deployment of technology.

Further to SRS discovery work currently being undertaken, it is anticipated that a licencing deal with Unit 4, the SRS provider, will be agreed in November and the build for this environment commence soon after.

The financial position is best summarised as follows:

- Forecast total programme costs are £33.9m including sunk costs to date of £11.5m and future costs of £22.4m. This compares with original budget of £32.1m and Board approval in May 21 of £34.5m
- The contribution (low) most pessimistic 10 year net benefit after excluding any UG intake growth and after taking account of all costs including sunk

costs is now +£11.9m (previously +£4.5m). This is because the programme proceeds at pace and delivers the benefits more quickly.

- The payback period on the same, most pessimistic basis, is now 4y 10m (very close to the original business case of 4y 6m)
- Notwithstanding that the work now proceeds at pace, through commercial negotiation with PwC we have agreed a delayed payment profile for work done which enables the flattened cashflow profile requested by MPIC/Board



## JUL 2020 EXECUTIVE SUMMARY

This Executive Summary reports on the draft financial position of London South Bank University as at 31st July 2020.

### 1) RAG Status

<b>Income Growth</b> 19/20 outturn v 18/19 outturn	<b>5.4%</b>
<b>Opex Growth (excl asset writedowns)</b>	<b>4.8%</b>

<b>Staff Cost %</b> excluding restructuring	<b>56.2%</b>
<b>Staff Cost Growth</b> excluding restructuring	<b>8.7%</b>

<b>FYF Surplus</b> (Contribution %)	<b>1.0%</b>
<b>EBITDA</b>	<b>13.1%</b>

### 2) Summary

As at 31st July 2020 the University is trending towards a surplus of £1.5m. This £1.5m less than the outturn for 18/19.

Although the year end accounts have yet to be audited, we are currently reporting income for the year of £157.1m, an increase of £8.0. (5.4%) on the 18/19 reported outturn and £5m (3.3%) more than budget. This growth was driven by tuition fees, which including Pre-Reg contract, were £13.0m (12.7%) more than for the previous year, and £8.7m (8.2%) more than budget. £4.7m of the year-on-year increase in income was due to the growth in Overseas student fees.

In terms of the impact that the Covid-19 crisis had on 19/20 income, the areas which were most significantly effected were Term-time Lettings which ended the year £1.5m below budget, CPPD related income which fell by £1.3m compared to budget, Food Sales (£0.8m lower than budget) and Vacation Lettings (£1.1m under budget). In total these areas generated £4.0m less income than in 18/19; a drop of 26.8%. We have not yet seen an accelerated level of student withdrawals and interruptions so released £1.4m from the provision we had previously made for lost income, leaving £641k that will be held in reserve against potential backdated dropouts.

OPEX for the year was £6.8m more than the Jun-20 forecast. £3.2m was effectively transferred from Exceptional items (£2.1m) and Depreciation (£1.1m) as these forecasts were invested in projects, Covid-19 Response costs, and to fund asset disposals and write downs, which were charged to OPEX. After adjusting for these reclassifications the variance is reduced to £3.6m. This was used to expense the impaired legal and design costs relating to the redevelopment of St Georges Quarter (£3m) that has been paused, and to write off historic costs of works to the London Road building (£1m) which have since lost their value due to the redevelopment currently in progress. The funding for this was made available by a £1.7m pensions adjustment (which was not known until Jul-20), additional Catalyst funding (£0.7m) which was not included in the Jul-20 forecast due to uncertainty as to when the income could be recognised, and the £1.4m reduction to the provision for lost student income that we had included in the Jun-20 forecast to be prudent given the uncertainty of the Covid situation.

The total spend on recurring staff cost at the end of the year was £88.2m, £1.4m (1.6%) less than budget and £7.0m (8.7%) more than in 18/19. This represents 56.2% of total income. Structural staff costs were £2.7m less than budget due to redundancy costs being less than budget/forecast and the pensions adjustment of £1.7m.

At the end of July we had enrolled 818 more student FTE than at the end of 18/19, an increase of 6.5%. New students were up by 9.4% on the previous year, and continuing students up 4.0%. We have billed £115.4m of tuition fees (including Health Contract income) compared to £102.4m at the same time last year, an increase of £13.0m (12.7%). In terms of lost income from dropouts, we performed better than last year despite the Covid-19 crisis. During 19/20 we lost £4.3m student fee income compared to £4.5m the previous year, a reduction of 4.9% year-on-year.

The University is currently holding cash and cash equivalents of £51.3m and is holding £2.9m with respect to the Lambeth College transaction. Without these transactions the University would be holding £48.4m, a decline on the equivalent position of £49.7m in Jul-19.

The above position will deliver EBITDA at 13.1% which compares favourably to the 11.1% achieved in 18/19.

### 3) Table 1: Full Year Forecast vs. Budget

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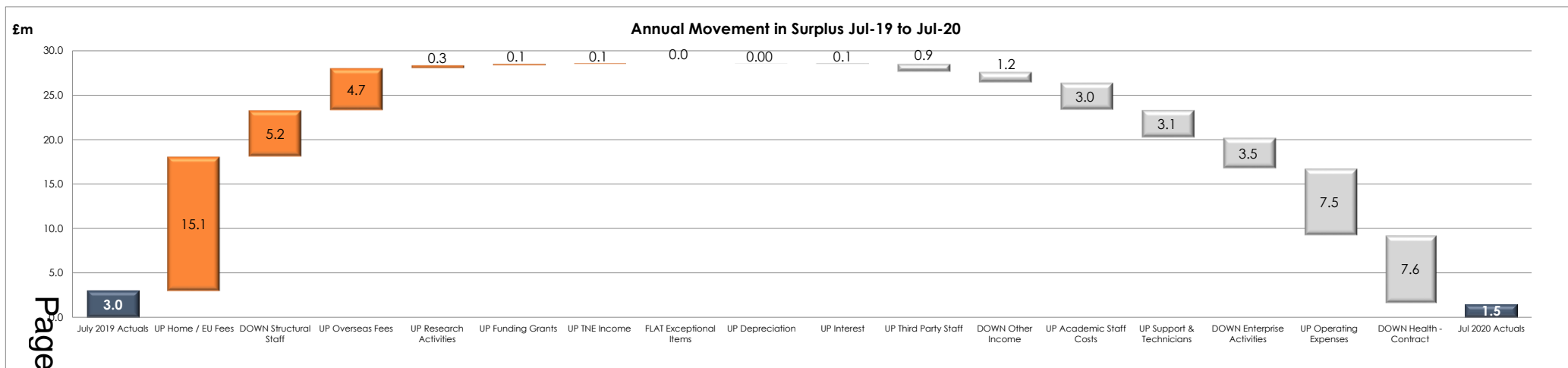
Financial Summary in £'m	CURRENT YEAR BUDGET vs PRIOR YEAR ACTUALS				FULL YEAR FORECAST OUTTURN POSITION				YEAR ON YEAR (Y-T-D COMPARISON)				
	18/19 Actuals	19/20 Budget	Change to 18/19	Change %	Jun 19/20 Forecast Outturn	Monthly move	Jul 19/20 Forecast Outturn	Variance to 19/20 Budget	Budget variance %	18/19 Actuals	19/20 Actuals	Change to 18/19	Change %
Funding Grants	14.26	12.0	-2.2	-16%	13.8	0.0	13.8	1.8	15%	14.4	14.4	-0.0	-0%
Health - Contract	10.57	2.2	-8.4	-79%	2.9	0.0	2.9	0.8	36%	10.6	2.9	-7.6	-72%
Home / EU UG Fees	73.54	82.5	8.9	12%	85.6	0.0	85.6	3.1	4%	73.5	86.2	12.7	17%
Home / EU PG Fees	10.22	12.5	2.3	22%	12.5	0.0	12.5	-0.0	-0%	10.2	12.6	2.4	23%
Overseas Tuition Fees	10.35	11.6	1.3	12%	14.4	0.0	14.4	2.8	25%	10.3	15.1	4.7	46%
TNE Income	1.81	2.0	0.2	10%	1.8	0.0	1.8	-0.2	-11%	1.8	1.9	0.1	5%
Research Activities	5.99	7.5	1.5	25%	6.8	0.0	6.8	-0.6	-9%	5.7	6.3	0.7	12%
Enterprise Activities	10.49	10.7	0.2	2%	7.6	0.0	7.6	-3.1	-29%	10.6	7.0	-3.5	-33%
Student Related Income	10.32	10.9	0.6	6%	8.4	0.0	8.4	-2.5	-23%	10.3	8.6	-1.7	-17%
Other Operating Income	1.20	0.1	-1.1	-91%	0.2	0.0	0.2	0.0	39%	1.3	1.7	0.4	30%
Endowments & Interest	0.30	0.1	-0.2	-63%	0.2	0.0	0.2	0.1	103%	0.3	0.3	-0.0	-0%
<b>Income</b>	<b>149.0</b>	<b>152.1</b>	<b>3.1</b>	<b>2%</b>	<b>154.2</b>	<b>0.0</b>	<b>154.2</b>	<b>2.1</b>	<b>1%</b>	<b>149.0</b>	<b>157.1</b>	<b>8.0</b>	<b>5%</b>
Academic Staff Costs	39.9	45.8	5.8	15%	42.2	0.0	42.2	-3.5	-8%	39.9	43.0	3.0	7.6%
Support & Technicians	38.6	42.1	3.6	9%	41.5	0.0	41.5	-0.6	-1%	38.6	41.6	3.1	8.0%
Third Party Staff	2.7	1.7	-1.0	-35%	3.4	0.0	3.4	1.7	99%	2.7	3.6	0.9	34%
Structural staff	4.0	1.5	-2.5	-63%	1.5	0.0	1.5	0.0	0%	4.0	-1.2	-5.2	-129%
Depreciation	9.4	10.5	1.1	12%	10.5	0.0	10.5	0.0	0%	9.4	9.4	0.0	0%
Operating Expenses	47.2	45.3	-1.9	-4%	47.9	0.1	47.9	2.6	6%	47.2	54.7	7.5	16%
Interest Payable	4.4	3.5	-0.8	-19%	3.5	0.0	3.5	0.0	0%	4.4	4.4	0.1	1%
Exceptional Items	0.0	0.1	0.1	0%	2.1	-0.1	2.1	2.0	2220%	0.0	0.0	0.0	0%
<b>Expenditure</b>	<b>146.2</b>	<b>150.6</b>	<b>4.4</b>	<b>3%</b>	<b>152.7</b>	<b>0.0</b>	<b>152.7</b>	<b>2.1</b>	<b>1%</b>	<b>146.2</b>	<b>155.5</b>	<b>9.4</b>	<b>6%</b>
<b>Surplus for the year</b>	<b>2.9</b>	<b>1.5</b>	<b>-1.4</b>	<b>-48%</b>	<b>1.5</b>	<b>-0.0</b>	<b>1.5</b>	<b>-0.0</b>	<b>-0%</b>	<b>2.9</b>	<b>1.5</b>	<b>-1.4</b>	<b>-47%</b>
<b>Surplus as % of income</b>	<b>1.9%</b>	<b>1.0%</b>	<b>-0.9%</b>	<b>-49%</b>	<b>1.0%</b>	<b>0.0%</b>	<b>1.0%</b>	<b>0.0%</b>	<b>0%</b>	<b>1.9%</b>	<b>1.0%</b>	<b>-0.9%</b>	<b>-47%</b>
<b>Staff costs as % of income</b>	<b>57.2%</b>	<b>59.9%</b>	<b>2.7%</b>	<b>5%</b>	<b>57.5%</b>	<b>0.0%</b>	<b>57.5%</b>	<b>0.0%</b>	<b>0%</b>	<b>57.2%</b>	<b>55.4%</b>	<b>-1.8%</b>	<b>-3%</b>

#### 4) Forecast Summary

##### Movement between 18/19 outturn and 19/20 outturn

The graph below shows the movement between the outturn for 18/19 and 19/20. We are expecting to close the year with total income of £8m (5.4%) more than the outturn for 18/19. Total recurring staff costs have increased by £7m (8.7%) year-on-year but the costs associated with Structural Staff costs are down £5.2m. This reduction in Structural Staff costs is split between redundancy costs which are down £592k (61%) compared to 18/19, and other Structural Staff costs which are down by £4.6m (150.3%). In 18/19 there were £3.2m of extraordinary pension cost, whilst in 19/20 £1.7m has released against the USS pension provision.

Depreciation is in line with the outturn for 18/19. Operating expenses are expected to be £7.5m more than 18/19 as we have taken the opportunity to dispose of, and expense some assets which are impaired, obsolete or coming to the end of their useful lives. The most significant being the impairment of the legal and design costs for the redevelopment of St Georges Quarter (£3m) - the timeline for development is being reviewed and current activity paused. £1m was written off the residual cost of historic works in the London Road building which have been lost due to the redevelopment currently in progress. In addition there were rent costs associated with the PortaKabins and Tabard St (£1.8m), and £2.3m more in terms of overseas agency fees that were not incurred in the previous year.



##### Movement between Jun-20 forecast and Jul-20 outturn

In the Jun-20 management accounts we forecast contribution of £1.5m, and OPEX of £47.9m. As at the end of July contribution remained at £1.5m, but the spend on OPEX increased by £6.8m.

The table below shows the movement between the Jun-20 forecast and the outturn position at the end of Jul-20. It sets out the differences that created the headroom to expense impaired/obsolete assets in OPEX whilst maintaining Contribution at £1.5m.

	Jun-20 Forecast	Lambeth recharges	Release Covid provision for student fees & dropouts	Catalyst + other funding grants	Under delivery against R&E forecast	Other income (term-time lettings, TNE, bank interest, Passmore)	Pensions Adjustment	Staff cost overspend offset by redundancy costs savings	Reclass Exceptional Items as OPEX	Reclass Depreciation as OPEX	Jul-20 Outturn	Movement
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Total Income</b>	<b>(154,220)</b>	(1,084)	(1,415)	(571)	1,051	(857)					<b>(157,095)</b>	<b>(2,876)</b>
<b>Total Staff Costs</b>	<b>88,692</b>						(1,652)	17			<b>87,057</b>	<b>(1,635)</b>
<b>Total Depreciation</b>	<b>10,500</b>									(1,145)	<b>9,355</b>	<b>(1,145)</b>
<b>Total Other Operating Expenses</b>	<b>47,931</b>		1,415	705	(1,051)	857	1,652		2,065	1,145	<b>54,719</b>	<b>6,788</b>
<b>Total Interest Payable</b>	<b>3,533</b>	884									<b>4,417</b>	<b>884</b>
<b>Total Exceptional Items</b>	<b>2,065</b>								(2,065)		<b>0</b>	<b>(2,065)</b>
<b>CONTRIBUTION</b>	<b>(1,500)</b>										<b>(1,548)</b>	<b>(48)</b>

The total income position at the end of 19/20 was £2.9m more than the Jun-20 forecast. £1.1m of this variance relates to management recharges to Lambeth most of which had previously been forecast under Interest Payable.

In addition, £1.4m of the forecast provision for lost student fees (to mitigate against a potential acceleration in student withdrawals and interruption due to Covid-19) was released as the impact by the end of Jul-20 had been negligible. The accounts include a provision of £641k that will be held in reserve against potential backdated dropouts.

A further £0.5m of income that had not been included in the Jun-20 forecast relates to funding grants. Most of this was the result of Catalyst funding grants being released to match fund equipment and lab projects that were completed before the year end; due to uncertainty around the timing of projects being completed, this had not been included in the forecast.

Of the remaining movements in income, unforecast funding was released against depreciation of the Passmore Centre development (£278k), term time lettings were better than expected (£151k) as was TNE income (£117k) and bank interest received (£76k).

Research and Enterprise income was £1.1m below forecast. This was partially due to slippage on ERDF projects, delays in purchasing research equipment in Engineering (£254k) and a general slow down in R&E activities due to the Covid situation.

In terms of staff costs, £1.7m was released from the provision for increases to the USS pension's employers contribution rate made in previous years. Aside from this, the net movement between the Jun-20 forecast and Jul-20 actuals for other staffing costs was £17k.

£3.2m was effectively transferred from the Exceptional items (£2.1m) and Depreciation (£1.1m) forecasts to OPEX as project costs, Covid-19 Response expenses and the charges for asset disposals and write downs, which were made against OPEX.

The £2.9m unforecast income and £1.7m pensions credit provided an opportunity for us to recognise impairment costs associated with the paused redevelopment of St Georges Quarter (£3m), write off historic improvements made to London Road (£1m) and dispose of other old or obsolete assets.

## 5) Contribution Analysis

The Schools portfolio is reporting income for the year of £139.9m which is £11.9m (9.3%) more than the outturn for 18/19 and £7.4m (5.6%) more than budget.

Strong recruitment in both S1 and S2 and lower dropouts across the Schools generated student fee income (including NHS Pre-Reg contract) £8.7m in excess of budget, and £13m more than the prior year. This was partially offset by a £1.5m drop in Research and Enterprise income compared to budget (£1.2m lower than in 18/19). These losses against budget included a drop of £0.5m CPD income, £770k in Enterprise projects, £480k in research project income and £215k in KPTs. CPD activity mainly sits in HSC and was heavily impacted as nurses prioritised front-line services during the Covid pandemic, whilst Research and Enterprise projects were delayed/paused as lockdown and social distancing measures hampered lab-based activities. Research income was up by £573k compared with 18/19 whilst Enterprise income was down by £1,084k; £629k of the year-on-year reduction was due to reduced CPD delivery. Most of the remainder, to a decline in other income generating project activity.

Total costs are £6.6m (12.7%) higher than the outturn for the prior year. £3.9m of this year-on-year increase relates to staff costs, however, as a portfolio the Schools finished the year £1.8m under budget. Most significantly HSC was underspent by £1.7m, BEA by £0.7m and ENG was overspent by £0.4m.

OPEX was £2.7m more than the outturn for 18/19. £2.2m is due to the increased spend on Overseas Agents fees which delivered £5.3m more Overseas and EU student income than in 18/19. Excluding these agents fees, OPEX would have been on budget.

Net contribution from the Schools is £81.2m compared to £75.9m compared to 18/19, representing growth of 7.0%.

