

Meeting of the Board of Governors

4pm* on Thursday, 12 February 2015
in 1B27, Technopark, London Road, London SE1

* An Appointments Committee, consisting of all the Independent Governors, will be held at 3pm in 1B27

* A presentation by the Deans for all governors starts at 3.15pm

Agenda

| <i>No.</i> | <i>Item</i> | <i>Paper No.</i> | <i>Presenter</i> |
|------------|---|------------------|------------------|
| 1. | Welcome and apologies | | Chair |
| 2. | Declarations of Interest <i>Governors are required to declare any interest in any item of business at this meeting</i> | | Chair |
| 3. | Chairman's Business | | |
| 3.1 | Confirmation of Vice Chancellor <i>(in the absence of the Vice Chancellor)</i> | BG.01(15) | Chair |
| 3.2 | Report from Appointments Committee | BG.02(15) | Chair |
| 3.3 | Minutes of meetings of 20 November 2014 (for publication) | BG.03(15) | Chair |
| 3.4 | Matters arising | | Chair |
| 4. | Vice Chancellor's Report (to note) | BG.04(15) | VC |
| 5. | Chief Financial Officer's Report (to note) | BG.05(15) | CFO |
| 6. | University Strategy | | |
| 6.1 | REF outcome and strategy (to note) | BG.06(15) | PVC(R&EE) |
| 6.2 | Overseas partnerships update (to approve) | BG.07(15) | VC |
| 7. | Business Cases | | |
| 7.1 | Hugh Astor Court business case (to approve) | BG.08(15) | COO |
| 7.2 | Media Centre business case (to approve) | BG.09(15) | DVC |

8. University Performance

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| 8.1 | Key performance indicators for 2014/15 recommendations and report (to approve) | BG.10(15) | CFO |
| 8.2 | Change programme update (to note) | BG.11(15) | VC |

9. Committee Business

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| 9.1 | Reports on decisions of Committees (to note) | BG.12(15) | Committee chairs |
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10. Governance

- | | | | |
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| 10.1 | Risk Register (to note) | BG.13(15) | CFO |
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11. Any Other Business

- 12. Date of next Board meeting: 4pm on Thursday 14 May 2015**

A reception for retiring governors will be held after the Board meeting in 1B16

For information only (and issued in PDF only):

CUC Code of Governance update – BG.14(15)

Memorandum of Assurance and Accountability update – BG.15(15)

Clarence Centre – post occupancy review – BG.16(15)

Members: David Longbottom (Chair), Jerry Cope (Joint Vice Chair), Dame Sarah Mullally (Joint Vice Chair), Prof David Phoenix (Vice Chancellor), Ilham Abdishakur, Steve Balmont, Douglas Denham St Pinnock, Ken Dytor, Emine Dzhihan, Prof Neil Gorman, Mee Ling Ng, Prof Hilary McCallion, Andrew Owen, Prof Shushma Patel, James Smith and Prof Jon Warwick.

Apologies: Anne Montgomery and Diana Parker

With: Deputy Vice Chancellor, Chief Financial Officer, Pro Vice Chancellor (Students and Education), Pro Vice Chancellor (Research and External Engagement), Chief Operating Officer (for item 7), University Secretary, Dean of School of Arts and Creative Industries (for item 7.2) and Governance Manager.

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| | PAPER NO: BG.01(15) |
| Paper title: | Confirmation of Vice Chancellor |
| Board/Committee | Board of Governors |
| Date of meeting: | 12 February 2015 |
| Author: | James Stevenson, University Secretary and Clerk to the Board of Governors |
| Board sponsor: | David Longbottom, Chairman of the Board of Governors |
| Purpose: | To confirm the appointment of Prof David Phoenix as Vice Chancellor |

Summary

Professor David Phoenix took up the post of Vice Chancellor on 1 January 2014 and under the terms of his appointment there is a probationary period of 12 months.

After due consideration, the Chairman recommends that the Board confirms Professor Phoenix in post.

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| | PAPER NO: BG.03(15) |
| Paper title: | Report from Appointments Committee CONFIDENTIAL |
| Board/Committee | Board of Governors |
| Date of meeting: | 12 February 2015 |
| Author: | James Stevenson, University Secretary and Clerk to the Board of Governors |
| Board sponsor: | David Longbottom, Chairman of the Board of Governors |
| Purpose: | To update the Board on the meeting of the Appointments Committee |

Summary

The Appointments Committee (consisting of all the independent governors) will meet prior to the Board meeting to consider the recommendations of the Nomination Committee to appoint Shachi Blakemore, Carol Hui and Kevin McGrath as independent governors.

The Chairman will provide an update at the meeting.

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| | PAPER NO: BG.03(15) |
| Paper title: | Minutes of the meeting of 20 November 2014 |
| Board/Committee | Board of Governors |
| Date of meeting: | 12 February 2015 |
| Author: | James Stevenson, University Secretary and Clerk to the Board of Governors |
| Board sponsor: | David Longbottom, Chairman of the Board |
| Purpose: | To approve the minutes of the last meeting as a correct record and the redactions for publication. |

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| Matter previously considered by: | N/A | N/A |
| Further approval required? | No | N/A |

Executive Summary

The Board is asked to approve the minutes of its meetings of 20 November 2014 and the suggested redactions (in grey) for publication on LSBU's website.

Minutes of a Meeting of the Board of Governors
held at 4pm on Thursday, 20 November 2014
in room 1B27, Technopark, London Road, London SE1

Present

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|---------------------------|-------------------------------------|
| David Longbottom | Chairman |
| Jerry Cope | Joint Vice Chair |
| Dame Sarah Mullally | Joint Vice Chair |
| Prof David Phoenix | Vice Chancellor and Chief Executive |
| Steve Balmont | |
| Douglas Denham St Pinnock | |
| Ken Dytor | |
| Emine Dzhihan | |
| Prof Neil Gorman | |
| Prof Hilary McCallion | |
| Anne Montgomery | |
| Mee Ling Ng | |
| Louisa Nyandey | |
| Andrew Owen | |
| Diana Parker | |
| Prof Shushma Patel | |
| James Smith | |

Apologies

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| Ilham Abdishakur | SU President |
| Prof Jon Warwick | |

With

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| Deborah Moorhouse | Grant Thornton, External Auditors (<i>for minutes 25-34</i>) |
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In attendance

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| Prof Pat Bailey | Deputy Vice Chancellor |
| Prof Phil Cardew | Pro Vice Chancellor (Students and Education) |
| Richard Flatman | Chief Financial Officer |
| Paul Ivey | Pro Vice Chancellor (Research and External Engagement) |
| James Stevenson | University Secretary and Clerk to the Board of Governors |
| Michael Broadway | Governance Manager |

Observer

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| Sharon Page | Governance Consultant, Leadership Foundation for Higher Education |
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Welcome and Apologies

1. The Chairman welcomed Emine Dzhihan as a student governor (subject to approval by the Board later in the meeting – minute 5 refers) and Paul Ivey (Pro Vice Chancellor (Research and External Engagement)) to their first meeting.

Declaration of Interests

2. No governor declared an interest in any item on the agenda.

Minutes of the previous meeting

3. The Board approved the minutes of the meeting of 9 October 2014 (paper **BG.64(14)**) and their publication without redactions.

Staff and Student Governors

4. The Board approved the extension of Jon Warwick's term of appointment as an Academic Staff Governor for an additional year pending the review of the membership of the Academic Board during academic year 2014/15 (paper **BG.65(14)**).
5. The Board approved the appointment of Emine Dzhihan as a Student Governor for one year following her election by Student Council.

Governance Effectiveness Review interim report

6. The Board noted an interim report on the governance effectiveness review, which was being undertaken by Sharon Page on behalf of the Leadership Foundation for Higher Education (paper **BG.66(14)**).

Succession Planning

7. The Chairman reported that a Nomination Committee had been arranged to discuss candidates for the forthcoming independent governor vacancies. The Board requested the committee to have due regard to the need to enhance the diversity of the Board.