In terms of contribution, the School of Business had an exceptional year with contribution growth of £4.3m (36%) compared to 18/19. This was the result of very strong recruitment in both semesters and a closely managed cost base. LSS and BEA also had particularly good years, increasing their year-on-year contribution levels by £1.1m (12.6%) and £1m (7.6%) respectively. ACI's contribution decreased by £1m (14.9%) compared to 18/19. This was mainly because the School was charged with costs relating to the Elephant studios, Croydon project and the disposal of some obsolete assets.

BUS outperformed their contribution budget by £4.4m, BEA by £2.9m, and LSS by £1.5m. HSC over delivered by £675k and APS £305k. ACI under delivered by £1.4m partially due to under recruitment, but also for the unbudgeted charges mentioned above, and ENG by £0.3m due to an overspend on staff costs.

### 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	
	18/19 Actual	19/20 Actual	18/19 Actual	19/20 Actual	18/19 Actual	19/20 Actual	18/19 Actual	19/20 Actual	18/19 Actual	19/20 Actual	18/19 Actual	19/20 Actual	18/19 Actual	19/20 Actual	18/19 Actual	19/20 Actual
Income	£10.8	£11.2	£11.3	£11.6	£18.9	£20.5	£18.0	£24.6	£17.9	£19.0	£36.7	£36.9	£14.4	£16.3	£128.0	£139.9
Expenditure before space charge	£4.7	£5.3	£4.2	£5.5	£5.9	£6.6	£6.2	£8.5	£9.1	£9.7	£16.3	£16.8	£5.6	£6.3	£52.1	£58.7
Contribution	£6.1	£5.9	£7.1	£6.0	£12.9	£13.9	£11.8	£16.1	£8.8	£9.3	£20.4	£20.0	£8.8	£9.9	£75.9	£81.2
Contribution %age	56%	53%	63%	52%	69%	68%	66%	66%	49%	49%	56%	54%	61%	61%	59%	58%

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.

£'millions	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	18/19 Actual	19/20 Actual	18/19 Actual	19/20 Actual	18/19 Actual	19/20 Actual	18/19 Actual	19/20 Actual	18/19 Actual	19/20 Actual	18/19 Actual	19/20 Actual	18/19 Actual	19/20 Actual	18/19 Actual	19/20 Actual
Teaching Income	£9.9	£10.3	£10.8	£10.9	£17.8	£19.6	£17.2	£23.9	£13.9	£15.0	£32.0	£33.7	£13.9	£15.6	£115.5	£129.2
Teaching Staff	£3.6	£3.9	£3.1	£3.3	£4.8	£5.2	£4.3	£5.1	£4.7	£5.0	£12.6	£12.9	£4.7	£5.3	£37.8	£40.7
Teaching Expenditure excl. space charge	£0.4	£0.7	£0.7	£1.6	£0.7	£0.8	£1.6	£3.1	£1.1	£0.9	£1.6	£2.0	£0.7	£0.8	£6.8	£9.9
Teaching Contribution	£6.0	£5.8	£7.0	£6.3	£12.3	£14.0	£11.2	£16.3	£8.1	£9.5	£17.8	£18.9	£8.5	£9.8	£70.9	£78.6
Staff cost as %age of income	36%	38%	29%	30%	27%	26%	25%	21%	34%	33%	39%	38%	34%	34%	33%	31%
Contribution %	60%	56%	65%	57%	69%	71%	65%	68%	59%	63%	56%	56%	61%	62%	61%	61%
Return on Academic Investment	167%	148%	225%	189%	253%	271%	258%	319%	174%	190%	142%	147%	180%	185%	187%	193%
Full Year Student FTE	954	1,007	1,150	1,116	1,845	2,040	1,943	2,419	1,316	1,415	3,861	3,672	1,487	1,704	12,556	13,374
Expenditure per FTE	£4,146	£4,544	£3,307	£4,388	£2,990	£2,951	£3,063	£3,379	£4,369	£4,214	£3,674	£4,049	£3,660	£3,558	£3,552	£3,781
Contribution per Stud FTE	£6,300	£5,700	£6,100	£5,600	£6,600	£6,900	£5,800	£6,700	£6,200	£6,700	£4,600	£5,100	£5,700	£5,700	£5,600	£5,900

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

At the end of Jul-20 we had 13,374 enrolled student FTE and are 6.5% ahead of the year on year position. This is 4 FTE more than last month. There are no students waiting to complete the enrolment process (0 at the same time last year).

New students were up by 9.4% year-on-year, with the School of Business seeing a 46% increase in student FTE compared to the equivalent period in 18/19. Continuing student FTE grew by 4.0% compared to the prior year with an 11.9% increase in BEA. Student FTEs in HSC and ACI decreased year-on-year; ACI due to lower recruitment of new students and HSC apprenticeship numbers were down compared to 18/19.

[----- New -----]				
School	Jul-19	Jul-20	Change	% Change
ASC	431	495	65	15.0%
ACI	511	464	-48	-9.3%
BEA	820	892	72	8.8%
BUS	921	1,344	424	46.0%
ENG	558	665	108	19.3%
HSC	1,861	1,634	-227	-12.2%
LSS	724	876	152	21.0%
<b>YTD Total</b>	<b>5,826</b>	<b>6,372</b>	<b>546</b>	<b>9.4%</b>

[----- Continuing -----]				
School	Jul-19	Jul-20	Change	% Change
ASC	523	511	-11	-2.2%
ACI	638	652	14	2.2%
BEA	1,025	1,148	122	11.9%
BUS	1,023	1,075	52	5.1%
ENG	759	750	-9	-1.2%
HSC	2,000	2,038	38	1.9%
LSS	762	828	66	8.6%
<b>YTD Total</b>	<b>6,730</b>	<b>7,002</b>	<b>272</b>	<b>4.0%</b>

[----- TOTAL -----]				
School	Jul-19	Jul-20	Change	% Change
ASC	954	1,007	53	5.6%
ACI	1,150	1,116	-34	-2.9%
BEA	1,845	2,040	195	10.5%
BUS	1,943	2,419	476	24.5%
ENG	1,316	1,415	99	7.5%
HSC	3,861	3,672	-189	-4.9%
LSS	1,487	1,704	218	14.7%
<b>YTD Total</b>	<b>12,556</b>	<b>13,374</b>	<b>818</b>	<b>6.5%</b>

## 7) Student Withdrawal Analysis

### Summary

At the end of the financial year we had lost £222k less (4.9%) income than in the previous year despite the Covid-19 crisis. All schools % of income lost to drop outs is down compared to July 2019, with an average of 1.1% improvement across all schools. We ended the year £641k under forecast of £4,958k. This will be held in reserve against potential backdated dropouts in August.

### Year on Year

Lost income for the year was £4,317k compared to £4,539k in 18/19. Similarly, in terms of overall headcount we have seen 1,000 students interrupt or withdraw (or in the cases of HSC apprentices, "pause" and return again) this year, compared to 1,080 in 2018/19, a decrease of 7.41%

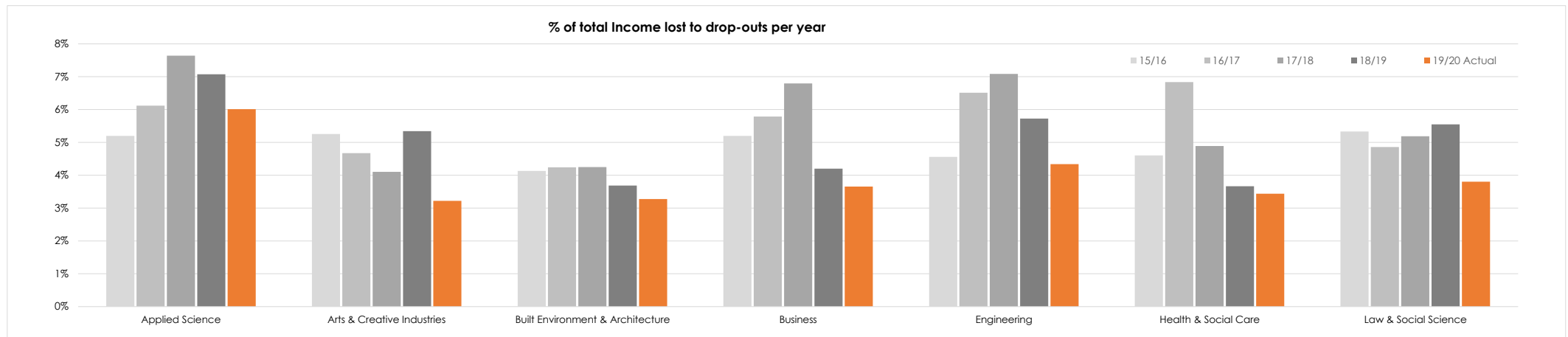
In terms of UG, we have lost less students, and income, in 2019/20 than in 2018/19 (7.1% by head count and 7.0% in income.) It was only PG income lost bucking the overall positive trend; increasing by a marginal £45k (6.4%) – most likely due to year on year fee inflation.

The success we have seen by course, is emulated in the improvements to withdrawal and interruptions head count numbers; with 5.2% less interruptions and 9.1% less withdrawals than in 2018/19. Although in lost income terms interruptions are slightly up (mainly due to HSC Apprentices) the amount of income lost due to withdrawals has nevertheless decreased from £2.8m to £2.5m or by 11.5% year on year.

Overall interruptions were down from 465 to 441 (5.2%) whilst withdrawals are down by 9.1% on year-on-year; 615 to 559 in 19/20.

Lost Fee Income' in £000K	16/17 Actuals	17/18 Actuals	18/19 Actuals	Jul-20 Actuals	% change 18/19 vs 19/20	% income lost at Jul 20	Last 4 year school average
Applied Science	552	653	603	547	-9.3%	6.0%	6.5%
Arts and Creative Industries	429	391	538	325	-39.5%	3.2%	4.8%
Built Environment & Architecture	616	603	569	544	-4.4%	3.3%	4.1%
Business	904	998	700	851	21.5%	3.7%	5.5%
Engineering	834	815	661	561	-15.1%	4.3%	6.0%
Health & Social Care	232	498	731	920	25.8%	3.4%	5.0%
Law & Social Sciences	647	656	737	569	-22.8%	3.8%	5.2%
<b>Total</b>	<b>4,214</b>	<b>4,613</b>	<b>4,539</b>	<b>4,317</b>	<b>-4.9%</b>	<b>3.8%</b>	<b>5.2%</b>

Academic year	YTD withdrawals (incl. Interrupted)
16/17	1,215
17/18	1,115
18/19	1,080
19/20	1,000



"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

Income for the year stands at £157.1m; £8.0m (5.4%) ahead of the 18/19 outturn, and £5m (3.3%) more than budget. This growth was driven by tuition fees, which, including Pre-Reg contract, were £13.0m (12.7%) more than for the previous year, and £8.7m (8.2%) more than budget. £4.7m of the year-on-year increase in income was due to the growth in Overseas student fees. The provisions we had in the forecast against potential student fee refunds were reduced by £1.4m to £0.6m. This is held in reserve against potential backdated dropouts.

The Covid-19 crisis has particularly impacted Term-time lettings (£1.5m behind budget), food sales (£0.8 lower than budget), Vacation lettings (£1.1m under budget) and CPPD activity (which including NHS CPD contract was £1.3m less than budget). In total these areas delivered £4.0m (26.8%) less income than in the previous year.

The budget for Enterprise income was £190k (1.8%) more than the outturn for 18/19. At the end of the year, income was £3.5m (33.0%) lower than 18/19 and had been tracking behind budget and 18/19 levels throughout the year. However, the gap widened by the impact of Covid-19 particularly in terms of income generated by vacation lettings (down by £1.4m year-on-year) and Enterprise CPD activities (£0.6m reduction vs 18/19). Income generated by other projects fell by £1.1m year-on-year, partially due to delays caused by the current situation and partially due to lower levels of activity throughout the year.

Research had been budgeted to grow by £1.5m (25.0%) year-on-year. The year end position was £0.3m (5.4%) more than the 18/19 outturn and £1.2m (15.7%) behind budget. £815k of the variance is attributable to lower than budgeted project activity in TWI. There were also delays in purchasing project related equipment in ENG (£200k) and consequently income could not be release to offset the forecast expense.

### 9) Staff Cost Analysis

The University ended the year with total staff costs of £87.1m; an increase of £1.9m (2.2%) on 18/19. Total staff costs as a percentage of total income were 55.4% and the same ratio for recurring staff costs is 56.2%.

Year-on-year the most significant movement is in Structural Staff costs which decreased by £5.2m. In 18/19 we expensed £3.2m of extraordinary pension cost. This year we have released £1.7m of the USS provision as the employer's contribution rate has been reduced. In addition, redundancy costs have gone down by £0.6m year-on-year.

Academic staff costs ended the year £3.0m (7.6%) higher than the previous year, mainly due to increases in pension costs, but were £2.8m under budget for the year. There were in-year savings of £1.7m in HSC due to structure changes and BEA finished the year £0.7m under budget.

In terms of Support staff costs, these increased by £3.0m (7.6%) year-on-year.

Third Party staff costs increased by £0.9m (34%) compared to 18/19 and exceeded budget by £1.9m. There was a budget misclassification in HSC which accounts for £0.5m of the difference, but the remainder is largely the result of permanent posts being covered by agency staff.

### 10) Operating Expense Analysis

Operating expenses for 19/20 are £7.5m (15.8%) greater than 18/19. This increase is reduced to 4.8% once asset write downs are excluded. Overseas agency fees increased by £2.3m (146.1%) year-on-year. This was driven by increased student numbers, more EU students being processed by agencies, and an increase in the fee percentage paid to agencies. There was £1.8m of new rental costs for the PortaKabins and Tabard Street and the University incurred £398k in terms of Covid response cost.

£3m was charged to OPEX as impairment of the legal and design costs for the redevelopment of St Georges Quarter as the timeline for development is being reviewed and current activity paused. £1m was written off in respect of works to the London Road building carried out in prior years which have since lost their value due to the building works currently in progress. A further £1.6m of assets which were obsolete, impaired or at the end of their useful economic life were expensed. These have been excluded from the EBITDA calculation.

Due to the restrictions imposed during lockdown there was less expenditure than the previous year across many categories, such as Staff Related, particularly on travel & accommodation etc., Cleaning and Security, and Printing & Stationery. Also, during the year, the University received £792k additional VAT refunds compared to 18/19 and the amount needed to top-up the bad debt provision was £216k than in the previous year.

### 11) Interest Payable

Interest payable is £57k more than 18/19 but £884k over budget. The expenses sit in Finance and relates to management charges that have been recharged to Lambeth College. The unbudgeted overspend in Interest Payable nets off with the unbudgeted recharge in income so there is no impact on contribution.

**12) Budget Analysis**

The University operates on a Portfolio basis so members of the Executive are expected to manage their portfolio as a whole and if one area requires additional funds this can be generated by reducing investment in another area of the Executive's responsibility. Where it is anticipated that an Executive's consolidated portfolio will not to deliver its budgeted contribution, an application for funding from the Investment post should be made via a business cases to the University's Executive.

LONDON SOUTH BANK UNIVERSITY / ENTERPRISES

Management Summary Report from August 2019 To The End Of July 2020

SMT Area: All

Cost Centre: %



Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	YEAR TO DATE				Full year Forecast less Actual YTD (£)
			2019 Actuals (£)	2019 Budget (£)	Variance - Actuals to Budget (£) %		
-149,049,467	-146,272,237	<b>Total Income</b>	-157,095,403	-152,100,000	4,995,403	3%	2,875,722
85,203,850	85,203,850	<b>Total Staff Costs</b>	87,056,752	91,131,327	4,074,575	4%	1,634,970
9,352,180	9,352,180	<b>Total Depreciation</b>	9,354,506	10,500,000	1,145,494	11%	1,145,494
47,234,281	47,234,281	<b>Total Other Operating Expenses</b>	54,718,784	45,346,766	(9,372,018)	(21%)	-6,788,276
4,360,146	4,360,146	<b>Total Interest Payable</b>	4,416,903	3,532,906	(883,997)	(25%)	-883,997
		<b>Total Exceptional Items</b>		89,001	89,001	100%	2,064,545
-2,899,009	-121,779	<b>Contribution</b>	-1,548,458	-1,500,000	48,458	3%	48,458
57.2%		Staff costs as % of income	55.4%	59.9%			
1.9%		Contribution %	1.0%	1.0%			

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# Office for Students Interim Financial Data Collection

For the financial year ending on Friday 31 July 2020

London South Bank University  
UKPRN: 10004078

Page 49

## **Provider information**

Latest audited year end:	Friday 31 July 2020
Submission and sign off deadline:	Noon on Friday 30 October 2020
Upload date and time:	Not yet uploaded
Upload number:	Not yet uploaded

## **Financial year ends**

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
31/07/2019	31/07/2020	31/07/2021

If any of the three financial year ends above are incorrect, please contact the OfS.

## **Validation information**

Tables with validation errors:	No validation errors
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## **Guidance**

All guidance for the Interim Financial Data Collection can be found on the OfS website at:

[Regulatory advice 14: Guidance for providers for the financial monitoring returns](#)

The webpage contains guidance on how to complete this workbook, as well as how to submit files to the OfS portal.