Matters Arising

8. Minute 17 of 9 October 2014 - the Board noted that the tender documents for the Confucius Institute had gone out and a response was expected at the end of November 2014. An update would be provided at the next Board meeting.
9. Minute 18 of 9 October 2014 - the Board noted that the outcome of the bid to HEFCE under the STEM (Science, Technology, Engineering and Maths) Teaching Capital Funding Scheme would be known in late December 2014.

Vice Chancellor's Report and Key Performance Indicators

10. The Board discussed the Vice Chancellor's report and key performance indicators (paper **BG.67(14)**), which included an update on the senior management structure in the Schools.

Chief Financial Officer's Report

11. The Board discussed in detail the Chief Financial Officer's report (paper **BG.68(14)**), which included updates on the current financial position; the risk of clawback of HEFCE grant impacting 2014/15, which was considered low; HEFCE circular regarding 2012/13 funding, which had been fully provided for in the accounts; and HEFCE audit of 2012/13 data.
12. The Board approved the financial tables for 2014 in appendices 2 and 3 for submission to HEFCE as part of the HEFCE Annual Accountability Return.
13. The Board noted the summary of management accounts to September 2014. The Board requested a report on staff costs at the Policy and Resources Committee meeting of 3 February 2015. In addition, the Board noted that the budget for the EDISON project included a contingency of £600k.

Change Programme update

14. The Board discussed an update on the change programme (paper **BG.69(14)**).

Report on decisions of Committees

15. The Board noted a report on decisions of committees (paper **BG.70(14)**). The KPI Working Group had completed its review of KPIs.

16. The Board approved the revised terms of reference for the Human Resources Committee, with an additional amendment that the Chairman of the Board is removed as a standing member of the committee.
17. A meeting of the Remuneration Committee would be held following this meeting.
18. The Board noted that the accounts for South Bank University Enterprises Ltd (SBUEL) had been approved by the SBUEL Board at its meeting of 5 November 2014. As a wholly-owned subsidiary, the accounts of SBUEL were consolidated into the University group accounts.

Risk appetite

19. The Board discussed the proposed framework for assessing the University's risk appetite (paper **BG.71(14)**). The framework was divided into four sections covering the following types of risk: 1) financial operation and investment; 2) legal compliance; 3) delivery of teaching and learning; and 4) reputation.
20. The Board approved the proposed risk framework. Detailed consideration of the Board's risk appetite in the four risk areas would be considered at the Board strategy day of 23 April 2015.

Annual detailed review of risk

21. The Board considered the corporate risk register in detail (paper **BG.72(14)**). The risk register is reviewed in detail by the Executive on a monthly basis and by the Audit Committee at each meeting. The corporate risk register is closely aligned to the Corporate Strategy 2015-2020 and the annual internal audit plan.
22. The only corporate risk rated as "critical" was the risk of failing to meet revenue targets. The Board noted that there was a further element of risk due to the changes to the organisation, including the move to Schools. The Executive had put measures in place to address this risk. The Board requested the Executive to be clear on functional accountability.
23. The Executive were requested to review the risk relating to use of learning technologies and review whether a separate risk covering the student experience should be added.

24. At its next meeting, the Board requested presentations by the seven Deans of Schools.

Audit Committee Annual Report

Deborah Moorhouse of Grant Thornton entered the meeting

25. The Board noted the Audit Committee's annual report for 2013/14 (paper **BG.73(14)**). The Chair of the Audit Committee would sign the report at the end of the meeting.

External Audit findings

26. The Board noted Grant Thornton's audit findings report which had been discussed in detail by the Audit Committee (paper **BG.74(14)**). There were no matters which needed to be brought to the attention of the Board. The Board noted that the audit partner had been changed in the last year.
{Secretary's note – the question of the external audit re-tender would be considered by the Audit Committee in June 2015}

External audit letter of representation

27. The Board noted the letter of representation to the external auditors (paper **BG.75(14)**). It was noted that there were no representations specific to LSBU. The Executive confirmed that all material matters had been disclosed to the auditors and that the representations were accurate and reasonable.
28. The Board approved the letter and authorised the Chairman to sign the letter on behalf of the Board.

Annual report and financial statements for year ended 31 July 2014

29. The Board discussed the annual report and financial statements for year ended 31 July 2014 (paper **BG.76(14)**), which had been reviewed by the Audit committee and the Policy and Resources committee. An operating surplus of £3.1m was reported which was ahead of the budget target of £2.5m.
30. The Board noted minor amendments to the accounts.
31. The Board noted assurances from the Executive that the form and content of the report and accounts were accurate and could be approved by the Board.

32. After careful consideration, the Board approved the annual report and financial statements for the year ended 31 July 2015 and authorised signature by the Chairman and Vice Chancellor on behalf of the Board.

Minutes of 43rd AGM

33. The Board approved the minutes of the 43rd AGM held on 21 November 2013 (paper **BG.77(14)**). For future years, the Board noted that AGM business should be dealt with by written resolution. Under the University's Articles of Association there was no longer a need to hold an AGM.

Written Resolution to reappoint Grant Thornton

34. The meeting (in its capacity as the members of the company) approved the written resolution to reappoint Grant Thornton UK LLP as external auditors to the University for the year to 31 July 2015 on the recommendation of the Audit Committee. The meeting requested the Chairman to sign the written resolution on behalf of LSBU.

Deborah Moorhouse left the meeting

Board Strategy Day report

35. The Board noted the report of the Board Strategy day held on 15 October 2014 (paper **BG.79(14)**).

Annual Declarations of Interest

36. The Board authorised the declared interests of its members, under section 175 of the Companies Act 2006, as set out in paper **BG.80(14)**. The Board agreed to delete the question about freemasonry.
37. The following interests were declared in the meeting and authorised by the Board:
- a. Sarah Mullally – trustee of Sarum College, Salisbury;
 - b. Prof Shushma Patel – external examiner at Staffordshire University; and governor of Winston Way Primary School; and
 - c. Prof Neil Gorman – Chairman of Higher Education Data and Information Improvement Programme; and governor of Oakham School.

38. The Board authorised publication of the register and requested circulation of the register to governors.

Any other business

39. The Board noted that Professor Phil Cardew had been appointed as Deputy Vice Chancellor (Academic) at Leeds Beckett University and would be leaving the University in March 2015. The vacancy for the Pro Vice Chancellor (Students and Education) would be advertised in December 2014.
40. The Board noted that the QAA's institutional audit of LSBU was expected in 2016/17.

Date of next meeting

41. The next Board meeting will be at 4pm on Thursday 12 February 2014.
42. The Chairman thanked the Board for their support for the change process over the last year.

The Chairman closed the meeting.

Confirmed as a true record:

..... (Chairman)



Committee Action Points

05 February 2015

16

13:30:52

| Committee | Date | Minute | Action | Person Res | Status | |
|-----------|------------|--------|---|------------|---|---|
| Board | 20/11/2014 | 20 | Consideration of risk appetite at strategy day of 23 April 2014 | CFO | On programme | <input checked="" type="checkbox"/> Completed |
| Board | 20/11/2014 | 21 | Review the risk relating to use of learning technologies and review whether a separate risk covering the student experience should be added | CFO | To be discussed at Operations in March 2015 | <input type="checkbox"/> Completed |
| Board | 20/11/2014 | 33 | Circulation of register of interests to Board | Secretary | Register circulated on 12 December 2014 | <input checked="" type="checkbox"/> Completed |
| Board | 20/11/2014 | 24 | Presentations by the Deans at Board meeting of 12 February 2015 | DVC | Arranged before the meeting | <input checked="" type="checkbox"/> Completed |
| Board | 20/11/2014 | 26 | Audit Committee to review external audit contract in June 2015 | CFO | Added to June agenda | <input checked="" type="checkbox"/> Completed |

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| | PAPER NO: BG.04(15) |
| Paper title: | Vice Chancellor's Report |
| Board/Committee | Board of Governors |
| Date of meeting: | 12 February 2015 |
| Author: | Prof David Phoenix, Vice Chancellor |
| Executive sponsor: | Prof David Phoenix, Vice Chancellor |
| Purpose: | To update the Board on University matters |

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| Executive Summary | |
| Context | This report provides an update on key University matters since the last Board meeting. |
| Question | On which significant matters does the Board need to be updated? |
| Conclusion & Recommendation | <p>This report updates the Board on :</p> <ol style="list-style-type: none"> 1. Staff appointments; 2. Corporate Strategy and Local Delivery Plans ; 3. ICT developments; 4. Schools Administration; 5. Portfolio Review; 6. REF 2014 ; 7. Academies: and 8. Academic Staff Development. <p>The Board should note good progress on a range of fronts but current concerns regarding the lease arrangements for the UTC.</p> <p>The report provides assurance that:</p> <p>Recruitment is progressing in line with 2014 and whilst challenging is on track for 2015.</p> <p>The National Student Survey is being undertaken and on track in terms of engagement</p> |

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| | <p>The DHLE is being undertaken and on track in terms of engagement</p> <p>People and Planets green award outcome provides assurance regarding delivery on the sustainability agenda</p> <p>The Board is requested to note the report.</p> |
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| Matter previously considered by: | Board of Governors | At each meeting |
| Further approval required? | No | N/A |

Vice Chancellor's Report: February 2015

At the first meeting of the New Year it is worth reflecting on progress to date in preparing for the 2015-2020 planning period. We have an agreed and published strategy and draft action plans have been developed for each part of the organisation; the three year decline in income has been reversed; and recruitment was at the 2750 target in line with budget for 14/15. The new organisational structure is agreed, the new leadership team in place and the new management structure is operational. The work with IBM to deliver the new communication tools and virtual learning environment is complete and data returns have been reviewed and cleansed in time for the December submissions. The portfolio review has been completed, estates, infrastructure and ICT issues identified and student related processes mapped ready for development. Alongside all this change student engagement appears to be increasing with double the number of student societies, and staff engagement with professional development has significantly increased moving from 0 senior fellows of the higher education academy to 67 as of January 2015.

We therefore start this calendar year in a positive position but still have significant activity left to complete in preparation for the 2015/16 academic year.

1.0 Staff appointments

Following external advertisement and a competitive process, we have now completed recruitment to all Dean posts. Professor Warren Turner has been appointed as Dean/Pro Vice-Chancellor, School of Health and Social Care and Professor Craig Barker joins as Dean, School of Law and Social Sciences as of 1st February. Craig is a graduate of the University of Glasgow, qualifying as a solicitor in Scotland in 1993 before starting his academic career at the University of Reading. He moved to the University of Sussex in 2004 where he was Head of Department.

Rob McGeechan has been appointed Director of Digital Technology Innovation, affirming our on-going commitment to refining and enhancing our use of technology. His newly-formed team, Academic Related Resources, will comprise Library Learning Resources, the ICT department and support technicians from around the university. He has significant public and private sector experience related to digital innovation and customer service support. Appendix A shows the organisational structure as previously reported to the Board.

We have shortlisted five candidates for PVC Education and Student Experience. These interviews will be complete in February.

1.1 Review of staff costs

We have undertaken an analysis of staff costs given the tight budget this year. This indicates that staff costs of £30.1m to 31 December 2014 are within £100k of previous year even allowing for:

- the 2% uplift in salaries agreed through the national pay framework, and
- the year to date element of non-recurrent costs associated with the change programme.

A more detailed report has been made to P&R. We continue to review and tighten our recruitment and staff cost reporting processes and are currently undertaking external benchmarking of our staff costs by area via Tribal which will help inform budget setting and workforce planning for 2015.

2.0 Corporate Strategy and Local Delivery Plans

The LSBU Corporate Strategy 2015-2020 was published in December 2014, setting out our five-year vision and ambitions. The Corporate Delivery Plan (CDP) details how these ambitions will be achieved and whilst the draft plan has not been published it will be refined through the local delivery planning process.

We are currently in the process of developing the Local Delivery Plans (LDP) which set out the vision and planned actions of each school and professional function. Initial plans demonstrated real ambition and long-range thinking across LSBU, but further work is required to align activity and ensure LSBU strengths and opportunities are fully realised. Final iterations of LDPs will be prepared March 2015, to inform budgeting and workforce planning. Discussions are currently being held around the roles required moving forward, especially in relation to the academic staff base and a more detailed report will be made to the Board shortly. The School Executive Teams are currently being appointed with wider leadership teams expected to be confirmed during March/April.

Alongside the Strategy and delivery planning process the Behavioural Framework was launched on the 24th November and sets out how we work together – the values and behaviours we expect of staff and this will be integrated into policies and processes. The first ‘temperature test’ is currently underway to enable us to monitor progress in the future.

The performance management framework is in development, to provide indicators and processes through which we can monitor service delivery, alongside monitoring of actions identified in LDPs. Key Performance Indicators have been developed with the University Board and a suite of underpinning performance indicators is in development, has been reviewed by P&R and is on today’s agenda. The project

team have trialled performance information dashboards, and are working with ICT to ensure that as far as possible underpinning systems are in place for performance reporting from the start of 2015/16.

3.0 Schools Administration

Work continues to progress on the transfer of functions from the previous faculty-based offices to the professional service functions and Ian Mehrtens is now Executive lead for this area of work. As of 5th January, Stephen Hackett became responsible for all staff within this area, which is now part of Student Support and Employment. The next stage has two elements. The first is to look at how those functions due to migrate to other Professional Functions can transfer as soon as possible without disturbing the smooth running of university administration. These staff will begin moving in coming weeks so they can engage with their new teams.

The second part is to consider how those functions remaining in Student Support & Employment can work to deliver a consistent service to the students and the Schools. Reviews of processes and systems will continue throughout the academic year, but no major structural or site change is envisaged before summer 2015. This process review is essential if we are to streamline and simplify systems whilst also increasing consistency.

4.0 ICT developments

The EDISON programme continues to progress well and as the development work closes, we will begin to increase the involvement of LSBU permanent teams and have less reliance on the specialist skills of IBM—although they will continue to provide support when necessary as we begin to more fully utilise the new tools we now have at our disposal.

The new 'My LSBU' (the student portal) is running smoothly, giving students access to the information they need with an intuitive, user-friendly interface. Since launching in December, there has been significant uptake with 24,735 unique visitors viewing on average over 32,000 pages per day with positive feedback received. The team are now exploring enhancements—for example, how we will use the portal for instant communications and information sharing—which would roll out shortly after April this year.

The Business Analytics platform, which will inform our student support pathways, is starting to gain traction with positive and constructive feedback coming from all areas of the pilots. We will use this feedback to further enhance the tool, ahead of a wider university launch next academic year. A closure report and presentation on these two aspects of Edison will be prepared for the next Board.

The migration of LSBU applications and systems to the new cloud-based data centre is also progressing; 52% of our applications have now moved across. This is a significant piece of work, giving us a more resilient and efficient platform for our systems. The team have achieved much of this migration behind the scenes and we are scheduled to complete in March 2015 although we have been impacted in recent weeks with issues of stability which IBM appear to have now resolved. A report has been provided to P&R Committee.

This will leave the Identity Management System (IAMs) to implement. As previously reported this has met with some challenges but the HR records system is now much cleaner and we are in the process of simplifying the number of places data is held. It is anticipated that IAMs will have been deployed by June of this year.

A review of infrastructure requirements is currently being completed to enable us to target key ICT investments and estates issues related to health and safety that need to be resolved as first priority and a case will be brought to the Board shortly.

5.0 Portfolio Review

We have completed the planned Portfolio Review project which involved a detailed analysis of the courses we offer and a more detailed summary was provided to Educational Character Committee. The Review covered 657 courses at sub-degree, undergraduate and postgraduate taught level, for which financial and performance data were analysed.

Following review 136 courses (21% of the overall portfolio) were identified for closure. In addition more than 500 obsolete modules have been identified and these can now be removed from the system. All Schools are continuing to review their portfolios, as part of developing their Local Delivery Plans, and over the next six months new courses (as distinct from modifications of existing courses) will be planned and taken through the approvals processes.