For any queries, please email: [FinanceData@officeforstudents.org.uk](mailto:FinanceData@officeforstudents.org.uk)

No validation errors

Consolidated statement of comprehensive income and expenditure (extract of Annual Financial Return Table 1)		Audited data	Draft (pre-audit) financial data	Forecast data Current year
		Year 1 31/07/2019	Year 2 31/07/2020	Year 3 31/07/2021
Financial year ending:				
1	<b>Income</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
1a	Course fees and education contracts*	111,344	124,547	119,003
1b	Funding body grants	30,699	41,715	41,026
1c	Research grants and contracts	4,429	4,407	3,671
1d	Other income	33,623	12,901	20,110
1e	Investment income	302	308	110
1f	Donations and endowments	647	552	0
1g	<b>Total income</b>	<b>181,044</b>	<b>184,430</b>	<b>183,920</b>
2	<b>Expenditure</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
2ai	Staff costs (excluding changes to pension provisions and pension adjustments)	73,189	84,985	88,462
2aii	Changes to pension provisions and pension adjustments	17,196	18,064	20,579
2aiii	<b>Total staff costs</b>	<b>90,385</b>	<b>103,049</b>	<b>109,041</b>
2b	Restructuring costs	0	379	1,500
2c	Other operating expenses	56,455	63,967	55,054
2d	Depreciation and amortisation	10,353	10,627	12,400
2e	Interest and other finance costs	4,586	4,977	5,925
2f	<b>Total expenditure</b>	<b>161,779</b>	<b>182,999</b>	<b>183,920</b>
3	<b>Surplus/(deficit) before other gains/losses and share of surplus/(deficit) in joint ventures and associates</b>	<b>19,265</b>	<b>1,431</b>	<b>0</b>
<b>Analysis of income - Course fees and education contracts analysed by domicile, mode, level and source (extract of Annual Financial Return Table 6)</b>		<b>Audited data</b>	<b>Draft (pre-audit) financial data</b>	<b>Forecast data Current year</b>
Financial year ending:		<b>Year 1 31/07/2019</b>	<b>Year 2 31/07/2020</b>	<b>Year 3 31/07/2021</b>
1	<b>Higher education course fees</b> <i>(fee income from students who are subcontracted in from another provider should not be included below*)</i>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
1c	Total UK and EU fees	97,252	109,482	104,713
1dviii	Total non-EU fees**	10,398	15,065	14,290
1e	<b>Total higher education course fees</b>	<b>107,650</b>	<b>124,547</b>	<b>119,003</b>

\* Fee income from students who are subcontracted in from another provider should not be included in course fees and must instead be returned in 'Other income' (row 1d).

**Year on year differences**

The columns below show year on year percentage differences. Cells will be highlighted if there is a difference of at least +/- 10%. These differences are for information only.

Year 1 to Year 2	Year 2 to Year 3
11.9%	-4.5%
35.9%	-1.7%
-0.5%	-16.7%
-61.6%	55.9%
2.0%	-64.3%
-14.7%	-100.0%
1.9%	-0.3%
16.1%	4.1%
5.0%	13.9%
14.0%	5.8%
100.0%	295.8%
13.3%	-13.9%
2.6%	16.7%
8.5%	19.0%
13.1%	0.5%
-92.6%	-100.0%
12.6%	-4.4%
44.9%	-5.1%
15.7%	-4.5%

\*\* Total non-EU fees will be shared with UKRI to support the administration of the Sustaining University Research Expertise (SURE) Fund.

**Additional comments on the above (this is not compulsory but if there are comments you wish to make on the above, please enter them here)**

<b>London South Bank University (UKPRN: 10004078)</b>								
No validation errors								
<b>Consolidated statement of financial position (extract of Annual Financial Return Table 2)</b>				Audited data	Draft (pre-audit) financial data	Forecast data Current year	<b>Year on year differences</b>	
				Year 1 31/07/2019	Year 2 31/07/2020	Year 3 31/07/2021	The columns below show year on year percentage differences. Cells will be highlighted if there is a difference of at least +/- 10%. These differences are for information only.	
Financial year ending:				£000s	£000s	£000s		
2	<b>Current assets</b>		£000s	£000s	£000s			
2c	Investments		11,713	6,835	6,835		-41.6%	0.0%
2d	Cash and cash equivalents		47,088	45,349	25,228		-3.7%	-44.4%
2e	Loans to directors		0	0	0		0.0%	0.0%
2h	Total current assets		77,806	75,637	55,516		-2.8%	-26.6%
3	<b>Creditors: amounts falling due within one year</b>		£000s	£000s	£000s			
3a	Overdrafts		0	0	0		0.0%	0.0%
3b	Bank loans and external borrowing		1,909	1,944	1,944		1.8%	0.0%
3c	Obligations under finance leases and service concessions		0	0	0		0.0%	0.0%
3d	Loans from directors		0	0	0		0.0%	0.0%
3h	Total creditors (amounts falling due within one year)		34,063	42,199	42,199		23.9%	0.0%
5	Net current assets/(liabilities)		43,743	33,438	13,317		-23.6%	-60.2%
7	<b>Creditors: amounts falling due after more than one year</b>		£000s	£000s	£000s			
7a	Bank loans and external borrowing		34,452	32,507	60,332		-5.6%	85.6%
7b	Obligations under finance leases and service concessions		0	0	0		0.0%	0.0%
7c	Loans from directors		0	0	0		0.0%	0.0%
<b>Additional comments on the above (this is not compulsory but if there are comments you wish to make on the above, please enter them here)</b>								

No validation errors

Consolidated statement of cash flows (extract of Annual Financial Return Table 3)		Audited data	Draft (pre-audit) financial data	Forecast data Current year
		Year 1 31/07/2019	Year 2 31/07/2020	Year 3 31/07/2021
Financial year ending:				
6	<b>Net cash inflow/(outflow) from operating activities</b>	£000s	£000s	£000s
6	Net cash inflow/(outflow) from operating activities	29,732	25,997	14,750
8	<b>Cash flows from financing activities</b>	£000s	£000s	£000s
8a	Interest paid	-1,569	-1,933	-3,750
8b	Interest element of finance lease and service concession payments	0	0	0
8e	New secured loans	0	0	0
8f	New unsecured loans	0	0	0
10	Cash and cash equivalents at beginning of the year	37,841	47,088	45,349
11	Cash and cash equivalents at the end of the year	47,088	45,349	25,228
12	<b>Current year cash management</b>	£000s	£000s	£000s
12a	Date of lowest cash balance			July 2021
12b	Lowest cash balance			25,228
13	<b>When is cash forecast to fall below a zero balance during the current year and how will you manage this?</b>			
	<b>Period during which the net cash balance is negative</b>	<b>Action to manage negative cash balance</b>		
13a				
13b				
13c				
13d				
13e				
13f				

**Year on year differences**

The columns below show year on year percentage differences. Cells will be highlighted if there is a difference of at least +/- 10%. These differences are for information only.

Year 1 to Year 2	Year 2 to Year 3
-12.6%	-43.3%
-23.2%	-94.0%
0.0%	0.0%
0.0%	0.0%
0.0%	0.0%
24.4%	-3.7%
-3.7%	-44.4%

Submit row?*
No
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13g		
13h		
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13j		

\* If you wish to delete a row from this table, select 'No' from the dropdown in this column. The row will be removed once your workbook has been submitted.

**Additional comments on the above (this is not compulsory but if there are comments you wish to make on the above, please enter them here)**

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No validation errors

Financial commitments (Annual Financial Return Table 13)

As at date of return																	
Lender's name	Lender description if 'Other: specify' is selected in column B	Type of commitment	Security		Date of commitment		Sum originally committed by the lender (£000s)	Capital sum owed at the end of 31/07/2020 (£000s)	Undrawn sum (£000s)	Period of loan (years)	Date of the end of the agreement		Repayment basis	Sum to be repaid at end of term - if any (including any compound interest) (£000s)	Interest rate type	Interest rate at the end of 31/07/2020 (estimate for undrawn facilities)	Additional comments
			Secured/ Unsecured	Approximate value of security (or book value of specified assets on which security is held) (£000s)	Month	Year					Month	Year					
<b>Total</b>							<b>53,192</b>	<b>32,451</b>	<b>0</b>								
1 Other: specify	Allied Irish Bank	Term loan	Secured	19,937	April	2001	10,000	2,736	0	26	September	2027	Repayment	0	Fixed	6.67	
2 Barclays	x	Term loan	Secured	51,675	April	2007	7,695	3,575	0	25	January	2032	Repayment	0	Fixed	5.67	
3 Barclays	x	Term loan	Secured	51,675	March	2009	6,830	2,004	0	23	March	2032	Repayment	0	Variable	0.90	
4 Barclays	x	Term loan	Secured	51,675	April	2009	5,000	5,000	0	20	April	2029	Repayment	0	Fixed	5.25	
5 Barclays	x	Term loan	Secured	51,675	April	2009	10,000	5,996	0	23	January	2032	Repayment	0	Fixed	5.54	
6 Barclays	x	Term loan	Secured	51,675	February	2019	13,467	12,940	0	16	February	2035	Repayment	0	Fixed	6.85	
7 Salix	x	Term loan	Unsecured	0	August	2014	200	200	0	10	August	2024	None	0	Fixed	0.00	
8																	
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\* If you wish to delete a row from this table, select 'No' from the dropdown in this column. The row will be removed once your workbook has been submitted.

Additional comments on the above (this is not compulsory but if there are comments you wish to make on the above, please enter them here)

Submit row?\*

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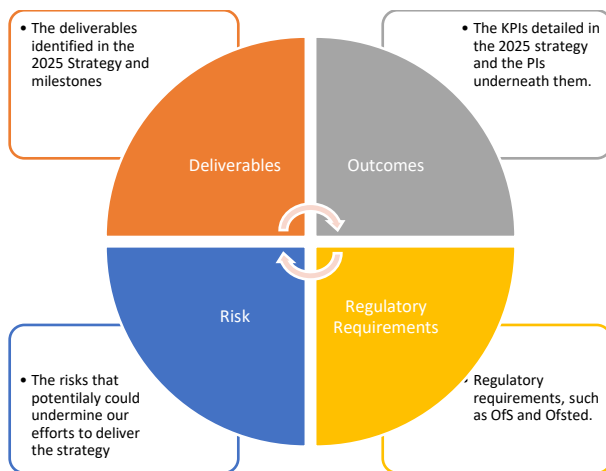


## APPENDIX 3

### Summary of progress on corporate strategy and KPIs

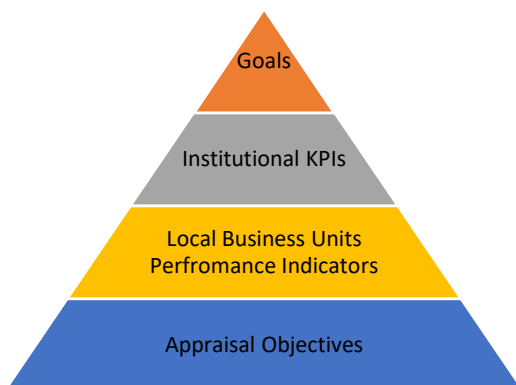
#### **Corporate strategy/ KPIs**

The 2025 Group Corporate Strategy was approved by the Group Board in July 2020. The architecture of the strategy distinguished between what will be achieved in terms of outcomes and what will be done to deliver these outcomes. An accountability framework has been developed, which aligns to the 2025 Strategy. This framework is detailed below, and accountability under each element has been aligned to Group Executive members.



#### **Outcomes**

This is a continuing journey, but a lot of progress has been made to date against the performance hierarchy detailed in the pyramid below.



The KPI Working Group convened in July to review progress against the highest level of the pyramid, which was the Goals. These Goals are detailed in the excerpt below from the 2025 Group Strategy Document.

## 2025 LSBU Group Strategy

Strategic pillars, Goals and United Nations Sustainable Development Goals

<p><b>Access to Opportunity</b></p> <p>Through local and global partnerships we will create opportunities for individuals, business and society and seek to remove barriers to success.</p> <p><b>2025 Goals</b></p> <ul style="list-style-type: none"> <li>• Progress against UN SDGs</li> <li>• Positively impact 1 million lives</li> </ul> <p>UN SDG</p> 	<p><b>Student Success</b></p> <p>Recognised as a leading organisation for outstanding practice-led learning, fostering the development of able graduates ready to address business and societal challenges.</p> <p><b>2025 Goals</b></p> <ul style="list-style-type: none"> <li>• Increase social mobility</li> <li>• Increase in students' social capital</li> </ul> <p>UN SDGs</p> 	<p><b>Real World Impact</b></p> <p>Research and Innovation that enhances teaching and tackles global and civic challenges, generates critical insights, and sustainable solutions to transform the lives of individuals, communities, businesses and society.</p> <p><b>2025 Goals</b></p> <ul style="list-style-type: none"> <li>• £5bn of economic impact</li> <li>• Impactful and high quality research</li> </ul> <p>UN SDG</p> 	<p><b>Fit for the Future</b></p> <table border="0"> <tr> <td data-bbox="861 638 1013 1041"> <p><b>Technology and Estates</b></p> <p>To create a flexible physical and digital environment, allowing opportunities for personalisation, that is mobile friendly, fit for the future and embraces innovation and sustainability.</p> <p><b>2025 Goals</b></p> <ul style="list-style-type: none"> <li>• At least 20% of all teaching delivered using digital platforms or industry standard facilities</li> <li>• Environmental sustainability</li> </ul> <p>UN SDGs</p>  </td> <td data-bbox="1029 638 1181 1041"> <p><b>People, Culture and Inclusion</b></p> <p>Create a transformational and inclusive culture that is people centric, values led and ambitious; enabling LSBU Group to empower staff and to attract and retain a diverse range of skilled individuals.</p> <p><b>2025 Goals</b></p> <ul style="list-style-type: none"> <li>• A highly engaged workforce</li> <li>• Closing of the Gender and Ethnicity Pay Gap</li> </ul> <p>UN SDGs</p>  </td> <td data-bbox="1197 638 1348 1041"> <p><b>Resources, Market and Shape</b></p> <p>Alignment of core activity with business and society's current and future requirements in terms of skills, knowledge and innovation and insight.</p> <p><b>2025 Goals</b></p> <ul style="list-style-type: none"> <li>• Delivering financial sustainability</li> <li>• Highly effective internal services</li> </ul> <p>UN SDG</p>  </td> </tr> </table>			<p><b>Technology and Estates</b></p> <p>To create a flexible physical and digital environment, allowing opportunities for personalisation, that is mobile friendly, fit for the future and embraces innovation and sustainability.</p> <p><b>2025 Goals</b></p> <ul style="list-style-type: none"> <li>• At least 20% of all teaching delivered using digital platforms or industry standard facilities</li> <li>• Environmental sustainability</li> </ul> <p>UN SDGs</p> 	<p><b>People, Culture and Inclusion</b></p> <p>Create a transformational and inclusive culture that is people centric, values led and ambitious; enabling LSBU Group to empower staff and to attract and retain a diverse range of skilled individuals.</p> <p><b>2025 Goals</b></p> <ul style="list-style-type: none"> <li>• A highly engaged workforce</li> <li>• Closing of the Gender and Ethnicity Pay Gap</li> </ul> <p>UN SDGs</p> 	<p><b>Resources, Market and Shape</b></p> <p>Alignment of core activity with business and society's current and future requirements in terms of skills, knowledge and innovation and insight.</p> <p><b>2025 Goals</b></p> <ul style="list-style-type: none"> <li>• Delivering financial sustainability</li> <li>• Highly effective internal services</li> </ul> <p>UN SDG</p> 
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### Our Vision

To transform lives, communities, businesses and society through applied education and insight.

Underneath this level, KPIS are being defined in line with the outcome statements in the strategy, these are currently being defined, in respect of the context of each individual institution within the Group. LSBU KPIs are the most mature, with 23 out of the 27 KPIs fully defined. Targets against these KPIs for 2020/21 through to 2024/25, are currently being proposed and will be discussed at the 7<sup>th</sup> October 2020 Executive, to be reviewed by the October Board.

### Deliverables

Since the approval of the Group Strategy, a series of sessions with participation from across the Group were held to support the prioritisation of strategy deliverables. The identified deliverables that should be undertaken first, as part of the accountability framework have clear Executive leads. Over the coming months these will be, designed, with associated dependencies identified as part of the Strategy Implementation Project, which is sponsored by the CFO and PVC (Education). This approach will provide milestones, which can be monitored over the course of the 2025 strategy.

	CONFIDENTIAL
Paper title:	Corporate Risk Report
Board/Committee	Board of Governors
Date of meeting:	15 October 2020
Author:	Richard Duke, Director of Strategy & Planning
Sponsor:	Richard Flatman, Chief Financial Officer
Purpose:	For discussion
Recommendation:	The Board is requested to discuss the corporate risk register.

## Executive Summary

The corporate risk register currently has:

- Zero critical risks;
- Fourteen high risks;
- Fourteen medium risks;
- One low risk

Risks are reviewed on a monthly basis by the Senior Leadership Team (SLT). At the last SLT the following changes were proposed:

- Risk 305 – Data Protection and Security: Likelihood increased to high given recent cyber-attacks on other UK Higher Education institutions. This increases the overall classification to **High**
- Addition of a risk relating to potential student fee refunds and loss of halls of residence income (634). This has an overall classification of **High**
- Addition of risk relating to deterioration of league table ranking and associated reputation (635). This is also classified as **High**
- Addition of risk relating to the effectiveness of blended learning (636). This is also classified as **Medium**.

These were the first changes to be made since the last time the Board reviewed the corporate risk register.

Over the course of the 2020/21 academic year, the approved risk policy will be implemented.