6.0 Research and Enterprise

A report on research and enterprise activity was taken to P&R and confirmed that we remain on target with respect to 14/15 income targets

6.1 REF2014

The outcome from REF2014 was a success for LSBU and a report was made to educational character and is on today's agenda. 54% of the University's research was ranked in the highest categories of 4* (world-leading) and 3* (internationally excellent). 73% of the University's research impact was considered 'outstanding' or 'very considerable' and puts us as a top (top 3) London Modern for 'impact'. In the

research intensity table published in January we were ranked at 66th based on the quality profile and the volume of our research staff submitted. These improvements mean we have maintained market share (as measured by what's termed the power index) although we have slipped 20 places if we measure ourselves based solely on the quality profile. This gives us a good basis though on which to work for the next submission.

6.2 Update on Research and Enterprise

Against a full year enterprise income forecast of £10,065,130 with a contribution of £5,905,742, December 2014 income is £2,880,716 and contribution is £1,506,581. The forecast, if achieved will put us above target.

- December figures are 29% (2013 33%) and 26% of income and contribution forecast respectively, at 42% of the way through the financial year.
- A gap analysis has identified income expected to be in the December figures but not so: this includes income from Business School collaborations, billing from the School of Health and Social Care, and a periodic ERDF claim for the Investment Accelerator.
- Invoicing activity will be increasing and is expected to re-align income with profile.

For the YTD to end December the Business Development team working with the Schools have closed enterprise sales totalling £753k. The gross value of the total current pipeline is £4.3million with an expected value of £900K; our cumulative conversion rate by value is 20% so this level of expected value is consistent. Sales to date have been dominated by BUS and HSC (totalling 72%), however the level of significant enterprise opportunities in ENG has developed rapidly and they are now the School with the highest expected value of opportunities at £326k.

The current KTP YTD status is one new approved KTP and two targeted for February application. We have now brought forward the start date and level of our telesales activity (which is our core leads source) and increased the resource allocated across the Business Development team to drive sales in this specific area. This means we have 4 approved and active KTPs with 1 waiting to recruit a consultant, and a further 6 in planning for submission before the end of this academic year moving LSBU back into double figures and establishing the University as a leading London provider. Each KTP provides links to business and the 5 currently approved contracts generate an income of some £750K.

The Clarence Centre remains full and the Technopark occupancy rate increased from 74% to 84% during December and January. The combined occupancy rate for LSBU lettings stands at 88%.

Tenants took on 6 interns. 5 were fully funded 6 week placements and 1 was a 12 week match funded placement.

6.3 Investment Escalator ERDF update

After discussions with the GLA, the European Regional Development Fund (ERDF) funded Investment Escalator project is up and running: this project is a free programme offering London SMEs the support needed to grow and improve access to finance, benefit from tailored one to one coaching, topic specific workshops and consultancy to help secure investment finance, develop successful growth strategies, unlock marketing potential, maximise the power of people and optimise business systems.

The Funding Agreement was finally signed in June 2014 which has shortened the delivery window by half. The team has been working hard to make up time and made considerable progress, notably: all major procurement is completed, programme management system and business diagnostic tools are live, SME recruitment is underway and nearly 50 SMEs have registered; East London Small Business Centre have been awarded the contract for Business Advice, Basic workshops and Access to Finance coaching and have submitted and been paid for 3 claims from the funders. The original total cost of the project was £957k with the ERDF grant of £479k. The figures now stand at £790k with ERDF grant of £395k.

7.0 Recruitment (as at 26 January 2015).

7.1 UK/EU applications.

Applications are broadly in line with last year's figures; in comparison with last year LSBU is tracking at -0.23% for all applications, however HSC applications have fallen by 9% (similar to other HEIs). Excluding this factor University applications are up 10% and whilst HSC are recording fewer applications, they are showing a more successful conversion rate to acceptances.

- Undergraduate full time offers are up by 4.42% overall and acceptances are up by 19.07%, however there are some significant differences in offers between schools:
 - Arts and Creative Industries are down against last year, but this is being impacted by a number of factors, including the change in admission process where we are trialling greater use of interviews.
 - Built Environment and Architecture is also down with drops in both Architecture and Surveying offers to date.
- Undergraduate part time offers are up by 16.67%, but from a very small base.
- Postgraduate full time and part time offers are up.

We therefore currently expect to be on target for 2015 entry and are roughly in line with last year in terms of applications (table below). I expect this year will be very competitive with a number of institutions seeking to expand and more of the elite institutions starting to recruit BTEch as well as A level entrants. Changes to the Access structure (which accounts for 50% of our numbers) may also impact – for example this may well be a key driver in the drop in applications for HSC given the new requirements around GCSE Maths for these qualifications. A more detailed paper has been provided to P&R.

Summary of recruitment

| Summary | 2013 | 2014 | 2015 | %Δ 2013/15 | %Δ 2014/15 |
|-------------------------|-----------|-----------|-----------|---------------|---------------|
| LSBU Applications | 18,490 | 19,780 | 19,735 | 6.73% | -0.23% |
| National Applications | 2,478,377 | 2,585,217 | 2,640,056 | 6.52% | 2.12% |
| Competitor Applications | 141,048 | 145,405 | 136,429 | -3.27% | -6.17% |

7.2 International recruitment

Semester 1 brought about a 37% increase in new international student enrolments. Overall, the UK is reporting a 3% growth in international students for 14/15, but post-92's continue to report declines in enrolments for the fourth consecutive year. Growth remains restricted almost uniquely to the Russell Group hence we are performing well – although from a low base.

Income is set to exceed £10m against a budget of £9.1m, reflecting buoyant new enrolments and an increase in continuing students progressing within the institution. CEG students progressing to LSBU also generated in excess of £1m for the first time, and is projected to rise to £2m in 2015/16. International income for Semester 1 alone generated £9.2m.

The University remains acutely aware of the responsibilities placed on it from the Home Office/UKVI to manage and maintain the 'Highly Trusted Sponsor status'. This was renewed recently for this academic year and LSBU supports a dedicated team within the international office to keep pace with a rapidly changing regulatory environment, brief Schools and manage overseas student applications whilst keeping the visa refusal rate below the stipulated UK wide benchmark of 10%. Overseas student recruitment is increasing and is modelled to increase further in future years, consequently this compliance is critically important.

Semester 2 starts will begin enrolment on 24th January. In total 127 CAS have been issued to sponsor international students to join LSBU for Semester 2 starts, in comparison to 69 for January 2013.

A new on-line enrolment system will be deployed in February which is expected to support 2015 recruitment and which will significantly speed up turn around for applications. We have also heard that we will receive a second year of funding for Science without Borders (Brazil). Applications to LSBU total 171 which is a considerable increase compared with last year. The driver for this success is the positive experience reported by LSBU students and is not reflected across the HE sector with many institutions seeing substantial reductions in applications.

7.3 International Recruitment and UKVI

The UK Visa and Immigration Service, has communicated with the University (following a constructive meeting in late October) to confirm action being taken regarding students in possession of an invalid Test of English for International Communication (TOEIC) certificate. UKVI has confirmed interest in only 8 students, and will copy the University into communication with those students, once proceedings to remove them from the UK have commenced. LSBU has, in turn, committed to the instigation of suspension of registration, once UKVI have notified us. Of the 8 students concerned, 5 are at the stage of dissertation, or project, and we are looking at ways that they might conclude their studies at a distance.

One further student is required to be re-tested under a different scheme, and we are following this up with the individual concerned.

8.0 Update on NHS Contracts and Benchmark Price

NHS-funded education provision in London is currently provided under three contract arrangements:

1. The London Education Contract (LEC) for pre-registration (2008).
2. The London contract for Continuing Personal and Professional Development (2009).
3. The London Education Contract for Adult Nursing and/or Physiotherapy Education (2012).

In London all contracts are fixed-term and time-limited. The rest of England (i.e. HEIs outside London) is subject to a different contract – The National Framework Agreement (2008). This is an in-perpetuity agreement, requiring mutual consent of both parties (NHS and HEIs) to vary or terminate.

At LSBU most of our pre-registration business is provided in accordance with the LEC (2008) which expired in 2013, but which has been extended to cover intakes for September 2014 and 2015.

The CPPD contract is currently being re-tendered and we have submitted a response to this tender. Outcome is due at end of February for September 2015 commencement.

NHS/ Health Education England (HEE) have indicated their wish to bring all pre-registration provision under the terms of a new agreement for the whole of England, though they now recognize that this can only be achieved with the mutual consent of the HEIs. They have therefore extended existing contracts, and seek to gain agreement by March 2016 for a new contract framework.

The price paid for these services is tied into the contracts and set at a National Benchmark Price (BMP). NHS/HEE initially sought 8% reductions to the BMP for Sept 2014 intakes, though backed down following opinion of leading counsel obtained by UUK/ Council of Deans of Health.

They have now announced – in a leaked memo to one Local Education and Training Board – that the BMP will remain at the current rate for Sept 2015. NHS/ HEE have agreed to work with HEIs, UUK and Council of Deans on a new framework and agreement (including BMP) for potential implementation in April 2016. However, it is clear that NHS/HEE cannot unilaterally impose either a new agreement or BMP on HEIs without agreement. LSBU is engaged in these discussions via Council of Deans. In the current climate there remains a risk to the BMP for 2016/2017.

9.0 Update on Quality Review of Health Provision.

We have a total of 14 NHS pre-registration courses in adult nursing, children's nursing, mental health nursing, learning disability nursing, occupational therapy, diagnostic radiography, therapeutic radiography, operating department practice and midwifery, at UG and PG levels. Each course is subject to 19 qualitative performance indicators. We have just received confirmation of 'green' RAG ratings for all qualitative performance indicators for all our NHS contracted pre-registration courses. To have all 19 rated green for all 14 courses is an excellent outcome and represents a 'clean bill of health' for our NHS contracted provision in this year's contract monitoring exercise. Quantitative indicators are due next week and we are expecting similar significant improvements in these compared to last year's results.

We have already received the outcome for our CPPD contract quality audit and this was also rated 'green' throughout. This is wonderful news and represents much hard work from staff across the School who delivered on a range of actions arising from the 2012-13 review. I will provide a more detailed overview in the next VC report.

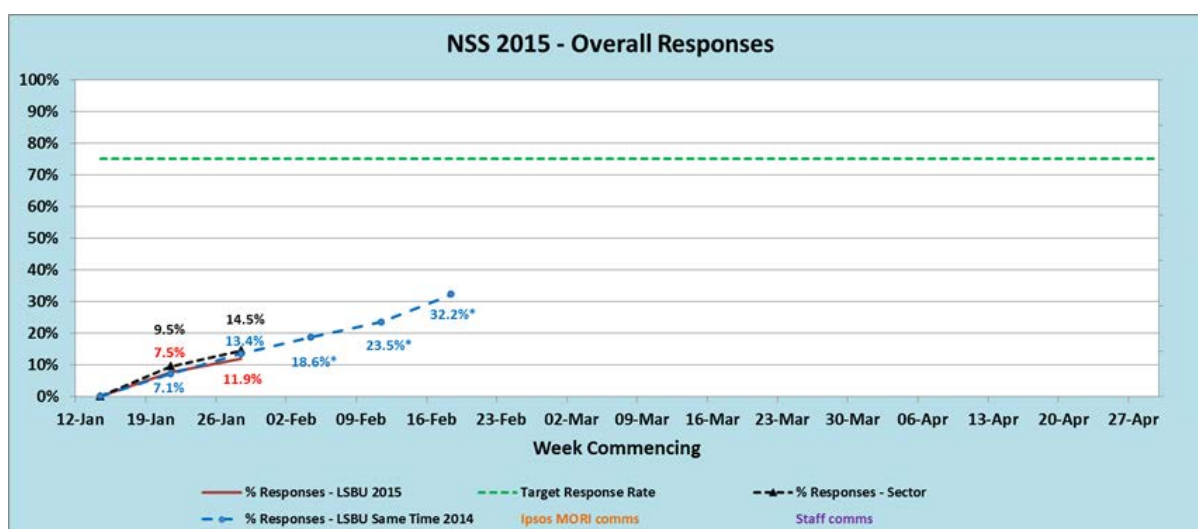
We do, however, continue to work apace at further strengthening our provision for the NHS, to make sure it remains fit for the future. In particular we are consulting on changes to the mental health and learning disability nursing department to increase

both research and advanced clinical expertise amongst our academic team and to develop joint clinical academic posts with our NHS partners and a new Reader post to develop research capability of the team. We are also about to embark on a major review of all pre-registration curriculum which will take place over the next 18 months and involve all key stakeholders including academic staff, students, employers, service users and carers, and regulatory bodies. We are doing this to design into our courses more opportunities for inter-professional working and collaborative working between health and social care professionals, and to ensure that our courses continue to meet rapidly evolving needs of the NHS as the key employer of our graduates.

10.0 Student satisfaction and achievement

10.1 National Student Survey

The collection of data for the National Student Survey (NSS) has started. This will feed into the League tables as of September (the spring tables will use last years data). Engagement is in line with expectation as of Jan 28th.



10.2 Office of the Independent Adjudicator

The OIA visited on 27 January to meet LSBU's SU as well as the LSBU Executive and Complaints Team. Feedback has been positive and acknowledged:

- The volume of new LSBU cases submitted to the OIA has been halved.
- Our swift implementation of a new Student Complaints Procedure that is modelled on the OIA's *Good Practice Framework*.
- Our new system of handling Stage 1 informal complaints via the Student Life Centre.

- Recruitment of Conciliators from our academic and administrative staff, who will deal with Stage 1 complaints via the Student Life Centre or LSBU's Students' Union.

Summary table of OIA complaints

| Complaints per year | LSBU | HSC | AHS | ESBE | BUS |
|---------------------|------------|----------|----------|----------|----------|
| 2014 | 61 (100%) | 27 (44%) | 18 (30%) | 10 (16%) | 6 (10%) |
| 2013 | 89 (100%) | 50 (56%) | 9 (10%) | 11 (12%) | 19 (22%) |
| 2012 | 119 (100%) | 56 (47%) | 30 (25%) | 19 (16%) | 14 (12%) |

Progress is therefore positive but further improvements are needed to reduce numbers still further.

10.3 DHLE

Collection of data for the student employability survey is underway. In addition to existing support we have provided a range of targeted internships for alumni needing additional experience to help find work and also a Postgraduate Certificate to help in career development that we are providing free of charge. The intern programme is supporting c60 alumni and the PGCert c15 meaning we are approaching our target of additional support to 80 students that had not found work or further study.

11.0 Academic Staff Development Unit

ASDU's main priority is delivering routes to fellowship of the Higher Education Academy. From no Senior Fellows in January 2013 we now have 67 which is a significant achievement. The unit supports claimants for Principal Fellowship (the highest award) through direct submission to the Academy. The Higher Education Academy expects only up to ten Principals from each institution and we are currently supporting six through the process. Chris Dowlen, Visiting Fellow is LSBU's first successful PFHEA. These figures are now monitored in our HESA submission. I expect we will show a relatively poor position compared to other institutions if these returns are analysed based on 2013/14 but should be approaching benchmark by the next submission.

12.0 Corporate Messaging

We have been working with public affairs consultancy Ketchum to establish clearer messages about the University and its strengths. The purpose is to ensure we provide consistent external and internal messages about the University and its strengths in language which is readily accessible to people outside of the Higher Education sector. This will be supported by publication of a 2014 Annual Review at our University Court event in March. A Message House is attached as Appendix B, based on the Corporate Strategy and this is intended to provide a tool to engage

staff with key messages. It will provide the focus of debate at a future development day for Operations Board after which final modifications will be made

13.0 Confucius Institute

I attended the annual Confucius Institute Conference in December 2015. The event was attended by 2400 delegates and the Vice Premier of China Liu Yangong attended to present awards to a limited number of organisations: Excellent Confucius Institute and Confucius Classroom Awards; and Individual Personal Excellence Awards. The attendance of the Vice Premier, the media coverage and comments from attendees indicated that these are regarded as substantial national awards with LSBU, Edinburgh and Sheffield all receiving recognition.