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LSBU Corporate Risk: Board Summary Report – Sep 2020

Cover Page: Risk Exposure Matrix – Severity by risk type (from Risk Appetite)

Severity Rating/Risk Type - Appetite	Low	Medium	High	Critical
Financial (open)	(517) EU Referendum Impact on regulation & market (DP)	(631) Full financial benefits including Income and expenditure levels fail to leverage potential of Group (RF) (402) Income growth from Research & Enterprise unrealised (PI) (630) HE Policy - B3 Registration Regulation and potential introduction of student number controls (DJ)	(3) Sustainability of current pension schemes (RF) (625) Impact of Govt. Education Review on HE funding (RF) (2) Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL) (457) Anticipated international & EU student revenue unrealised (NL) (634) Financial Impact of Covid-19 (student refunds/accomodation) (RF)	
Legal / Compliance (Cautious)		(519) Negative Curriculum Assessment (DJ) (584) External incident compromises campus operations or access (MMJ)	(305) Data security and data protection (NL)	
Academic Activity (Seek)		(628) Availability of NHS placements (PB) (495) Higher Apprenticeship degrees (FM) (398) Academic programmes not engaged with technological and pedagogic developments (DJ) (494) Inconsistent delivery of Placement activity (NL) (518) Core student system inflexibility / failure (DJ) (636) Blended Learning not implemented effectively, impacting student experience (DJ) (627) Impact of new strategy upon organisational culture (MMJ)	(629) OfS Thresholds not met in relation to Condition of Registration B3 (DJ) (37) Affordability of Capital Expenditure investment plans (RF) (467) Progression rates don't increase (DJ) (633) Unable to deliver recovery plan from Covid-19 (DP)	
Reputation (Open)		(6) Management Information perceived as unreliable, doesn't triangulate or absent (RF) (362) Low staff engagement impacts performance negatively (MMJ)	(626) Impact of assurance activity & new initiatives fails to address issues around student experience (PB) (632) Alignment of estate with sector requirements across the Group (PI) (1) Capability to respond to change in policy or competitive landscape (DP) (635) League table rank deterioration / reputational impact (DJ)	

Impact	4 Critical <i>Corporate plan failure / removal of funding, degree award status, penalty / closure</i>				
	3 High <i>significant effect on the ability for the University to meet its objectives and may result in the failure to achieve one or more corporate objectives</i>	(495) Higher Apprenticeship degrees (FM)  (519) Negative Curriculum Assessment (DJ)  (6) Management Information perceived as unreliable, doesn't triangulate or absent (RF)  (362) Low staff engagement impacts performance negatively (MMJ)	(37) Affordability of Capital Expenditure investment plans (RF)  (467) Progression rates don't increase (DJ)  (633) Unable to deliver recovery plan from Covid-19 (DP)  (626) Impact of assurance activity & new initiatives fails to address issues around student experience (PB)  (632) Alignment of estate with sector requirements across the Group (PI)  (1) Capability to respond to change in policy or competitive landscape (DP)  (305) Data security and data protection (NL)  (634) Financial Impact of Covid-19 (student refunds/accomodation (RF)  (635) League table rank deterioration / reputational impact (DJ)	(629) OfS Thresholds not met in relation to Condition of Registration B3 (DJ)  (3) Sustainability of current pension schemes (RF)  (625) Impact of Govt. Education Review on HE funding (RF)  (2) Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL)  (457) Anticipated international & EU student revenue unrealised (NL)	
	2 Medium <i>failure to meet operational objectives of the University</i>	(517) EU Referendum Impact on regulation & market (DP)	(398) Academic programmes not engaged with technological and pedagogic developments (DJ)  (494) Inconsistent delivery of Placement activity (NL)  (518) Core student system inflexibility / failure (DJ)  (627) Impact of new strategy upon organisational culture (MMJ)  (402) Income growth from Research & Enterprise unrealised (PI)  (630) HE Policy - B3 Registration Regulation and potential introduction of student number controls (DJ)  (584) External incident compromises campus operations or access (MMJ)	(628) Availability of NHS placements (WT)  (631) Full financial benefits including Income and expenditure levels fail to leverage potential of Group (RF)  (636) Blended Learning not implemented effectively, impacting student experience (DJ)	
	1 Low <i>little effect on operational objectives</i>				
		1 - Low	2 - Medium	3 - High	
		<i>This risk is only likely in the long term</i>	<i>This risk may occur in the medium term.</i>	<i>The risk is likely to occur short term</i>	<b>Residual Likelihood</b>

	CONFIDENTIAL
Paper title:	LSBU Risk Appetite
Board/Committee:	Board of Governors
Date of meeting:	15 October 2020
Author(s):	Richard Duke, Director of Strategy & Planning
Sponsor(s):	Richard Flatman, Chief Financial Officer
Purpose:	For Approval
Recommendation:	The Board is requested to approve the risk appetite profile.

## Executive Summary

At its meeting of 6 October 2020, the Group Audit and Risk Committee recommended the risk appetite to the Board for approval. Included in this paper is the last approved risk appetite statement. Consideration of the following should be considered:

- To what extent do the levels of risk appetite align? For example is there tension in having a ‘seek’ appetite for academic delivery and ‘open’ for financial and reputational with ‘cautious’ for legal and compliance? Is there operational consequences to this combination?
- To what extent does appetite align with the current market and sector conditions?

The Group Risk Policy was approved at the June 2020 Audit Committee, and is attached as an appendix for information.

## Recommendation

The Board is requested to approve the risk appetite profile.

**London South Bank University Risk Appetite:**

The risk appetite statements are as follows for each risk type:

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

An overall appetite is not set, but is used as a framework for decision making.

These are displayed against the original framework overleaf.



	<b>Avoid / Averse</b>	<b>Minimal</b>	<b>Cautious</b>	<b>Open</b>	<b>Seek</b>	<b>Mature</b>
<b>Overall</b>	Avoidance of risk and uncertainty is a key organisational objective	(as little as reasonably possible) Preference for ultra- safe delivery options that have a low degree of inherent risk and only for limited reward potential	Preference for safe delivery options that have a low degree of inherent risk & may only have limited potential for reward	Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM)	Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk)	Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust
<b>Financial</b>	Avoidance of financial loss is a key objective.	Only prepared to accept the possibility of very limited financial loss if essential.	Prepared to accept possibility of some limited financial loss. Resources generally restricted to existing commitments.	Prepared to invest for return and minimise the possibility of financial loss by managing the risks to a tolerable level. Resources allocated in order to capitalise on opportunities.	Investing for the best possible return and accept the possibility of financial loss (with controls may in place). Resources allocated without firm guarantee of return – 'investment capital' type approach	Consistently focused on the best possible return for stakeholders. Resources allocated in 'social capital' with confidence that process is a return itself
<b>Legal Compliance</b>	Play safe; avoid anything which could be challenged, even unsuccessfully.	Want to be very sure we would win any challenge. Similar situations elsewhere have not breached compliances.	Limited tolerance for sticking our neck out. Want to be reasonably sure we would win any challenge.	Challenge would be problematic but we are likely to win it and the gain will outweigh the adverse consequences	Chances of losing any challenge are real and consequences would be significant. A win would be a great coup	Consistently pushing back on regulatory burden. Front foot approach informs better regulation
<b>Academic Activity</b>	Defensive approach to objectives – aim to maintain or protect, rather than innovate. Priority for tight management controls & limited devolved authority. General avoidance of systems and technology developments.	Innovations always avoided unless essential or commonplace elsewhere. Decision making authority held by senior management. Only essential systems / technology developments to protect current operations.technology developments to protect current operations.	Tendency to stick to the status quo, innovations in practice avoided unless really necessary. Decision making authority generally held by senior management. Systems / technology developments limited to improvements to protection of current operations.	Innovation supported, with demonstration of commensurate improvements in management control. Systems / technology developments used routinely to enable operational delivery.	Innovation pursued – desire to 'break the mould' and challenge current working practices. New technologies viewed as a key enabler of operational delivery. High levels of devolved authority – management by trust rather than tight control.	Innovation the priority – consistently 'breaking the mould' and challenging current working practices. Investment in new technologies as catalyst for operational delivery. Devolved authority – management by trust rather than tight control is standard practice.
<b>Reputation</b>	No tolerance for any decisions that could lead to scrutiny of, or indeed attention to, the organisation. External interest in the organisation viewed with concern.	Tolerance for risk taking limited to those events where there is no chance of any significant repercussion for the organisation. Senior management distance themselves from chance of exposure to attention	Tolerance for risk taking limited to those events where there is little chance of any significant repercussion for the organisation should there be failure. Mitigations in place for any undue interest.	Appetite to take decisions with potential to expose the organisation to additional scrutiny/interest. Prospective management of organisation's reputation.	Willingness to take decisions that are likely to bring scrutiny of the organisation but where potential benefits outweigh the risks. New ideas seen as potentially enhancing reputation of organisation.	Track record and investment in communications has built confidence by public, press and politicians that organisation will take the difficult decisions for the right reasons with benefits outweighing the risks.

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### LSBU Group Risk Policy 2020/21

The approach detailed in this policy, will be implemented throughout 2020/21, ready to be fully implemented by the Autumn of 2021.

#### Purpose of Risk Policy

##### The risk policy:

1. Explains the London South Bank University Group's approach to risk management. Risk Management provides a mechanism and framework which at the highest level seeks to ensure that the London South Bank University Group achieves its strategic objectives, through effective identification, and management of uncertainties that could impact on these outcomes.
2. Sets out the roles and responsibilities of all key parties. It also sets out the risk management process at LSBU and the main reporting procedures.
3. Is part of the London South Bank University Group's internal control and corporate governance arrangements.
4. Ensures the London South Bank University Group complies with compliance requirements placed upon it by the key regulatory bodies; the Office for Students (OfS) and Office for Standards in Education (OFSTED). Comprehensive risk management is a regulatory requirement for all registered providers by OfS and OFSTED. The OfS regulatory framework<sup>1</sup> details these requirements and are outlined below.

##### OfS Condition E2: Management and governance

- i. Operate in accordance with its governing documents.
- ii. Deliver, in practice, the public interest governance principles that are applicable to it.
- iii. Provide and fully deliver the higher education courses advertised.
- iv. Continue to comply with all conditions of its registration.

Included in the OfS assessment of institutions governance arrangements is that institutions have:

- Evidence of risk management tools and processes (e.g. a risk register)

It is also essential for institutions to follow public interest governance principles. Principle number V is:

- Risk management: The provider operates comprehensive corporate risk management and control arrangements (including for academic risk) to ensure the sustainability of the provider's operations, and its ability to continue to comply with all of its conditions of registration.

The Ofsted evaluation framework, does not specifically reference risk management, but there is a review of effective Governance, of which risk management is an important component.

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<sup>1</sup> OfS Regulatory Framework [https://www.officeforstudents.org.uk/media/1406/ofs2018\\_01.pdf](https://www.officeforstudents.org.uk/media/1406/ofs2018_01.pdf)

### Definition of Risk

For the purposes of this policy, risk is defined as:

‘Circumstances that have not yet occurred that potentially impact upon the achievement of the organisation’s objectives’.

This could be any event, outcome or action which could:

- Cause financial disadvantage to the Group, i.e. loss of income, additional costs, loss of assets, creation of liabilities;
- Cause damage to the reputation of the Group;
- Prevent an opportunity from being taken;
- Lead to a failure to capitalise on our strengths;
- Prevent or hinder achievement of any of the objectives of the Corporate Strategy or associated local delivery plans;
- Impact negatively on student experience or achievement;
- Increase risks of non-compliance with regulators.

This is distinct to an issue, which is something that also might impact upon the achievement of objectives, but has already occurred.

### Risk and wider Business Planning

The reporting of risk will align with the LSBU Group’s approach to accountability, assurance and business planning. Risk represents one of the four components of this approach. The four areas are:

- Deliverable Monitoring (what we will deliver);
- Outcomes (KPIs and PIs);
- Regulation (Office for Students (including Teaching Excellence Framework and Access & Participation Plan, Knowledge Exchange Framework, Research Excellence Framework) Ofsted and United Nations Sustainable Development Goals);
- Risk.

Each of the above will be classified by the Executive Area of ownership and Strategic Pillar.

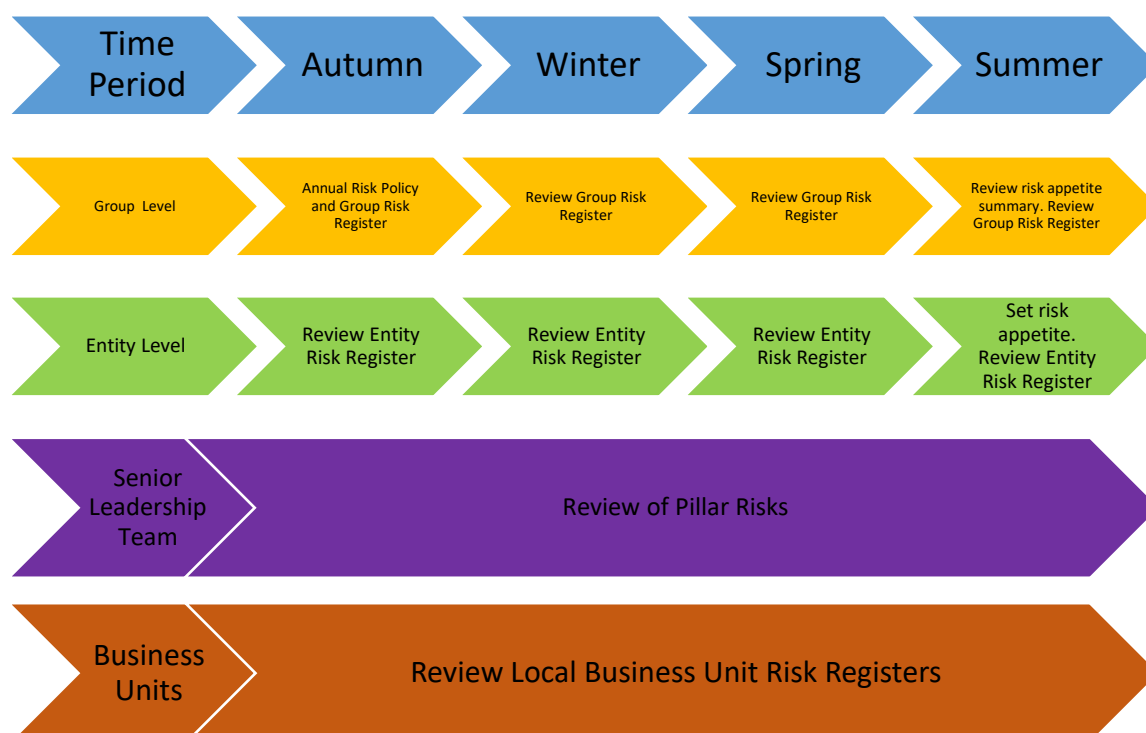
### The LSBU Group and Risk Policy

There are four entities that comprise the LSBU Group:

- London South Bank University
- South Bank Colleges
- South Bank Academies
- South Bank Enterprises

The different regulatory requirements of each element of the Group, requires a devolved approach to risk. However, this policy’s coverage relates to the whole Group, and where a devolved approach is taken, this is clearly specified.

**Timelines**



Appendix B details the annual schedule of risk management in detail.

**Risk Registers**

The LSBU Group has three sets of risk registers across its risk management process. These are:

- LSBU Group Risk Register;
- Institutional Risk Registers;
- Local Risk Registers.

The population of the Group Risk Register is informed by risks outlined in Institutional Risk Registers. The risks in the Group Risk Register, maybe specific to an individual entity within the Group, but the risk is deemed great enough to impact the overall Group. Institutional Risk Registers are informed by local risk registers.

Each risk will have the following information recorded against it:

Risk	Risk description	Risk Type	Group wide or Institution Specific	Pillar	Executive Area	Cause and effect of risk	Likelihood rating	Impact rating	Mitigating actions	Residual likelihood	Residual risk classification	Risk owner
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### Local Risk Registers

- Each local risk register is owned by the lead of the business unit (e.g. PSG or School);
- Each risk will detail as to whether it represents a Group wide risk, or specific to an individual Group institution.

### Institutional Risk Registers

- Institutional risk registers are owned by institution leads, as detailed in Table 1 (roles and responsibilities);
- As an appendix to the register, critical and high risks contained in local risk registers (sorted by pillar), relevant to individual institutions will be published;
- In addition to the standard risk register, an institutional regulatory risk report will be produced.
  - LSBU – OfS and OFSTED (levels 4+5 Apprenticeships)
  - SBC – OFSTED and ESFA
  - SBA – OFSTED
  - SBE – Not applicable.

### Group Risk Register

- The Group risk register is owned by the Vice-Chancellor and Group Chief Executive Officer
- As an appendix to the Group risk register, Institution risk registers will be published.

This diagram details the hierarchy of risk registers.



### **Strategic Pillars**

The 2020-25 Group Strategy is grouped into four pillars. Risks will be reported against these pillars, at each level of risk reporting. The strategic pillars are:

- Access to Opportunity
- Student Success
- Real World Impact

- Fit for the Future (split into three)
  - Technology and Estate
  - People, Culture & Inclusion
  - Resources, Market and Shape

### **Executive Areas**

Each risk, at all levels, will be classified by Executive area, to allow for reporting for each Executive member. These Executive areas are:

- Academic Framework
- Place & Impact
- Student Journey
- People
- Finance
- Executive Office
- LSBU Teaching & Research
- Institute of Health & Social Care
- Lambeth College & Academies

### **Risk Categories**

The following risk categories are used across the LSBU risk management framework. Each risk, regardless of level of reporting is assigned a risk area.

- Financial
- Legal and Compliance
- Academic Activity
- Reputation

### **Risk Appetite**

Risk appetite is devolved to each individual entity of the LSBU Group. This is not aggregated at Group Level. A risk appetite is defined in each entity of the Group, using the consistent risk appetite framework. This framework is detailed in Appendix A. A risk appetite is set for each of the risk categories outlined above.

## Roles and Responsibilities

The table below details Committees, meetings and individuals roles and responsibilities as part of the risk management policy.

**Table 1**

Role	Responsibility
Group Board	Review and Approve Group Risk Policy, Institutional Risk Appetites and Group Risk Register  Approve LSBU Risk Register.
Group Audit Committee	Review and Recommend Risk Policy, Institutional Risk Appetites and Group Risk Register to Board  Recommend LSBU Risk Register to Board
Group Executive	Review and Recommend Risk Policy, Institutional Risk Appetites and Group Risk Register to Audit Committee  Recommend LSBU Risk Register to Audit Committee
Group Senior Leadership Team	Review Risks by Pillar and Executive Area
SBA/SBC/SBUEL Board/Audit Committee	Approve relevant risk registers. Set institutional risk appetite.
Executive Area	Each Executive member is responsible for a grouping of risks allocated to each Executive Area.
Institutional Leads	The Provost (LSBU), Executive Principal Lambeth College / Pro Vice Chancellor Compulsory and Further Education (SBA and SBC) and CBO (SBUEL). Ownership of overall institutional risk register.
Local Risk owner	The Head of individual business units. Responsible for classification of risks at local level. To be undertaken with support of local senior management teams.
PPA	Collate and support all areas of the Group in completion of documentation, and offer challenge where appropriate.
Assurance Unit	Ensure risk registers appropriately reflect assurance requirements.

## Risk Classification

### Impact

- *Critical* – occurrence would have a critical effect on the ability of the Group to meet its objectives; could result in the removal of degree awarding status, financial impact undermining financial viability, severe reprimand by OfS/OFSTED or Parliament or the closure of any element of the Group.
- *High* – occurrence would have a significant effect on the ability for the Group to meet its objectives and may result in the failure to achieve one or more corporate objectives.
- *Medium* – occurrence may result in the failure to meet operational objectives and may reduce the effectiveness of the Group but it would not result in the failure of the Group's corporate objectives or put an element of the Group at risk.
- *Low* – occurrence would have little effect on operational or corporate objectives.



More clarity in relation to these definitions, by risk category are detailed below. It is important to note that a risk is classified by type, not its impact. For example a risk around non-compliance relating to data protection is a legal risk, though its impact may well be financial or reputational.

	<b>Critical</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
<b>Financial</b>	Deterioration of Group operating margin greater than 5%	Deterioration of Group operating margin greater than 2%	Deterioration of Group operating margin greater than 1%	Deterioration of Group operating margin greater than 0.5%
<b>Legal and Compliance</b>	One or more of the Group's entities is no longer able to legally operate or significant reputational impact or deterioration of Group operating margin greater than 5%	High reputational impact or deterioration of Group operating margin greater than 2%	Medium reputational impact or deterioration of Group operating margin greater than 2%	Low reputational impact or deterioration of Group operating margin greater than 1%
<b>Academic Activity</b>	Removal of OfS registration or Ofsted special measures	OfS issuing a specific condition of registration or an Ofsted rating of 1 (inadequate)	OfS issuing a of enhanced monitoring or an Ofsted rating of 2 (requires improvement)	OfS formal communication, where improvement is required or Ofsted rating of 3 (good)
<b>Reputation</b>	National/International negative exposure over a period longer than a week, beyond the HE environment	National/International negative exposure over a period longer than a week within HE publications and forums	A single National/International negative exposure inside or outside of HE publications or forums.	Negative exposure at local level inside or outside of HE publications or forums.

Residual Likelihood

- Very High – Almost certain to occur within 1 year
- High – likely within 1 year
- Medium – may occur medium to long term
- Low – unlikely to occur

Risk Classification Matrix

<b>Impact</b>	<b>Critical</b>	High	Critical	Critical	Critical
	<b>High</b>	Medium	High	High	High
	<b>Medium</b>	Low	Medium	Medium	High
	<b>Low</b>	Low	Low	Low	Medium
		<b>Low</b>	<b>Medium</b>	<b>High</b>	<b>Very High</b>
		<b>Likelihood</b>			

### **Training**

A training programme will be developed. This will be undertaken with support from colleagues in OD. The initial stage will be to identify relevant stake holders and owners in each part of the risk management process, and deliver training that meets these requirements.

### **Technology**

An appropriate workflow system (e.g. 4Risk platform) will be used to maintain the register of risks. Registers at local level and sub-strategies at Institutional and Group will be owned by a single individual, and updates will be self-served. There will not be automated emails however, and its completion will be supported through regular communication with the PPA team.

Appendix A - Risk Appetite Matrix

	<b>Avoid / Averse</b>	<b>Minimal</b>	<b>Cautious</b>	<b>Open</b>	<b>Seek</b>	<b>Mature</b>
<b>Overall</b>	Avoidance of risk and uncertainty is a Key Organisational objective	(as little as reasonably possible) Preference for ultra- safe delivery options that have a low degree of inherent risk and only for limited reward potential	Preference for safe delivery options that have a low degree of inherent risk & may only have limited potential for reward	Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VFM)	Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk)	Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust
<b>Financial</b>	Avoidance of financial loss is a key objective.	Only prepared to accept the possibility of very limited financial loss if essential.	Prepared to accept possibility of some limited financial loss.  Resources generally restricted to existing commitments.	Prepared to invest for return and minimise the possibility of financial loss by managing the risks to a tolerable level.  Resources allocated in order to capitalise on opportunities.	Investing for the best possible return and accept the possibility of financial loss (with controls may in place).  Resources allocated without firm guarantee of return – 'investment capital' type approach.	Consistently focused on the best possible return for stakeholders. Resources allocated in 'social capital' with confidence that process is a return in itself.
<b>Legal Compliance</b>	Play safe; avoid anything which could be challenged, even unsuccessfully.	Want to be very sure we would win any challenge.  Similar situations elsewhere have not breached compliances.	Limited tolerance for sticking our neck out. Want to be reasonably sure we would win any challenge.	Challenge would be problematic but we are likely to win it and the gain will outweigh the adverse consequences.	Chances of losing any challenge are real and consequences would be significant. A win would be a great coup.	Consistently pushing back on regulatory burden. Front foot approach informs better regulation.
<b>Academic Activity</b>	Defensive approach to objectives – aim to maintain or protect, rather than innovate.  Priority for tight management controls & limited devolved authority.  General avoidance of systems/ technology developments.	Innovations always avoided unless essential or commonplace elsewhere.  Decision making authority held by senior management.  Only essential systems / technology developments to protect current operations.	Tendency to stick to the status quo, innovations in practice avoided unless really necessary. Decision making authority generally held by senior management. Systems / technology developments limited to improvements to protection of current operations.	Innovation supported, with demonstration of commensurate improvements in management control.  Systems / technology developments used routinely to enable operational delivery.  Responsibility for non- critical decisions may be devolved.	Innovation pursued – desire to 'break the mould' and challenge current working practices. New technologies viewed as a key enabler of operational delivery.  High levels of devolved authority – management by trust rather than tight control.	Innovation the priority – consistently 'breaking the mould' and challenging current working practices.  Investment in new technologies as catalyst for operational delivery. Devolved authority – management by trust rather than tight control is standard practice.
<b>Reputation</b>	No tolerance for any decisions that could lead to scrutiny of, or indeed attention to, the organisation. External interest in the organisation viewed with concern.	Tolerance for risk taking limited to those events where there is no chance of any significant repercussion for the organisation.  Senior management distance themselves from chance of exposure to attention.	Tolerance for risk taking limited to those events where there is little chance of any significant repercussion for the organisation should there be a failure.  Mitigations in place for any undue interest.	Appetite to take decisions with potential to expose the organisation to additional scrutiny/interest.  Prospective management of organisation's reputation.	Willingness to take decisions that are likely to bring scrutiny of the organisation but where potential benefits outweigh the risks.  New ideas seen as potentially enhancing reputation of organisation.	Track record and investment in communications has built confidence by public, press and politicians that organisation will take the difficult decisions for the right reasons with benefits outweighing the risks.

Appendix B – Risk Management Structures and Timelines (exact months might change from year to year, depending upon calendars)

		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Governance Forums	Group Board			Review and Approve Risk Appetite and Policy	Review and Approve Risk Register				Review and Approve Risk Register		Review and Approve Risk Register		Review and Approve Risk Register
	Group Audit Committee			Review and Recommend Risk Appetite and Policy	Review and Recommend Group Risk Register				Review and Recommend Group Risk Register		Review and Recommend Group Risk Register		Review and Recommend Group Risk Register
	Group Executive			Review and Recommend Risk Appetite and Policy	Review and Recommend Group Risk Register				Review and Recommend Group Risk Register		Review and Recommend Group Risk Register		Review and Recommend Group Risk Register
	SBC Board (and Audit Committee)		Review and Recommend Risk Appetite	Review and Approve Entity Risk Register				Review and Approve Entity Risk Register			Review and Approve Entity Risk Register		Review and Approve Entity Risk Register
	SBA Board (and Audit Committee)		Review and Recommend Risk Appetite	Review and Recommend Entity Risk Register				Review and Recommend Entity Risk Register			Review and Recommend Entity Risk Register		Review and Recommend Entity Risk Register
	SBE Board (and Audit Committee)		Review and Recommend Risk Appetite	Review and Recommend Entity Risk Register				Review and Recommend Entity Risk Register			Review and Recommend Entity Risk Register		Review and Recommend Entity Risk Register
Strategy Implementation	Group Senior Leadership Team	Review of Risks by Executive Area. Major Project Risk Registers and Collated Group Corporate Risk Register at each meeting											
	Business Units		Review Local Risk Registers			Review Local Risk Registers			Review Local Risk Registers			Review Local Risk Registers	
	UMC (and SBA/SBC/SBUEL equivalents)		Review Entity Risk Register and Recommend to Executive			Review Entity Risk Register and Recommend to Executive			Review Entity Risk Register and Recommend to Executive			Review Entity Risk Register and Recommend to Executive	
	Other Business Planning Activities			Review of Local Risk registers in OE Reviews					Review of Local Risk registers in OE Reviews				



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	INTERNAL
Paper title:	Delegations of authority
Board/Committee:	Board of Governors
Date of meeting:	15 October 2020
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	Jerry Cope, Chair of the Board
Purpose:	To update the Board on previously agreed delegations of authority and to approve a delegation of authority to MPIC to consent to i) SBC appointing a contractor for the NESC project; and ii) SBA acquiring Sir Simon Milton Westminster UTC (subject to DfE and SBA Board approval); and to revise the delegation of authority to the sub-committee considering the SBA contract with the DfE
Recommendation:	The Board is requested to: i) delegate authority to MPIC to consent to SBC appointing a contractor for the NESC project; ii) delegate authority to MPIC to consent to SBA acquiring Sir Simon Milton Westminster UTC (subject to DfE and SBA Board approval); iii) delegate authority to the sub-committee considering the SBA contract with the DfE to give a guarantee on behalf of LSBU; and iv) note the update on previously agreed delegations of authority.

## 1. Revolving Credit Facility sub-committee

At its meeting of 21 May 2020, the Board approved the establishment of a committee with delegated authority to review and authorise a revolving credit facility. The committee met on 3 September 2020 to authorise the execution of a four year facility agreement with Barclays for £30m. Further details are provided in the background note attached as an appendix.

## 2. SBC revision of 2019 grant agreement

At its meeting of 21 May 2020, the Board established a committee with delegated authority to consent on behalf of LSBU to SBC approving a revised grant agreement and any related arrangements with the DfE. The term sheet for this revised

agreement has been agreed and the contract is being negotiated. The committee has not met yet.

It is likely that the contract will include a parent-company guarantee from LSBU to the DfE. The Board is requested to delegate authority to the sub-committee to approve a guarantee on behalf of the Board.

### **3. NESC contract**

Construction of the Nine Elms Skills Centre (NESC) is the first part of the SBC estates strategy. A tender process, run by the procurement department, for the appointment of the contractor has begun. It is anticipated that the contractor will start work at the beginning of November 2020. The likely value of the contract is £28m.

Under the Governance Agreement between LSBU and SBC, LSBU is required to consent to SBC entering into this contract. Due to the value of the contract, the Board is requested to delegate to MPIC LSBU's consent for this contract. MPIC is due to meet on 29 October 2020 and will consider the matter at this meeting.

### **4. Croydon campus**

At its meeting of 12 March 2020, the Board supported the outline business case to open a campus in Croydon and established a committee with delegated authority to approve the final business case and to authorise the execution of the necessary legal documents. The committee met on 6 July 2020 and approved the final business case and authorised execution of a 15 year lease for the building (Electric House). The Agreement for Lease was signed on 27 August 2020.

### **5. Sir Simon Milton Westminster UTC**

SBA has submitted a business case to the Regional Schools Commissioner (RSC) for the Sir Simon Milton Westminster UTC (SSMW) to join SBA. Subject to approval by the RSC, the SBA Board will consider a final business case for this proposal. Under the Governance Agreement between LSBU and SBA, consent will be required by LSBU before SSMW can join SBA. The Board is requested to delegate this consent to MPIC.

### **6. Project Leap implementation partner**

At its meeting of 21 May 2020, the Board of Governors approved the revised business case for Project Leap.

As part of this business case an implementation partner for the new CRM platform was



required. At its meeting of 19 July 2020, the Board delegated authority to MPIC to authorise the award of the Leap implementation partner contract as it was for over £5m. MPIC authorised the award of this contract at its meeting of 17 August 2020. Further details are available in the reports of committees agenda item.

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## **Background notes of the Revolving Credit Facility committee meeting of 3 September 2020**

### **Present**

Michael Cutbill  
David Phoenix  
Rashda Rana

### **In attendance**

Michael Broadway  
Richard Flatman  
James Stevenson

### **Chair of the meeting**

The committee agreed to appoint Michael Cutbill as Chair of the meeting.

The committee noted that it was quorate.

### **Purpose of meeting**

The committee agreed that the purpose of the meeting was to authorise the execution of a revolving credit facility (RCF) agreement with Barclays. The committee had previously discussed the need for an RCF and would review whether any circumstances had changed to alter that.

### **Delegated authority**

The Committee noted that, at its meeting of 21 May 2020, the Board of Governors had delegated authority to the committee to consider the final terms of, approve and execute facility documentation, for the RCF.

### **Declarations of Interests**

The committee noted Rashda Rana, of Counsel, had previously been instructed by Pinsent (who were representing Barclays for the RCF) but not on financial matters. The committee was satisfied that this did not give rise to a conflict of interest.

### **Revolving Credit Facility**

The committee noted its previous decision to continue negotiations with Lloyds for an RCF for £45m. However, since the coronavirus pandemic Lloyds had deferred offering an RCF until there was more certainty on the University's 2020/21 student recruitment figures around November 2020.

The committee noted that a £30m RCF was on offer from Barclays. The committee noted that the Group cashflow forecast had been updated and it was confirmed that an RCF of £30m would be sufficient. If additional borrowing/headroom was required there was the opportunity to enter into additional top-up RCFs with Lloyds or AIB when there is clarity on 2020 recruitment. It was also noted that discussions continue with Lambeth Council regarding potential funding of up to £15m.

The Group CFO confirmed that the rate with Barclays was favourable and within the financial forecasts. As the university already had secured loans with Barclays no additional security would be required.

The committee noted the change to operational leverage covenant from 5x to 4x in 2022/23, which the Group CFO confirmed was manageable.

The committee discussed the cash flow forecast and noted that cash is expected to reduce to £15m (with a £30m RCF in place) in 2021/22.

The committee noted the current temporary OfS reportable event if liquidity is below 30 days, which equates to £15m for the university. The cash flow profile would be carefully managed to ensure liquidity does not fall below 30 days.

The committee noted the report from Aquila Treasury and Finance Solutions, the University's financial advisers, which advised that the proposed RCF with Barclays is competitive and good value.

The committee noted the advice from Veale Wasbrough Vizards (VWV), the University's legal advisers, that the terms of the contract are in line with industry practice. The committee requested clarification from VWV on some areas of the draft contract.

*{Secretary's note: Assurance was subsequently provided to the committee by email.}*

The committee noted the representations and undertakings in the contract, which had been previously agreed and remained appropriate.

The committee noted that the RCF was for a four year period with the option to extend, if required. An extension was not currently anticipated.

## **Resolutions**

The committee approved the RCF and the resolutions as set out in the papers.

## **Formal minutes**

The committee approved the formal transaction minutes which would be sent to Barclays.

The committee requested additional notes of the meeting to be prepared and circulated to the Board for information.

*{Secretary's note:*

*The RCF with Barclays was legally completed on 9 September 2020.}*

*Approved by the Chair of the Committee*

.....  
*Michael Cutbill*

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# Agenda Item 14

	CONFIDENTIAL
Paper title:	Board strategy day notes 24 September 2020
Board/Committee:	Board of Governors
Date of meeting:	15 October 2020
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	James Stevenson, Group Secretary
Purpose:	For Information
Recommendation:	The Board is requested to note the Board strategy day report from 24 September 2020.

## **Executive summary**

The Board is requested to note the Board strategy day report from the event held remotely on 24 September 2020.

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**Board strategy session  
held at 10am on Thursday 24 Sept 2020  
in MS Teams**

**Present**

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

**In attendance**

Pat Bailey, Stuart Bannerman, Michael Broadway, Richard Flatman, Paul Ivey, Deborah Johnston, Nicole Louis, Marcelle Moncrieffe-Johnson, Fiona Morey, James Stevenson and Warren Turner

**Welcome**

The Chair welcomed governors to the meeting.

**Intro**

The Vice Chancellor updated the Board on the challenges and opportunities for the university and group.

The main challenges are:

- Brexit;
- Decline in league table position;
- Pensions;
- The coronavirus pandemic, both at home and internationally;
- Ever-changing policy environment; and
- Negative press coverage of the sector.

The Board noted the actions being taken to address these challenges including reviewing accountabilities of tiers 1 and 2 of the senior leadership, investment in strategic areas, expansion of the LSBU Group and diversification of the Group's activities. The executive is also focused on reducing the complexity of the university's course portfolio.

The Board welcomed the ambition and the clear direction for the Group but noted the challenges with management capacity. The Board requested that it is kept up-to-date with strategic initiatives.

## **LSBU Global**

The CBO and the Associate PVC International updated the Board on the creation of LSBU Global, which aimed to expand LSBU's transnational education (TNE) offer selectively across the world. The creation of LSBU Global anticipated high international demand for higher education over the next 20 years.

The Board supported the strategic aims of LSBU Global, which were linked to the Group Strategy, 2020-25.

The Board discussed the current four stage due diligence process for new partners, which included ethical and academic quality considerations, and having regard to LSBU's original charitable mission. The Board noted the continual monitoring of current partnerships through a management board. The Board noted the potential opportunities to partner with NGOs. The Board requested the CBO to propose a risk framework for new partnerships for approval by the Board.

Peter Fidler's existing authorised declarations of interest were noted.

The Board supported a values driven, partnership approach to TNE which aligns with the Group's overall strategy and mission, and enhances the Group brand.

	CONFIDENTIAL
Paper title:	Report and decisions of committees
Board/Committee:	Board of Governors
Date of meeting:	15 October 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:

- Adoption of the CUC Higher Education Audit Committees code of practice

Other relevant papers are included separately as agenda items.