Work has been agreed and is now underway to refurbish Caxton House and the completion date is scheduled for 3rd July 2015.

14.0 People and Planet University League tables

A league table of UK universities' environmental and social impact has rated London South Bank University as "first class." The annual People and Planet University League awarded LSBU 17th place from 151 institutions throughout the UK. Each university is assessed on criteria including carbon reduction, student and staff engagement, sustainable food, workers' rights, ethical investment and education for sustainability. Whilst not counting towards our league table score it is referenced by league tables and used by applicants. In 2013 LSBU was the only mainstream university listed as not entering so this is an excellent result for us and great progress (for the full table please see <http://peopleandplanet.org/university-league/2015/tables>).

15.0 Academies Update

15.1 South Bank Engineering UTC

The UTC project continues to make progress as planned, although the building project is facing delays due to lack of interest from building contractors. Bowmer & Kirkland have now agreed to take up the project and discussions on production scheduling and building specifications are on-going. The Trust received the project development grant from the Department for Education to cover the lead-in costs such as the project management, education consultancy and marketing consultancy. The statutory public consultation process is currently taking place with a range of communities in the UTC's catchment area. The recruitment process for the post of Principal Designate is on-going and this will be completed by 16th February. We are though currently in discussions with the Education Funding Authority for a Lease for the UTC's land and buildings. The current structure provides for the UTC

undertaking a sub-lease from the free school which is on site. I do not believe this to be a workable solution and have indicated that we would not be able to progress under this arrangement.

15.2 UAE Academy

The Academy opened with 90 students in Year 7 in September 2014 as planned. The school continues to strongly develop and has already made a positive impact on the Southwark community which it serves. The Academy has become regional hub for F1 in Schools initiative, with students participating in F1 in Schools projects. The recruitment activities for 2015/16 school year are on-going. Over 400 potential students visited the Academy with over 300 expressing an interest in attending. 240 students sat the Fair Banding test. The Academy has also been engaging the community by making its sports hall available to community activities. We will target a 150 intake for September and feedback from DfE would indicate they see this as a significant success.

16.0 Public Affairs Engagement

Our public affairs work is well underway and meetings have been held so far with the following:

Councillor Peter John - Leader Southwark Council
Councillor Lib Pullen – Leader, Lambeth Council
Councillor Alan Smith - Deputy Mayor of Lewisham
Lord Ahmad – Parliamentary Under-Secretary DCLG (and alumnus)
Roberta Blackman-Woods MP – Co-Chair of All Party Parliamentary Group on Universities
Nic Dakin MP – Co-Chair, All Party Parliamentary Group on Employment and Skills
Baroness Pauline Perry – Conservative Whip in House of Lords, former Vice Chancellor
David Willetts MP – former Universities minister
Heather Miller - Deputy Director Pathway to Skill, BIS.
Lord Broers – Chair, All Party Parliamentary Group on Engineering.

16.1 Government consultation on Prevent duty guidance: Counter-Terrorism and Security Bill

The Counter-Terrorism and Security Bill was published on 26 November 2014. Draft guidance sets out a range of activities universities are expected to undertake to fulfil the statutory duty. The Home Office is consulting on the guidance and we have contributed via Million+, UUK and directly to the Home Office.

The level of detail contained in the guidance is in my view inappropriate and unworkable. If approved there would be implications for the Board which would need to satisfy itself we had appropriate risk management and oversight of 'extremism' in the University and this guidance and could lead to conflict with the requirements of the Education Act 1986.

16.2 Significant future financial challenges for the higher education sector

A review of university and college finances published by HEFCE concludes that the higher education sector in England was in sound overall financial health in 2012-13, and will remain so in 2013-14. However, the forecasts for 2013-14 do not reflect further significant funding reductions announced in the Government's grant letter to HEFCE in February 2014.

Overall the sector reported operating surpluses of £956 million (3.9 per cent of income), which were £17 million less than the level reported for 2011-12 (4.2 per cent of income). Strong cash balances and healthy reserve levels were also reported in 2012-13. But future reserve levels and pension deficits are likely to be significantly affected by a new requirement on institutions to include pension scheme liabilities on their balance sheets.

The forecasts for 2013-14 show that the sector plans a considerable increase in capital infrastructure expenditure, from £2,646 million in 2012-13 to £3,861 million (a rise of 46 per cent). However, this growth may not be sustainable without continued government support and market confidence. A number of universities can be seen to be instigating significant estates projects to position for a more competitive future

There continues to be wide variation in the financial performance of individual institutions across the sector, and some institutions will face challenges if they experience repeated falls in student recruitment.

The removal of the student number cap from 2015-16 will create both opportunities and risks, and increasing levels of uncertainty over student recruitment. This could lead to greater volatility in financial forecasting, and even greater variations in individual institutional financial performance.

The challenge for LSBU is investing in a managed way whilst ensuring we grow market share.

17.0 LSBU Staff and New Year's Honours

I am delighted to tell you that this year nine people connected with LSBU were recognised with awards in the New Year Honours List. They are:

Dames Commander of the Order of the British Empire:

Ms Esther Louise Rantzen CBE — Honorary Graduate
For services to children and older people through ChildLine and The Silver Line.

Professor Eileen Sills CBE — University Court member
Chief Nurse and Director of Patient Experience, Guy's and St. Thomas's NHS Foundation Trust. For services to nursing.

Commanders of the Order of the British Empire:

Professor Ruth Sarah Farwell — Former PVC
Vice-Chancellor, Buckinghamshire New University and lately Chair, GuildHE.
For services to higher education.

Mr Richard Jones — Alumnus
Opera and Theatre Director. For services to music.

Ms Judith Pamela Kelly OBE — Honorary Graduate
Artistic Director, Southbank Centre. For services to the arts.

Ms Diane Elizabeth Lees — University Court member
Director General, Imperial War Museums. For services to museums.

Professor Peter Wynne Rees — Honorary Graduate and Alumnus
Lately City Planning Officer, City of London Corporation. For services to architecture and town planning.

Dr Anna Danielle Van Der Gaag — University Court member
Chair, Health and Care Professions Council. For services to health and care.

Medal of the Order of the British Empire:

Ms Effat Rahimi-Kaloujeh Sims — Alumna
Operational Manager (Inclusion), Westminster Academy, London. For services to education.