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### **South Bank Academies Board – [27 July 2020](#)**

This was an additional meeting held to discuss a number of items:

The Board:

- Approved the final budget: final agreed budget surplus for 2020-21 - £138,684.00 surplus
- Approved the final pay policy
- Approved the business case for Sir Simon Milton Westminster (SSMW) UTC joining the Trust

### **Group Audit and Risk Committee – [12 August 2020](#)**

The committee held an extraordinary meeting to discuss coronavirus business recovery, including:

- Business recovery project update and risk register;
- Academic delivery and quality assurance;
- People and Organisational Development update.

### **Group Audit and Risk Committee – [7 September 2020](#)**

The committee held a second extraordinary meeting to discuss:

- Update on coronavirus business recovery;
- Student advice and behaviours;
- Academic delivery update;
- Internal audit: cyber security, which provided limited assurance for control design and limited assurance for operational effectiveness.

### **South Bank Colleges Board – [16 September 2020](#)**

The Board discussed:

- The Executive Principal's report which focussed on the 'business as usual' aspects of the college in relation to 2019/20 student achievement, 2020/21 recruitment and development of the curriculum plan;
- an update on the Lambeth College 2019/20 year-end financial position and the potential impact on the budget for 2020/21 and future years;
- an update on the Nine Elms STEAM Centre (NESC) and progress associated with the SBC Estates Programme (Vauxhall site). The Board agreed to delegate authority to a sub-committee to authorise execution of a revised grant agreement and/or any related arrangements with the DfE. The sub-committee would also approve the appointment of a new contractor to deliver the main construction work (phase 2);

- the updated risk register (August 2020), the key change since the last report was the financial risk which had gone up and would be closely monitored;
- an update on the arrangements in place in preparation for the wider re-opening of the College.

The Board approved:

- the updated Health & Safety Policy 2020/21;
- the updated Safeguarding & Prevent Policy 2020/21 subject to a minor amendment;
- the updated Teaching, Learning & Assessment Strategy 2020/21;
- that SBC continues with the partnership arrangement with The Skills Centre for the delivery of construction courses at a contact value of £2.3m;
- that SBC enters into a partnership arrangement with The Green Man, a local social enterprise that supports those furthest from education and employment to access a range of courses via outreach work at a contract value of £173,760.

The Board noted:

- the College's safeguarding provision and impact for the 2019/20 academic year;
- the LSBU Group Covid19 Outbreak Response Plan which set out the approach to responding and managing Covid19 incidents.

### **Major Projects and Investment Committee – [17 September 2020](#)**

The committee discussed:

- Project Leap – MPIC noted the new cashflow requirements, including reduced expenditure of £9.4m in 2021/22. MPIC agreed to authorise the adoption of the revised release plan and the associated changes in cashflow profile.
- Revolving credit facility/cashflow update – noted that the RCF sub-committee had met on 3 September to authorise completion of the new £30m facility with Barclays.

The committee noted:

- SBC estates – noted the progress on the Nine Elms STEAM Centre and progress associated with the SBC estates programme.
- Southwark Campus redevelopment update.

Additional Project LEAP approvals (online):

- 7 July 2020 – Workpackage 3.5 extension and additional expenditure
- 23 July 2020 – Salesforce licensing authorisation to the value of £3.72m

- 17 August 2020 – Implementation partner contract with PwC, to the value of £8.4m (as delegated by the Board on 16 July 2020)
- 4 September 2020 – Workpackage 4.0 and expenditure of £5.77m

### **Finance, Planning and Resources – [22 September 2020](#)**

The committee approved:

- LSBU policy for the acceptance of gifts and donations

The committee discussed:

- Management accounts to 31 July 2020;
- Student recruitment and retention – as at 14 September 2020 the University had recruited 99% of the revised post-covid headcount target, with 7,050 firm accepts. Noted Lambeth College had recruited 85% of target;
- NSS analysis – noted key findings of the analysis, including 2.5% drop on 2019 average results, and the associated priorities for improvement;
- Graduate outcomes survey update – noted that LSBU’s result for students who graduated in 2017/18 was 69%, placing LSBU in the bottom 50% of HEIs but ahead of most other London Modern institutions. Noted the action plan.

The committee noted:

- Completion of the £30m revolving credit facility with Barclays;
- Treasury management report – total bank balances of £51.3m and outstanding loans of £33.8m;
- Annual report on fundraising and charitable funds 2019/20;
- LSBU and SBC insurance renewal programme 2020/21;
- REI update;
- 2019/20 strategic enabler KPI and 2025 KPI framework update.

### **Nomination Committee – [24 September 2020](#)**

The committee discussed:

- Board diversity and Athena SWAN – noted the action points set out in the Athena SWAN application. Agreed to investigate options for associate board members;
- Governor skills matrix – agreed that the four areas of priority for next recruitment round are health, research funding, entrepreneurship, IT and technology.

The committee approved:

- Engaging Audeliss to conduct the next round of governor recruitment.

## **South Bank Academies Board – [1 October 2020](#)**

The Board discussed:

- An education update, including an update on re-opening, attainment and progress figures and new initiatives at both schools
- How the Trust can promote itself more widely, including promoting its new offerings and focussing on the non-core curriculum offer
- Management accounts to 31 August 2020. The year end audit 2019-20 is starting shortly.

The Board noted that the Head Teacher Board had met on 30 September 2020 to discuss the Sir Simon Milton Westminster (SSMW) UTC joining SAB and a decision is now imminent. Engagement with the RSC since the previous meeting has been significant and the outlook is positive.

The Board approved the set up of a working group with LSBU in the event that the sponsorship is agreed.

## **Group Audit and Risk Committee – [6 October 2020](#)**

The committee reviewed and recommended to the Board:

- Adoption of the CUC Higher Education Audit Committees code of practice;
- 2020/21 LSBU risk appetite profile.

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

- Coronavirus business recovery update – noted update on actions taken towards business recovery, including the LSBU outbreak response plan and the latest risk register;
- Cyber security – noted update on progress made against the actions identified in the BDO cyber security audit;
- Internal audit report: UKVI Tier 4, which provided a limited level of assurance for control design and for operational effectiveness;
- Internal audit draft annual report – noted the draft report, requested more detailed overall opinion;
- Pension assumptions – noted assumptions used by actuaries in respect of LGPS, noted that further conversations with actuaries would take place to ensure that the assumptions proposed are appropriate.

The committee noted:

- External audit: review of non-audit services;
- External audit progress update;
- Internal audit progress report;
- Internal audit follow-up report;



- Internal audit report: estates capital programme, which provided a moderate level of assurance for control design and for operational effectiveness;
- Internal audit report: student data, which provided a moderate level of assurance for control design and a substantial level of assurance for operational effectiveness;
- Internal audit report: family transition, which provided a substantial level for assurance for both control design and operational effectiveness;
- Internal controls – annual review of effectiveness 2019/20. Noted proposed ‘full compliance’ statement;
- Corporate risk register – zero critical risks, eleven high risks, fourteen medium risks and one low risk;
- Draft public benefit statement;
- Draft corporate governance statement;
- Anti-fraud, bribery and corruption report – no new instances since the committee last met;
- Data protection report – five new incidents since the last meeting, one of which was notifiable to the ICO;
- Reportable events update – one reportable event (opening of the Croydon campus) since the last meeting;
- Speak up report – no new cases raised since the last meeting;
- Committee terms of reference and annual business plan.

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### **Academic Board – [22 May 2020](#)**

The Board approved:

- Changes to the academic regulations to mitigate the impact of the coronavirus pandemic. The approach adopted in amending the regulations was based on the following principles: protecting students' interests; maintaining the integrity of LSBU's awards; and making sure our decisions are evidence based.

The Board discussed:

- An addendum to the amended academic regulations to allow greater flexibility in decision making.
- Confirming the calendar for the next academic year. The Board noted that January-starting courses are particularly tricky to plan and agreed to set up a Task & Finish Group to consider course timings.

### **Academic Board – [5 June 2020](#) (via email)**

The Board approved:

- The final version of the COVID-19 addendum to the academic regulations, which included further provisions to minimise the burden placed on students to complete additional assessments in order to be awarded and progressed.

### **Academic Board – [17 June 2020](#)**

The Board approved:

- The Student Experience Committee's revised Terms of Reference.

The Board discussed:

- Academic planning and course development. The Board was concerned that it takes the best part of three years to launch a new course and asked the Director of Academic Quality Development to review how the timeline could be shortened.
- OIA Annual Statement 2019.

The Board noted:

- An update on the key groups responsible for future decision making on coronavirus related issues, course delivery in semester 1, reopening of campus estates, applicant numbers, and income.
- Issues from the student union.
- The final version of the COVID-19 Addendum, which included provision for exceptional compensation in line with exceptional condonement.
- Reports from sub-committees.

## **Academic Board – [3 September 2020](#) (Extraordinary meeting)**

The Board approved:

- The revised policy for lecture capture, which is intended to improve quality and access to lectures. The Board was supportive of the policy and approved its implementation, subject to a short period of consultation with staff and the Unions led by the Provost.

The Board discussed:

- The academic KPIs for 2019/20. It was agreed that the Chair would constitute a sub-group to review and agree the Student Success measures.
- A proposal to return to face-to-face research. The Board supported giving the University Ethics Panel discretion to approve projects requiring close contact, subject to staff and participants using NHS-levels of protective equipment.

The Board noted:

- The revised Degree Outcomes Statement, which has been published on LSBU's external website. It outlines how LSBU will use its degree algorithm going forward. It was agreed that a Task and Finish Group would determine how the algorithm should be reviewed in this academic year.
- An update on delivery in semesters 1 and 2. It was agreed that key decisions about the approach to delivery and timeline of decision-making for Semester 2 provision would be referred to this Board for approval.
- An Academic Development Working Group has been set up to review staff concerns about their working environment, the support offered to colleagues, and what more could be offered to support staff to invest in their learning and development.

	CONFIDENTIAL
Paper title:	CUC Higher Education Audit Committees Code of Practice
Board/Committee	Board of Governors
Date of meeting:	15 October 2020
Author:	Kerry Johnson, Governance Officer James Stevenson, Group Secretary
Sponsor:	Duncan Brown, Chair of Group Audit and Risk Committee
Purpose:	For approval
Recommendation:	The Board is requested to approve adoption of the Higher Education Audit Committees Code of Practice.

## Executive Summary

The Committee of University Chairs published the Higher Education Audit Committees Code of Practice in May 2020. The code sets out the key elements that enable HE providers to demonstrate their commitment to effective audit, and notes that ‘by visibly adopting the code, audit committees demonstrate leadership and stewardship in relation to the audit of their own institutions’.

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.

The governance team has reviewed the code and the Group Audit and Risk Committee already materially follows the provisions of the code.

The key elements of an effective audit committee, as set out by the code, are:

- Element 1: The role of the Audit Committee is clearly understood;
- Element 2: Audit Committee membership is independent, experienced and effective;
- Element 3: Audit Committee meetings are properly organised and supported;
- Element 4: The Audit Committee has enough resources and access;
- Element 5: The Audit Committee communicates regularly and effectively with the governing body and appropriate stakeholders;
- Element 6: The Audit Committee undertakes periodic assessments of its

- effectiveness;
- Element 7: The Audit Committee exercises effective oversight of external audit;
  - Element 8: The Audit Committee exercises effective oversight of internal audit.

The five areas identified that need to be addressed are:

1. The need for an effectiveness review – see separate section below;
2. The need to ensure that co-opted members obtain and maintain an appropriate understanding of the institution – Board papers to be provided to co-opted members following each meeting (redacted if necessary);
3. Maintaining the independence of the committee by facilitating a members only pre-meeting before – this is now in place;
4. Terms of appointment for committee members – appointment to GARC is currently co-terminous with a governor's term of office. The code suggests terms of three years, with staggered expiration dates, are common.
5. Committee pre-approval of non-audit work carried out by the external auditors – No formal policy is currently in place but this has been flagged to the Executive. A paper reviewing non-audit services is on the agenda.

#### Group Audit and Risk Committee effectiveness review

Under Element 6 of the code, audit committees are expected to periodically (a minimum of every four years) undertake a review of its terms of reference and its own effectiveness.

A light-touch effectiveness review of this committee was last carried out during June 2017. The Chair proposes to run a self-assessment exercise using the questions set out in appendix 3 of the code, to report to the February 2021 meeting of the committee.

#### **Recommendation**

The Board is requested to approve adoption of the Higher Education Audit Committees Code of Practice.

	CONFIDENTIAL
Paper title:	Board of Governors annual work plan
Board/Committee:	Board of Governors
Date of meeting:	15 October 2020
Author:	Kerry Johnson, Governance Officer
Sponsor:	James Stevenson, Group Secretary
Purpose:	For Information
Recommendation:	The Board is requested to note the annual work plan.

## **Executive summary**

The Board's business plan is based on its primary responsibilities and the matters reserved to the Board. The plan covers recurring and compliance matters for the year. Significant investments or ad hoc items will be discussed as required.

The Board meetings for 2020/21 are:

- 15 October 2020
- 19 November 2020
- 25 March 2021
- 20 May 2021
- 22 July 2021

## **Recommendation**

The Board is requested to note its annual business plan.

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Item	Meeting				
	15/10/20	19/11/20	25/03/21	20/05/21	22/07/21
Vice Chancellor's Report	✓	✓	✓	✓	✓
CFO's report with management accounts summary	✓	✓	✓	✓	✓
KPI results for previous year; KPI targets for next year	✓				
Corporate Strategy Progress Report		✓		✓	
Budget					✓
OfS annual accountability return		✓			
5 year forecasts to OfS		✓			
Health and Safety annual report			✓		
Equality and Diversity annual report					✓
Risk – annual detailed review	✓				
Risk appetite annual review	✓				
Corporate Risk Register	✓	✓	✓	✓	✓
Board Strategy Day report	✓			✓	
Annual declaration of interests	✓				
Reports on decisions of committees	✓	✓	✓	✓	✓
SU elections results and report				✓	
Updates from Chair of a committee	✓	✓	✓	✓	✓
Board annual work plan	✓				
Public benefit guidance	✓				
Annual Academic Board report		✓			
Modern Slavery Act statement		✓			

Item	Meeting				
	14/10/19	21/11/19	12/3/19	21/5/20	16/7/20
UKVI compliance (staff & students)		✓			
Prevent annual return		✓			
<b>Year end items</b>					
Annual Report and Accounts		✓			
External audit findings		✓			
External audit letter of representation		✓			
Audit Committee Annual Report to Board		✓			
Remuneration Report to Board		✓			
Written resolution to re-appoint external auditors		✓			

	CONFIDENTIAL
Paper title:	Standing Orders: revised October 2020
Board/Committee:	Board of Governors
Date of meeting:	15 October 2020
Author(s):	Michael Broadway, Deputy University Secretary Kerry Johnson, Governance Officer
Sponsor(s):	James Stevenson, Group Secretary
Purpose:	For Approval
Recommendation:	The Board is requested to approve the revised Standing Orders.

## **Executive summary**

The Standing Orders of the University have been updated to reflect:

- the establishment of the Office for Students (OfS) in January 2018;
- the new CUC Higher Education Code of Governance, released in September 2020;
- Changes in Group structure;
- the use of video calls and other electronic means of decision-making.

The Schedule of Matters Reserved will be further reviewed and updated from a Group perspective.

Suspension and disciplinary procedures for senior post holders are under review by People and Organisational Development.

## **Recommendation**

The Board is requested to approve the revised Standing Orders.

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# Standing Orders of London South Bank University

## Contents

1. Role of the Board of Governors
2. Primary Responsibilities of the Board
3. Chair and Vice Chair of the Board
4. Composition of Board and methods of appointment
5. Proceedings of Meetings and Decision Making
6. Committees
7. Schedule of Matters Reserved to the Board
8. Remuneration of Governors
9. Chief Executive
10. Suspension and Dismissal of Senior Staff
11. Academic Board
12. Honorary Positions
13. Senior Post Holders

## 1. Role of the Board of Governors

1. The Board as a whole is collectively responsible for promoting the success of the University LSBU Group by leading and supervising its affairs.

4.2. ~~In respect to the University,~~ the Committee of University Chairs' (CUC) Higher Education Code of Governance sets out ~~six~~<sup>seven</sup> "elements", which define the role of the governing body and governors:

4.2.1 ~~The governing body is collectively responsible and accountable for institutional activities, approving all final decisions on matters of fundamental concern within its remit. The governing body is unambiguously and collectively accountable for institutional activities, taking all final decisions on matters of fundamental concern within its remit.~~

4.2.2 ~~Working with the Executive, the governing body sets the mission, strategic direction, overall aims and values of the university. In ensuring the sustainability of the university the governing body actively seeks and receives assurance that delivery of the strategic plan is in line with the legislative and regulatory requirements, institutional values, policies and procedures, and that there are effective systems of control and risk management in place. The governing body protects institutional reputation by being assured that clear regulations, policies and procedures that adhere to legislative and regulatory requirements are in place, ethical in nature, and followed.~~

4.2.3 ~~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. The governing body ensures institutional sustainability by working with the Executive to set the institutional mission and strategy. In addition, it needs to be assured that appropriate steps are being taken to deliver them and that there are effective systems of control and risk management.~~

4.2.4 ~~The governing body receives assurance that academic governance is effective by working with the Senate/Academic Board or equivalent as specified in its governing instruments. Promotes a positive culture which supports ethical behaviour, equality, inclusivity and diversity across the university, 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.~~

~~4.52.5 The governing body works with the Executive to be assured that effective control and due diligence take place in relation to institutionally significant external activities. 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 university's constitutional form requires it), and recognised standards of good practice.~~

~~4.62.6 Governing bodies understand the various stakeholders of the university (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 governing body must promote equality and diversity throughout the institution, including in relation to its own operation.~~

~~4.7 The governing body must ensure that governance structures and processes are fit for purpose by referencing them against recognised standards of good practice.~~

*Approved by the Board on 14 May 2015.*

*Revision approved by the Board on 12 October 2017.*

*Revision approved by the Board on 15 October 2020.*

## 2. Statement of Primary Responsibilities of the Board of Governors

1. To set and agree the mission, strategic vision and values of the university with the Executive.
2. To review the overall performance and alignment to LSBU's mission and charitable objectives of each of South Bank Colleges, South Bank Academies and South Bank University Enterprises Ltd.
3. To agree long-term academic and business plans and key performance indicators and ensure that these meet the interests of stakeholders, especially staff, students and alumni.
4. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the university against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
5. To delegate authority to the HoI for the academic, corporate, financial, estate and human resource management of the university, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice Chancellor.
6. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and managing conflicts of interest.
7. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
8. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
9. To safeguard the good name and values of the university.
10. To appoint the Vice Chancellor as Chief Executive and to put in place suitable arrangements for monitoring their performance.
11. To appoint a Secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the university, there is an appropriate separation in the lines of accountability.
12. To be the employing authority for all staff in the university and to be accountable for ensuring that an appropriate human resources strategy is established.



13. To be the principal financial and business authority of the university, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the university's assets, property and estate.
  14. To be the university's legal authority and, as such, to ensure systems are in place for meeting all the university's legal obligations, including those arising from contracts and other legal commitments made in the university's name. This includes accountability for health, safety and security and for equality, diversity and inclusion.
  15. To receive assurance that adequate provision has been made for the general welfare of students.
  16. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the university.
  17. To ensure that the university's constitution is always followed, and that appropriate advice is available to enable this to happen.
  18. To promote a culture which supports inclusivity and diversity across the university.
  19. To maintain and protect the principles of academic freedom and freedom of speech legislation.
  20. To ensure that all students and staff have opportunities to engage with the governance and management of the university.
- ~~1. To approve the educational character, mission and strategic vision of the institution, together with its long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.~~
  - ~~2. To delegate authority to the head of the institution, as chief executive, for the academic, corporate, financial, estate, personnel and health and safety management of the institution, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution.~~
  - ~~3. To ensure the establishment and monitoring of quality assurance and systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.~~
  - ~~4. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.~~

- ~~5. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself, and to carry out such reviews at appropriate intervals.~~
- ~~6. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.~~
- ~~7. To safeguard and promote the good name and values of the institution.~~
- ~~8. To appoint the head of the institution as chief executive, and to put in place suitable arrangements for monitoring his/her performance.~~
- ~~9. To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.~~
- ~~10. To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.~~
- ~~11. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the University's assets, property and estate.~~
- ~~12. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name.~~
- ~~13. To make such provision as it thinks fit for the general welfare of students.~~
- ~~14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution or its students.~~
- ~~15. To ensure that the institution's constitution is followed at all times and that appropriate advice to the Board is available to enable this to happen.~~

*Approved by the Board on 14 May 2015.*

*Revision approved by the Board on 13 October 2016.*

*Revision approved by the Board on 15 October 2020.*

### **3. Chair and Vice Chair of the Board and Senior Independent Governor (SIG)**

#### **Chair**

1. There shall be a Chair of the Board of Governors who shall be responsible for the leadership of the Board and its effectiveness. A role description for the Chair shall be approved by the Board, which it may delegate to the Nomination Committee.
2. The Chair is appointed by the Board from the Independent Governors.
3. When a governor is appointed as Chair they shall start a new term of office of four years. The Chair should not normally be appointed for more than two terms of four years.

#### **Vice Chair**

4. The Vice Chair is appointed by the Board from the Independent Governors and usually serves until their term of office on the Board expires or until they resign the position.
- 4.5. A role description for the Vice Chair shall be approved by the Board, which it may delegate to the Nomination Committee.

#### **SIG**

6. The SIG is appointed by the Board from the Independent Governors and usually serves until their term of office on the Board expires or until they resign the position.
7. A role description for the SIG shall be approved by the Board, which it may delegate to the Nomination Committee.

*Approved by the Board on 18 July 2013.*

*Revision approved by the Board on 12 October 2017.*

*Revision approved by the Board on 15 October 2020.*

#### 4. Composition of Board and methods of appointment

1. Under article 8.2<sup>1</sup> the Board has determined that, when fully complemented, the membership of the Board shall consist of 18 members, as follows:
  - a. 13 independent governors;
  - b. the Vice Chancellor (by virtue of office);
  - c. two students; and
  - d. two staff members of the Academic Board.
2. Under article 8.3 the Board may amend the composition of the Board, ensuring that independent governors are in a majority and that there are not less than eight and not more than eighteen members of the Board.
3. If the Board decides to alter the composition of the Board to exclude student or staff governors it should formally record in its minutes the reasons for doing this ~~and inform the funding council.~~

#### Independent Governors

4. Independent Governors are defined in Article 8.1.2 as “persons who are neither Staff nor Students and who are considered by the Appointments Committee to have experience and capability relevant to the University’s requirements”.
5. The Nomination Committee shall consider potential candidates for the position of Independent Governor and shall make recommendations to the Appointments Committee having evaluated the balance of skills, knowledge and experience required for a particular appointment and having due regard to the benefit of equality and diversity in the composition of the Board.
6. Independent Governors shall be appointed by the Appointments Committee, having considered a recommendation from the Nomination Committee.

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<sup>1</sup> Article 8.2: The Board of Governors shall determine and set out in Standing Orders the number of its membership, the number of its members to be appointed in each of the categories of membership set out in Article 8.1 above and the appointment of nominated individuals and in so doing shall ensure that a majority of the members of the Board of Governors when constituted are Independent Governors.

7. Under Article 9.1.2, Independent Governors shall be appointed for an initial term of four years. The Appointments Committee may re-appoint an Independent Governor at the end of their term of office on a recommendation from the Nomination Committee, based on effective performance.
8. Under Article 9.2, an Independent Governor may not normally be appointed for more than two terms of office in total. If it recommends that an Independent Governor is to be appointed for a third term, the Nomination Committee shall make a clear justification to the Appointments Committee.

### **Student Governors**

9. A Student is defined in the Articles as “a person who ... is pursuing a full-time course of not less than one month’s duration... . For this purpose, sabbatical officers of the Student Union shall be deemed to be students”.
10. The President of the Student Union shall be a Student Governor and will serve as a governor throughout their period of office.
11. The Chair of the Student Council shall be a Student Governor and will serve as a governor throughout their period of office.

### **Staff Governors**

12. There shall be two governors who shall be current members of the Academic Board (Staff Governors). The Staff Governors shall be recommended to the Board of Governors by the Academic Board.
13. The Staff Governors are appointed by the Board, having considered the recommendation from the Academic Board.
14. The Staff Governors serve for a period of three years or until they cease to be a member of the Academic Board, whichever is the soonest. If eligible, Staff Governors may serve for a second term of three years, subject to satisfactory performance.

## **Termination of Appointment**

15. Under Article 9.3.4 the procedure for removing governors by the Members follows ss.168-169 Companies Act 2006.

*Approved by the Board on 9 July 2015.*

*Revision approved by the Board on 12 October 2017.*

*Revision approved by the Board on 15 October 2020.*

## 5. Proceedings of Meetings and Decision Making

1. This Standing Order complements Article 10 ('Proceedings of the Board of Governors'). Subject to the provisions of the Articles, the Board of Governors may amend this Standing Order as it shall from time to time think fit.

### *Meetings of the Board and its Committees*

2. Subject to Article 10.1<sup>2</sup>, the Board shall decide how many meetings of the Board of Governors and each committee shall be held each year.
3. A special meeting of the Board of Governors may at any time be summoned by the direction of the Board of Governors or the Chair of the Board or at the request in writing of any five Governors. No business shall be transacted at any special meeting other than business the general nature of which has been specified in the notice summoning the meeting and any incidental business.
4. If within half an hour from the time appointed for a meeting a quorum is not present, the meeting shall be adjourned and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the persons present and entitled to attend and vote at the meeting shall constitute a quorum.
5. No business shall be transacted at any meeting unless a quorum is present at the time when the meeting commences.

### *Decision Making in Meetings*

6. Decisions of the Board shall usually be taken by consensus at quorate meetings. Where consensus cannot be reached the Chair may cause a vote to be taken.
7. In the case of an equality of votes, the Chair of the meeting shall be entitled to a second or casting vote.
8. Members at any meeting of the Board of Governors shall not be bound in their speaking and voting by instructions given to them by their nominating body or other persons.

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<sup>2</sup> Article 10.1: The Board of Governors must hold at least 3 meetings each year.

### *Decision Making outside Meetings*

9. During the course of the university's business, matters may arise between scheduled Board meetings that require urgent Board or Committee approval or discussion and cannot be postponed until the next convened Board or Committee meeting. Where decisions that would ordinarily be taken at Board or Committee meetings have to be made on an urgent basis the following procedure will be followed:
- a. The Secretary will determine if a proposal is urgent and requires Board or Committee approval.
  - b. The Secretary will brief the relevant Chair on the proposal and reasons for the urgency.
  - c. The Secretary will consult with the relevant Chair on whether to arrange a quorate telephone or video conference call or to make the decision by email or other electronic means. The Secretary will ~~circulate~~attach the board paper or business case necessary to allow governors to make an informed decision. Governors will be asked to indicate their approval to the Secretary by a particular date.
  - d. Governors should express any concerns or questions they might have about the proposal to the other Board or Committee members, the executive sponsor and Secretary. The Secretary will advise governors of the method by which this will be done electronically. ~~The Secretary will then forward these to members of the executive for their response.~~
  - e. The proposal will be deemed to be approved when a majority of positive responses, including the Chair, has been received. The Secretary will communicate the Board or Committee decision to the executive who will then be authorised to proceed.
  - f. A resolution of the decision will be reported at the next Board or Committee meeting and following approval signed by the Chair of the Board or Committee.
  - g. In the absence of the Secretary, an appropriate member of the governance team will operate this procedure.

### *Minutes*

10. ~~The Secretary and Governance team will minute all proceedings of The Board of Governors shall cause minutes to be kept of the proceedings at meetings of the Board of Governors and its all Committees of the Board of Governors, and, Wwhen~~



~~approved~~ ~~greed at~~ by the next meeting ~~of the Board of Governors or committee~~ and signed by the Chair~~man~~ of that meeting, the minutes a ~~shall be~~ \_conclusive evidence of the decisions of the ~~eat~~ meeting.

#### *Conflicts of Interest*

11. Unless the Board decides otherwise, any Governor who is a member of Staff (other than the Chief Executive) or a Student shall withdraw from that part of any meeting of the Board of Governors, or committee of the Board of Governors, where a named member of staff or student, or prospective member of staff or student is to be considered. The Chief Executive shall withdraw from any meeting ~~or part thereof~~ where her/his position is under discussion.

*Approved by the Board on 18 July 2013.*

*Revision approved by the Board on 13 October 2016.*

*Revision approved by the Board on 12 October 2017.*

*Revision approved by the Board on 15 October 2020.*

## 6. Committees

1. Under article 7 the Board is entitled to delegate aspects of its business to committees. Delegated business is set out in the *Matters Reserved to the Board* (Standing Order 7). Areas of business the Board may not delegate are set out in article 7.
2. The Board shall establish such committees as it believes are required for the effective governance of the university.
3. A decision to establish or disestablish a sub-committee of the Board shall be taken by the Board of Governors.
4. Terms of reference for each committee shall be approved by the Board and reviewed annually by each committee, with proposed amendments subject to approval by the Board.
5. ~~The~~ Chair~~(man)ship~~ of each committee shall be ~~appointed~~~~decided~~ by the Chair of the Board.
6. Appointment of members to committees shall be decided by the Chair of the Board, ~~in consultation with~~~~and~~ the Chair of the committee.
7. ~~The Board follows best practice under~~~~Under~~ section 2.11 of the Higher Education Code of Governance paragraph 4 of Annex A of the Memorandum of assurance and accountability between HEFCE and institutions by having established an Audit Committee.
8. Under article 8.2.1 there shall be an Appointments Committee.
9. ~~The Board follows best practice~~ Under section 3.132.10 of the Higher Education Code of Governance ~~there shall be a~~ by having established a Remuneration Committee.

*Approved by the Board of Governors on 18 July 2013.*

*Revision approved by the Board on 12 October 2017.*

*Revision approved by the Board on 15 October 2020.*

## **7. Schedule of Matters Reserved to the Board of Governors**

To be reviewed at the meeting of 19 November 2020.

## **8. Remuneration of Governors**

1. For the purposes of Article 11 of the Articles of Association of the University, the following are permitted:

- 1.1 the benefit described by clause 5 below provided that the Governors as charity trustees follow the procedure and observe the conditions set out in clause 7 below;
- 1.2 the benefits described by clauses 2, 3 or 4 below; or
- 1.3 any benefit authorised in writing by the Board of Governors.

and in this Standing Order references to clauses shall be to the clauses of this Standing Order unless otherwise stated.

2. A Governor may enter into a contract for the supply of goods or services to the University where that is permitted in accordance with, and subject to, the conditions in section 185, of the Charities Act 2011.
3. A Governor may receive a benefit from the University in the capacity of a beneficiary of the University.
4. A Governor may be employed by the University other than for acting as a member of the Board of Governors.
5. A Governor may receive benefits for acting as a Governor provided the Board of Governors has in addition to meeting the requirements of clause 7 below:
  - 5.1 read considered and taken into account the published guidance of the Charity Commission (and of any other body which regulates the University) relating to the remuneration of charity trustees for acting as such;
  - 5.2 resolved that the remuneration is clearly in the interests of the charity that the trustee in question be awarded the remuneration in question; and
  - 5.3 resolved after taking reasonable steps to identify and consider all other reasonably available options for recruiting or retaining a suitable candidate for the role of Governor, that offering the remuneration in question provides a significant and clear advantage over all the other options available.

6. A company of which a Governor is a member may receive fees remuneration or other benefit in money or money's worth provided that the shares of the company are listed on a recognised stock exchange and the Governor holds no more than 1% of the issued capital of that company.

7. The University and its Board of Governors may only rely upon the authority provided by clause 5 above if each of the following conditions is satisfied:

7.1 The remuneration or other sums paid to the Governor do not exceed an amount that is reasonable in all the circumstances.

7.2 The conflicted members of the Board of Governors are absent from the part of any meeting at which there is discussion of:

- (a) his or her employment or remuneration, or any matter concerning the contract or arrangement; or
- (b) his or her performance in the employment or office, or his or her performance of the contract; or
- (c) any proposal to enter into any other contract or arrangement with him or her or to confer any benefit upon him or her that would be permitted under clauses 3-6 inclusive;
- (d) if applicable, the matters described in clause 5 above; or
- (e) any other matter relating to a payment or the conferring of any benefit permitted by clauses 3-6 inclusive above.

7.3 The conflicted Governors do not vote on any such matter and are not to be counted when calculating whether a quorum of members of the Board of Governors is present at the meeting.

The non-conflicted Governors are satisfied that it is in the interests of the University to employ or to contract with that Governor rather than with someone who is not a Governor. In reaching that decision the non-conflicted Governors must balance the advantage of employing a Governor against the disadvantages of doing so (especially the loss of the Governor's services as a result of dealing with the Governor's conflict of interest).

7.4 The reason for their decision is recorded by the non-conflicted Governors.

7.5 A majority of the Governors then in office are non-conflicted Governors.

7.6 If a Governor receives remuneration it shall be disclosed in the accounts at least to the extent of any other related party transaction.

8. In clauses 1 - 7:

8.1 The employment or remuneration of a Governor includes the engagement or remuneration of any firm or company in which the Governor is:

- a) a partner;
- b) an employee;
- c) a consultant;
- d) a director; or
- e) a shareholder, unless the shares of the company are listed on a recognised stock exchange and the Governor holds less than 1% of the issued capital.

9. "University" shall include any company in which the University:

9.1 holds more than 50% of the shares; or

9.2 controls more than 50% of the voting rights attached to the shares; or

9.3 has the right to appoint one or more directors to the Board of the company.

10. "Governor" shall include any child, parent, grandchild, grandparent, brother, sister or spouse of the Governor or any person living with the Governor as his or her partner.

11. a "conflicted Governor" is a Governor who has received, is entitled to receive or is currently receiving remuneration under this Standing Order. A conflicted Governor also includes a Governor who has received financial benefits described in clause 1 but before this Standing Order came into force.

12. a "non-conflicted Governor" is a Governor who is not a conflicted Governor.

13. This Standing Order may not be amended without the express prior consent of the Charity Commission.

*Approved by the Board of Governors on 18 July 2013*

## **9. The Chief Executive**

1. The broad duties of the Chief Executive are set out in Article 6.
2. As set out in Article 7.2.4 the Board shall not delegate the appointment or dismissal of the Chief Executive.
3. If the Chief Executive is not capable of acting, by reason of illness or otherwise, the duties of the Chief Executive shall be fulfilled by a senior post holder as the Chief Executive nominates or, in default of the Chief Executive's nomination, as the Chair~~man~~ of the Board of Governors nominates.

*Approved by the Board of Governors on 18 July 2013*

## 10. Suspension and Disciplinary Procedures for Senior Post Holders

### 1. Scope

This procedure applies to Holders of Senior Posts at London South Bank University (the University) as designated by the Board of Governors in accordance with its ~~Memorandum and~~ Articles of Association.

The aim of this procedure is to ensure consistent and fair treatment in dealing with disciplinary matters pertaining to standards of conduct and job performance including investigation, suspension, dismissal and appeal. It follows the principles outlined in the ACAS Code of Practice which should be read in conjunction with the procedure.

### 2. Principles

- No disciplinary action will be taken against a Senior Post Holder until the case has been fully investigated and a disciplinary hearing has taken place.
- The Senior Post Holder will be advised in writing of the nature of the complaint against him or her and the arrangements for the hearing.
- The Senior Post Holder will be provided, where appropriate, with written copies of evidence and relevant witness statements in advance of a disciplinary meeting.
- The Senior Post Holder will be given the opportunity to state his or her case to a Panel before any decision is made.
- The Senior Post Holder will have the right to be accompanied by a colleague, or trade union official at all stages during the investigation, disciplinary interview or appeal hearings.
- Decisions at all stages of the procedure will be made by a Panel of those with appropriate authority, namely Independent Governors and the Vice Chancellor (as the Chief Executive) as set out in section 4 of these procedures.
- The Panel will take into account any mitigating circumstances when reaching decisions on appropriate disciplinary sanctions.
- No Senior Post Holder will be dismissed for a first breach of discipline, except in the case of gross misconduct.
- A Senior Post Holder will have the right to appeal against any disciplinary penalty imposed.
- Human Resources will be consulted and will attend formal disciplinary hearings and appeals to advise on procedure.
- All parties will respect the need to preserve confidentiality at all stages throughout the process
- Notes of hearings and appeals will be taken by a person not involved in the decision making process. The notes, together with comments/additions by the Senior Post Holder, will constitute the only record of the hearing/appeal.