17.1 Student/Staff Success Stories

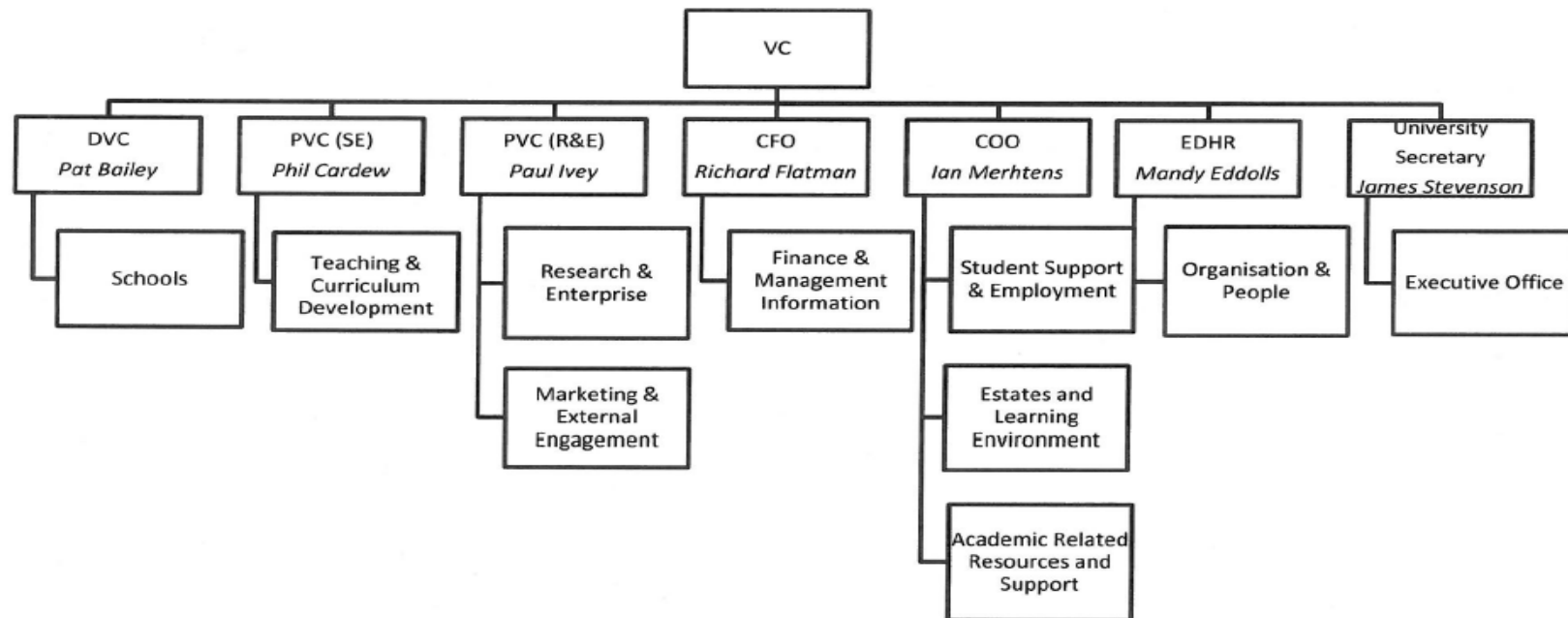
- LSBU have been awarded a High Impact award in recognition of its involvement in the Global Entrepreneurship Week 2014 (GEW), an international campaign

that celebrates enterprise and encourages the public to explore its entrepreneurial potential. The award was conferred by GEW organisers Youth Business International, a charitable organisation that supports young entrepreneurs in over 40 countries.

- Business student Naseeba Mhearban won the "London is my Campus" competition to design new mobile app. Naseeba who is in her second year of a BA Business Studies course was chosen over entrants from 24 other universities and higher education colleges to be part of the six-member student team who will lead the project.
- Shushma Patel, Professor of Information Systems in the School of Business has been selected to be an expert evaluator for Horizon 2020, the biggest research and innovation programme in the European Union. Horizon 2020 is the EU's flagship initiative aimed at securing Europe's global competitiveness. With nearly €80 billion of funding available over seven years – in addition to the private investment that this money will attract – Horizon 2020 is set to deliver more breakthroughs, discoveries and world-firsts by taking ideas from the lab straight to the market.
- The Education department successfully bid to deliver 20 Primary Specialist PE ITT places. Feedback from the National College of Teaching and Leadership was positive stating that the bid clearly researched into local need and demand, had sensible targeting of recruitment and that the programme design as well thought through.

Appendix A

Organisational structure



“A vibrant university in the heart of London providing access to international expertise, enterprise knowhow and employees ready to make an impact in the workplace

Forging individual success:

- We provide our graduates with the latest knowledge, practical skills and creative understanding employers want.
- We are London’s university for working people who come to us to enhance their careers.
- We are London’s enterprising university – we support students and others to create and build their own businesses.

Changing the face of businesses, social enterprises and public services:

- We focus our research and enterprise activities on practical challenges through which we can benefit companies, public services and society.
- We invest in the latest technologies and practical programmes to provide education and training which reflect the workplace.
- We have a diverse student body which mirrors London’s workforce and provides enterprising graduates who have impact in the workplace.

Contributing to the talent, enterprise and infrastructure underpinning London’s success:

- We are London’s only campus university in its central “Zone One”.
- We are a meeting point at the heart of the world’s capital city where local people, organisations and businesses can engage with international talent, knowledge and enterprise.
- We provide access to expertise around the world through our international centres for research and enterprise

- LSBU’s courses are all accredited by or developed with the industry’s leading professional bodies.
- LSBU has the highest proportion of mature learners in HE in England – 68% of our students are over 21yoa.
- LSBU is London’s leading non-specialist provider of part-time higher education – half of our students study part time.
- LSBU is a top 20 university for part-time post-graduates – a quarter of our students are on PG courses with 30% sponsored by their employers.
- LSBU’s Clarence Centre for Enterprise and Innovation houses over 50 student businesses.
- LSBU has invested £15m with IBM to help provide a highly personalised education for each student.

- LSBU is a top 20 university for engineering research in fields such as nuclear safety, transport engineering and refrigeration..
- LSBU provides students with the technical skills which make them workplace-ready. We invest in and train our students on the latest industrial technologies including in our Building Information Modeling, Robotic Fabrication and Virtual Engineering Centres.
- LSBU students gain practical experience through programmes such as our award-winning Legal Advice and Business Advice Centres
- LSBU has 1000 employer partners which each year fund the education and training of over 4500 of our part time and full time students, paying their fees, providing training in the workplace and funding time away from work.

- LSBU has 20,000 students - 75% are from London and most remain to contribute through their businesses, its infrastructure and new enterprise.
- LSBU’s business incubator facilities house companies with a turnover of over £37m pa.
- LSBU’s research centre with the British University in Egypt is creating new expertise in engineering and renewable energy.
- LSBU is the sponsor of the University Engineering Academy for 14-19 year olds; in 2016, we open a new University Technical College supported by sponsors SKANSKA and Guy’s & St Thomas’
- LSBU trains a quarter of London’s nurses and allied health professionals and is home to the UK’s largest School of the Built Environment and Architecture

| | |
|--------------------|---|
| | PAPER NO: BG.05(15) |
| Paper title: | Report from the Chief Financial Officer |
| Board/Committee | Board of Governors |
| Date of meeting: | 12 February 2015 |
| Author: | Richard Flatman, Chief Financial Officer |
| Executive sponsor: | Richard Flatman, Chief Financial Officer |
| Purpose: | To update the Board on financial matters. |

| | |
|--|--|
| Executive Summary | |
| Context | This report provides an update on matters which contribute to the future financial sustainability of the University. |
| Question | On which significant financial matters does the Board need to be updated? |
| Conclusion & Recommendation | The Board is requested to note the report which provides a progress update on financial matters. |

| | | |
|----------------------------------|--------------------|-----------------|
| Matter previously considered by: | Board of Governors | At each meeting |
| Further approval required? | N/A | On: |

Attachments:

1. December 2014 management accounts summary

Report from the Chief Financial Officer: February 2015

1. Current Financial Position

The full year forecast as at December 2014 is trending towards a contribution of £500k. This is an unchanged position from last month and reflects the reduction in our HEFCE grant following the HESES14 submission (which relates to old regime students and will not therefore reoccur) and unbudgeted investments in ICT staff costs of £300k as the University prepares itself for the full implementation of the EDISON project.

Staff costs are tightly controlled. After adjusting for the impact of one off re-structure costs, staff costs of £30m at 31 December are only £100k than the corresponding period last year. This is after accounting for the:

- 2% uplift in salaries agreed through the national pay framework, and
- year to date element of non-recurrent costs associated with the change programme.

We continue to review and tighten our recruitment and staff cost reporting processes and are currently undertaking external benchmarking of our staff costs by area via Tribal which will help inform budget setting and workforce planning for 2015.

This broadly flat position in terms of staff costs is not currently reflected in the full year forecast for staff costs which will be reviewed over the next few months and is expected to fall.

The Full Year Forecast contains a number of risks including a forecast of £1m for second semester enrolments, although the latest indication is that this target will be met. In order to mitigate the risks we are holding an Operating expenditure contingency of £0.5m and a provision of £1.5m relating to costs associated with organisation re-structure. It is likely that those re-structure costs will crystallise in year and to date change proposals have been identified with costs ranging from £938k (likely) to £1.3m (worst case).