- The procedure may be implemented at any stage if the Senior Post Holder's alleged misconduct or performance warrants such action.

### **3. Procedure**

Every effort should be made to resolve issues of misconduct or poor performance by management informally before moving to the formal stages of the disciplinary procedure. Those who have the authority to take formal action under each stage of this procedure are detailed at section 4.

#### **3.1 Disciplinary investigations**

The University is committed to ensuring that all potential infringements of disciplinary rules are fully investigated. This may entail carrying out interviews with the Senior Post Holder concerned and third parties such as witnesses, colleagues and managers, as well as analysing written records and information. The investigation report will be made available to all the parties concerned. The identity of witnesses may be kept confidential if necessary.

#### **3.2 Disciplinary hearings**

Once investigations are complete, if there remains a case to be answered, the Senior Post Holder will be invited, in writing, to attend a disciplinary hearing before a Panel of two Members of the Board of Governors authorised under this procedure (see section 4). The Senior Post Holder will be given ten working days' notice of the hearing. He or she will be informed, in writing, of the nature of the allegations and who will be attending the hearing, including any witnesses to be called by management. The Senior Post Holder will be given the opportunity to bring witnesses and to be represented at the hearing by a work colleague or union representative. The names of witnesses and representatives should be submitted at least two working days before the hearing. The decision of the Panel will be notified to the Senior Post Holder, in writing, within ten working days of the hearing.

#### **3.3 Stage 1 – first warning**

If conduct or performance is unsatisfactory, a Senior Post Holder will be given a written warning. He or she will be advised of the reason for the warning, that it is the first stage of the disciplinary procedure and that he or she has a right of appeal. The Senior Post Holder will also be informed that a final written warning may be considered if there is no sustained satisfactory improvement or change. (Where the first offence is sufficiently serious, for example because it is having, or is likely to have, a serious harmful effect on the organisation, it may be justifiable to move directly to a final written warning). A record will be kept of the warning which will be placed on the Senior Post Holder's file. The warning will be disregarded for disciplinary purposes after three months, subject to the Senior Post Holder's satisfactory conduct and performance.

### **3.4 Stage 2 – final warning**

If the offence is serious, or there is no improvement in standards, or if a further offence of a similar kind occurs, a final written warning will be given which will include the reason for the warning and note that if no improvement results action at Stage 3 will be taken. It will also advise the Senior Post Holder of his or her right of appeal. A copy of this written warning will be placed on the Senior Post Holder's file but will be disregarded for disciplinary purposes after six months, subject to the Senior Post Holder's satisfactory conduct and performance.

### **3.5 Stage 3 – dismissal or action short of dismissal**

If the conduct or performance has failed to improve, the Senior Post Holder may suffer demotion, disciplinary transfer, loss of seniority or dismissal. Within ten working days of the hearing, the Senior Post Holder will be provided with a written outcome including, where appropriate, the reasons for dismissal, the date on which his or her employment will terminate and the right to appeal.

### **3.6 Gross misconduct and suspension**

In the event of alleged gross misconduct, the University may suspend a Senior Post Holder from work on full pay (average earnings) while it investigates the alleged offence. Such suspension will not imply pre-judgement of guilt, but will serve only to reserve the position and remove the Senior Post Holder from his or her place of work whilst investigations are made. The Senior Post Holder will be notified of the reasons for suspension in writing.

The following are examples of gross misconduct:

- theft, fraud,
- any involvement in bribery, giving, receiving or facilitating bribes,
- unauthorised entry to computer records or deliberate falsification of records,
- a serious breach of the University's rules on e-mail and Internet usage,
- fighting or assault,
- deliberate or reckless damage to University property,
- an inability to perform job duties through being under the influence of alcohol or drugs,
- a serious breach of the University's health and safety rules or a single error due to negligence which causes, or could have caused, significant loss, damage or injury to the University, its employees' or students,
- conviction of a criminal offence that makes the Senior Post Holder unsuitable or unable to carry out his or her duties,
- a serious act of insubordination, such as deliberate refusal to carry out proper instructions,

- acts of bullying, harassment or discrimination or breach of the University’s Equality and Diversity policy,
- a serious breach of trust or confidentiality.

This list is not intended to be an exhaustive one and only gives an indication of the types of offence that may be considered gross misconduct.

If, on completion of the investigation and the full disciplinary procedure, the University is satisfied that gross misconduct has occurred, the result will normally be summary dismissal, i.e. dismissal without notice or pay in lieu of notice.

### 3.7 Appeal

If a Senior Post Holder wishes to appeal against a disciplinary decision, he or she should do so within ten working days of the receipt of the outcome letter. The appeal should be made in writing, and include the grounds for appeal.

The appeal hearing will be held within ten working days of receipt of the appeal letter or, if this is not reasonably practicable, as soon as is reasonably practicable.

### 4. Authority to act under this procedure

The following governors (including the Vice Chancellor as Chief Executive) have authority to take action under this procedure:

Senior Post Holder	Investigation Lead	Disciplinary Panel	Suspension	Appeal Panel
Vice Chancellor	Chair of the Audit Committee	Vice Chair of the Board of Governors Plus One Independent Governor not previously involved	Vice Chair of Board of Governors	Chair of Board of Governors Plus One Independent Governor not previously involved
Deputy Vice Chancellor	Vice Chancellor	Vice Chair of the Board of Governors Plus One Independent Governor not previously involved	Vice Chair of the Board of Governors	Chair of Board of Governors Plus One Independent Governor not previously involved

Other Senior Post Holders Pro VC, Executive Director of Finance, University Secretary	Vice Chancellor or Deputy Vice Chancellor	Vice Chair of the Board of Governors Plus One Independent Governor not previously involved	Vice Chair of the Board of Governors	Chair of Board of Governors Plus One Independent Governor not previously involved
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## 5. Variation

This procedure may only be amended with the approval of the Board of Governors of London South Bank University.

*Approved by the Board of Governors on 18 July 2013*

## 11. Academic Board terms of reference and membership

The Academic Board is responsible for academic standards and the direction and regulation of academic matters.

### 1. Remit

1.1 The remit of the Academic Board is to:

- 1.1.1 develop academic strategy and monitor progress against academic key performance indicators
- 1.1.2 monitor development of academic portfolio
- 1.1.3 oversee the development of the academic environment
- 1.1.4 have oversight of academic ethics
- 1.1.5 approve academic regulations and oversee their enactment, including for:
  - i. admission of students;
  - ii. granting and annulling of degrees, qualifications and titles;
  - iii. exclusion of students for academic reasons;
  - iv. appointment of internal and external examiners;
  - v. assessment and examination of academic performance of students;
  - vi. character of curricula;
  - vii. quality of courses including validation and accreditation by external bodies; and
  - viii. granting distinctions including honorary degrees and academic titles.

### 2. Committees

The Academic Board may carry out its remit through sub-committees, including Quality and Standards, Student Experience and Research committees or other working groups from time to time. The minutes (or a report) of its sub-committees shall be reported to the Academic Board.

### 2.3. Membership

2.3.1 Membership consists of the following:

<b>Holders of Senior Posts (3)</b>	<del>Deputy Vice Chancellor</del> <u>Provost</u> (Chair) <u>Chief Operating Officer (DVC Education)</u> <del>PVC</del> <u>Education and Student Experience</u>
<b>Senior Academic Staff and Professors (218)</b>	Deans (x7) <u>or School Executive alternative</u> <u>Two Nominated professor senior academic staff</u> <u>members from each school (x14)</u>
<del><b>Academic and Research staff (2)</b></del>	<del>Nominated academic staff member (x1)</del> <del>Nominated research staff member (x1)</del>
<b>Non-teaching staff (64)</b>	<u>Director of Academic Quality and Enhancement</u> <u>Executive Director of Student Services</u> <u>Nominated member of research professional staff</u> <u>Nominated member of technical staff</u> <u>Chair of the 'Professoriate'</u> <u>Students' Union, President</u> <u>Students' Union, Vice President (Education)</u> <del>Director of Research and Enterprise</del> <del>Director of Academic Quality Development</del> <del>Director of Student Support and Employability</del> <del>Nominated member of professional staff</del>
<del><b>Technician (1)</b></del>	<del>Nominated member of technical staff</del>
<del><b>Students (2)</b></del>	<del>Students' Union President</del> <del>Students' Union Vice President (Academic Affairs)</del>

2.23.2 A quorum consists of 7 members.

2.33.3 The term of office of nominated members is three years.

3.4 The Academic Board meets three times per year.

2.43.5 Board governors may attend any meeting of Academic Board or sub-committee to observe their proceedings.

#### 4. Reporting Procedures

~~43~~.1 The minutes (or a report) of meetings of the Committee will be circulated to all members of the Board of Governors.

*Approved by the Academic Board on ~~8 July 2015~~13 November 2019.*

*Approved by the Board of Governors on ~~26 November 2015~~21 November 2019.*

## 12. Honorary Positions

1. The University has the following honorary positions:
  - a. Chancellor
  - b. Pro Chancellor

### Chancellor

2. Under Article 5.1.6 the Board of Governors is responsible for the appointment of a Chancellor who shall hold office for such term and have such duties and responsibilities as the Board of Governors from time to time shall determine.
3. The Chancellor's role is:
  - a. honorific and does not carry membership of the Board of Governors;
  - b. non-executive with none of the responsibilities reserved for the Board of Governors as set out in the Articles of Association;
  - c. ceremonial – presiding at degree ceremonies and honorary fellow ceremonies;
  - d. assisting in promotion of the University generally – occasionally attending VIP events;
  - e. available to the Vice-Chancellor for advice and consultation.
4. The term of office will be four years with a possible second term of four years but no further extension (apart from exceptional circumstances).
5. The Chancellor should meet some or all of the following criteria:
  - a. Belief in LSBU's values and strategic direction;
  - b. Comfortable in an ad hoc, in practice undefined, ambassadorial role;
  - c. Someone who students and staff will feel able to relate strongly to and respect;
  - d. Some connection to LSBU and/or SE London;
  - e. Someone who is able to raise the profile of the university;
  - f. Prepared to give a little time and to participate at graduations and other events.

### Pro Chancellor

6. Pro Chancellors shall be appointed by the Board, from amongst the Independent Governors. The Chairman and Vice Chair shall usually be Pro Chancellors.
7. Individuals shall cease to be Pro Chancellors when they cease to be Independent Governors.
8. The role of Pro Chancellor shall be to assist the Chancellor in presiding at degree ceremonies and to promote the good reputation of the University.



*Approved by the Board of Governors on 18 July 2013.  
Revision approved by the Board on 12 October 2016.*

### 13. Senior post holders

1. Under Article 5.1.4 the Board of Governors is responsible for the appointment, appraisal, suspension and dismissal determination of the pay and conditions of service of the Chief Executive, the Clerk and such other senior posts as the Board may determine.
2. In accordance with this Article the Board has determined that the following are senior post holders:
  - a. Vice Chancellor and Chief Executive
  - b. ~~Deputy Vice Chancellor~~Provost
  - c. Group Chief Financial Officer
  - d. Group~~University~~ Secretary and Clerk to the Board of Governors

*Approved by the Board on 9 July 2015.*

*Revision approved by the Board on 15 October 2020.*

	CONFIDENTIAL
Paper title:	CUC Higher Education Code of Governance
Board/Committee	Board of Governors
Date of meeting:	15 October 2020
Author:	Kerry Johnson, Governance Officer James Stevenson, Group Secretary
Sponsor:	Jerry Cope, Chair of the Board of Governors
Purpose:	For noting
Recommendation:	The Board is requested to note the revised 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 required to report on compliance with the revised code in next year’s accounts. The governance team will review the code in detail and recommend any changes to governors at the November Board meeting.

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 scrutinizing and evaluating governance performance against this Code (and other codes where an institution's constitutional form requires it), and recognized 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 standing orders have been updated to reflect the revised code (see agenda item 17).

The revised code has been provided as a supplement to the main Board pack.

### **Recommendation**

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

	CONFIDENTIAL
Paper title:	New governor declarations of interest
Board/Committee:	Board of Governors
Date of meeting:	15 October 2020
Author(s):	Dominique Phipp, Governance Assistant
Sponsor(s):	James Stevenson, University Secretary
Purpose:	For approval
Recommendation:	<p>The Board is requested to authorise the following newly declared interests of:</p> <p>Deepa Shah, Independent Governor</p> <p>Rashda Rana, Independent Governor</p> <p>Harriet Tollerson, Student Governor</p> <p>Max Smith, Student Governor</p> <p>Deborah Johnston, PVC (Education)</p> <p>Marcelle Moncrieffe-Johnson, Chief People Officer</p> <p>Warren Turner, Dean of School of Health and Social Care</p>

## Executive Summary

1. Under the Companies Act 2006, governors have a duty to avoid a situation in which they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of LSBU, unless this has previously been authorised by the Board.
2. The Board is requested to authorise the interests.
3. When authorising their interests, the Board will need to consider whether to attach any conditions to the authorisation.

**Deepa Shah, Independent Governor**

- Journey Further, Non-Executive Director as of 2020

**Rashda Rana, Independent Governor**

- Central & North West London NHS Foundation Trust, Non-Executive Director, as of August 2020

**Harriet Tollerson, Student Governor**

- London South Bank Students' Union, President, as of July 2020

**Max Smith, Student Governor**

- London South Bank Students' Union, Union Council Chair, as of July 2020

**Deborah Johnston, PVC (Education)**

- No interests to declare.

**Marcelle Moncrieffe-Johnson, Chief People Officer**

- Camden and Islington NHS Trust, St Pancras Hospital, Non- Executive Director, 18/01/20 – 17/01/23

**Warren Turner, Dean of School of Health and Social Care**

- London Higher, Chair of Health Education Group, as of 1 June 2018
- London Deans of Health Group, Chair, as of 1 September 2016

# Agenda Item 20

	CONFIDENTIAL
Paper title:	Board and committee membership
Board/Committee:	Board of Governors
Date of meeting:	15 October 2020
Purpose:	For Information
Recommendation:	The Board is requested to note the Board and committee membership for 2020/21.

## **Executive summary**

The Board is requested to note the Board and committee membership for 2020/21.

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## **Current Board composition and membership 2020/21**

The Board is composed of up to 13 independent governors (currently plus one co-opted governor), the Vice Chancellor, 2 student governors and 2 staff governors. Its current membership is:

### *Independent Governors*

Jerry Cope

Chair of the Board

Michael Cutbill

Vice Chair of the Board

Duncan Brown

John Cole

Peter Fidler

Mark Lemmon

Hilary McCallion

Mee Ling Ng

Jeremy Parr

Rashda Rana

Deepa Shah

Vinay Tanna

### *Vice Chancellor*

David Phoenix

### *Student Governors*

Harriet Tollerson

SU President

Maxwell Smith

Chair of Student Council

### *Staff Governors*

Nicki Martin

Tony Roberts

## **Committee membership**

### **Group Audit and Risk Committee**

Duncan Brown – Chair

John Cole

Mark Lemmon

Rob Orr (co-opted member)

### **Finance, Planning and Resources Committee**

Michael Cutbill – Chair

Jerry Cope

Peter Fidler

Nicki Martin

Mee Ling Ng

Dave Phoenix

Deepa Shah

Maxwell Smith

### **Major Projects and Investment Committee**

Rashda Rana – Chair

Jerry Cope

Jeremy Parr

Dave Phoenix

Tony Roberts

Vinay Tanna

Harriet Tollerson

### **Honorary Awards Joint Committee**

Tony Roberts – Chair

Pat Bailey (as Chair of the Academic Board)

John Cole

Jerry Cope

Dave Phoenix

James Stevenson

### **Nomination Committee**

Jerry Cope – Chair

Duncan Brown

Michael Cutbill

Hilary McCallion

Dave Phoenix

Rashda Rana

**Remuneration Committee**

Jeremy Parr – Chair

Jerry Cope

Michael Cutbill

Mee Ling Ng

**South Bank Academies Board**

Hitesh Tailor - Chair

Richard Flatman

Tony Giddings

Nicole Louis

Chris Mallaband (chair of School Advisory Board)

Hilary McCallion

Fiona Morey

Lesley Morrison (chair of School Advisory Board)

Dave Phoenix

**South Bank Colleges Board**

Ruth Farwell - Chair

Steve Balmont

Nigel Duckers

Jacqui Dyer

Shakira Martin

Mee Ling Ng

Adesewa Ogunyomi

Andrew Owen

Dave Phoenix

**Equality, Diversity and Inclusion champion**

Michael Cutbill

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	CONFIDENTIAL
Paper title:	Public benefit guidance
Board/Committee:	Board of Governors
Date of meeting:	15 October 2020
Author:	Michael Broadway, Deputy University Secretary
Sponsor:	James Stevenson, Group Secretary
Purpose:	For Information
Recommendation:	The Board is requested to note the Board and committee membership for 2020/21.

## Executive summary

As LSBU is a charity, the directors of the company are also charity trustees.

Charity trustees must have regard to the Charity Commission's public benefit guidance in carrying out their duties.

As a charity trustee, 'having regard' to the commission's public benefit guidance means being able to show that:

- you are aware of the guidance
- you have taken it into account when making a decision to which the guidance is relevant
- if you have decided to depart from the guidance, you have a good reason for doing so.

For your information, the Charity Commission's guidance is provided here:

[www.gov.uk/guidance/public-benefit-rules-for-charities](http://www.gov.uk/guidance/public-benefit-rules-for-charities) (the guidance is not available as a single pdf document).

In addition, the annual report and accounts for charities must contain a public benefit statement on how the charity has carried out its purpose for the public benefit and whether the trustees had 'due' regard to the commission's public benefit guidance when exercising their powers. The draft public benefit statement for LSBU is contained in the annual report and accounts.

Please let the governance team know if you require any additional information.