The Executive remains focused on delivering against agreed budget surplus of £1m. Whilst not relying on contingency to deliver the outcome given the potential scale of one-off re-structure cost in year, we are confident that the tight control of staff cost, together with the flexibility given the year to date staff cost position will enable us to deliver against budget.

2. Update on second semester enrolment

Enrolment for second semester-start courses is progressing well. As at 29 January 2015, 441 students had completed enrolment including 242 Home/ EU students and 199 overseas students. There are a further 161 part-way through the enrolment process of which 104 are Home/EU students with the balance of 57 being overseas students.

These numbers are slightly ahead of target. As fees for these students are still being processed we do not yet have a final figure for the income generated by these enrolments. The second semester average fee is always lower than first semester because of the student mix. There are no full fee paying FT UG students for example. Many students are part time, repeat students, study abroad or health CPD. However, the signs are encouraging and we should meet the second semester income target of £1m. Furthermore, we could end the year with overseas income in excess of £10M. At present, the management accounts show a full year income forecast of £9.5m for overseas students.

3. External reporting

The Annual accountability return (as approved by Board in November 2014) was submitted to HEFCE in December. No matters have been raised by HEFCE and we await the risk rating based on their review.

The HESES student return was submitted in December and signed off in January, in accordance with HEFCE's standard timetable for HESES returns. The financial impact has been incorporated into the latest forecasts.

The HESA Finance return has also been submitted and signed off. A detailed review took place before submission, with the aim of optimising the areas of spend that feed into the league tables. As a result, a number of changes were made before submission. The submission relates to spend reported in 2013/14 and does not change any budgetary assumptions.

The University's Transparent Approach to Costing (TRAC) return has been submitted to HEFCE after review by the Executive and Andrew Owen on behalf of Audit Committee. This is a mandatory return made annually in January, reconciled to the statutory financial statements, the purpose of which is to demonstrate the full costs of research and other publicly funded activities. The return shows that in total we recovered 92.4% of full economic costs across the broad range of University activity in 2013/14 (95.6% in 2012/13). This demonstrates the need to improve levels of reported surplus, consistent with the agreed strategy/ KPIs.

The University has recently completed and submitted to the London Pension Fund Authority (LPFA) the annual declaration form as part of the covenant checks. The purpose of this process is to provide assurance to the LPFA that HE institutions are sustainable and can continue to meet contributions as they fall due. Given the recent lead that LSBU has taken regarding changes to employer categorisation, we have agreed to act as a pilot for completion of an amended, shorter declaration form linked far more closely to the information submitted to HEFCE as part of the annual accountability review submission. The return was submitted ahead of the December deadline and we await the outcome.

4. Planning and budgeting for 2015/16

The Executive have reviewed the first draft of the Local Delivery Plans at a review day in January and are working to ensure that these plans support the goals and objectives of the Corporate Delivery Plan. Updated plans will be presented to the Operations Board in February.

Finance are currently updating the 5 year rolling financial forecast following second semester enrolment and will be working closely with the Schools to determine their student recruitment targets for 2015/16. The first year of the 5 year forecast and the student recruitment targets will form the basis of the 2015/16 budget round.

We are also working with Tribal Benchmarking to review and analyse in more detail the University's financial performance in 2013/14 against a number of our London comparators and a wider HE sector group. The results from this benchmarking survey will also be used to inform the budget target setting process and workforce planning.

5. Corporate performance reporting

The KPI set, targets and ratings for 2014/15 have been further developed in response to the recommendations of the Board of Governors KPI working group and have been reviewed in detail by Operations Board, Executive and Policy and Resources Committee. The KPI set, together with proposed RAG ratings for 2014/15, is submitted under separate cover for Board approval.

In addition, an initial set of PIs has been produced, via a working group with wide University representation, and has been presented to Operations Board, along with a mock-up of the proposed dashboard reporting environment which presents the KPIs and PIs in a structured environment for future reporting and analysis.

This has been well received, and a specification document and business case is now in the process of development.

6. Data quality / assurance

Finance and Management Information (FMI) is also leading on the Data Quality Management / Assurance project. This project is focused on improving data quality across the university. Phase 1 of the project involves development of a data management policy, framework and governance structure. Additionally, the project will provide clarity regarding responsibility for data sets in a devolved data ownership model.

The key data users and managers within the University have been identified, and a cross-functional, University wide working group defined. An initial workshop for the group was held on 3 February 2015.

The draft LSBU Data Management Policy document is on track for delivery by the end of February. The mechanism for quality assurance for identified external returns forms part of the agenda for the working group, together with the process for allocating owners for corporate and locally owned data sets.

7. Audit matters

As previously reported, HEFCE are undertaking a small audit of 2012/13 data. They have reviewed a group of 30 records identified by them as particularly likely to be incorrect. This work showed that we were incorrectly returning APEL modules in 2012/13 and we corrected this error in the 2013/14 file. As there are not large numbers of APEL students this issue is not judged too severe. The next stage will be a larger, random, sample for review which HEFCE have not yet defined so nothing further to report at this stage

2014/15 is the final year of the current PwC internal audit contract. Audit committee has agreed a re-tender approach via mini competition through a pre-tendered pan-government APUC framework available to members of the London Universities Purchasing Consortium (LUPC) for the provision of audit services. The initial period of the contract will be three years with the possibility of a further 2 one year extensions. The first 3 years of the contract (and any subsequent extension) to be subject to annual performance review against agreed KPIs. The tender specification has been agreed and issued and a further update on submissions will be provided to Audit committee on 26 February. The Chair of Audit committee will chair the tender selection panel.

8. Other matters / highlights

We are working closely with the Enterprise team supporting the ERDF Escalator Project which helps local SME's gain access to business planning expertise and Finance. This project is match funded by the European Union and this month we have put in our largest claim to date and have recovered over £100K.

Finally, over the last 2 years, FMI has been building a close relationship with the University's Business School. 20 students from the School have been employed within FMI as interns and we currently have 4 on our winter program; 2 are working with the Procurement team analysing high volume low, transaction spend, 1 is with Financial Control reconciling the Halls of Residence debtors ledger and 1 is with Financial Planning preparing local 5 year forecast models for the schools. A member of FMI has also, this month, delivered a Guest Lecture for Business School students studying Quantitative Methods. He is currently marking 45 items of coursework.

1) This Executive Summary reports on the Financial position of London South Bank University as at 31 December and summarises the changes since the November Forecast

2) RAG Status

Income Growth 0.9% Staff Cost Growth 3.5% Staff Cost % 57.2% Opex Growth -2.2% Student Dropout % 2.5% change in FYF Contribution -46.6%

3) Summary

The full year forecast as of December 2014 is trending towards a contribution of £500K. This is an unchanged position from last month and would leave the University £500K short of budget. The key reason for the budget shortfall is the reduction in our HEFCE grant following the HESES14 submission and unbudgeted investments in ICT as the University prepares itself for the full implementation of the EDISON project.

The University has now committed its HESES student return and this would suggest that our HEFCE grant will be £1M lower than budgeted. We took a provision centrally for this reduction last month and this month have recharged it to the Schools affected. This shortfall is due to lower numbers of old regime UG students than forecasted and more of them studying on a PT basis. Recruitment of new UG students is on target but these no longer attract significant HEFCE funding. In terms of old regime UG students, the shortfall particularly impacted band D students and so the School of Arts & Creative Industries, the School of Business and the School of Law & Social Sciences were the most impacted. Registry are currently reviewing their forecasting methodology and the behaviour of our student body in order to ensure that the 15/16 budget has a more appropriate grant forecast.

In terms of staffing costs, even with the £300k unbudgeted investments in ICT staff, the University should deliver under its staffing budget for the year and this alone would restore us to a balanced budget position. The University is currently £2M underspent YTD on staffing costs whilst the forecast assumes that we will overspend our staffing budget for the year. For this to happen, our monthly staffing cost would have to immediately increase from £6.1M a month to £6.7M. Whilst this is unlikely (and financially unsustainable at this time), we only reduce our staffing forecasts with the co-operation of budget holders and this has not happened within all areas yet. Some of the delay in reforecasting maybe due to posturing in advance of the 15/16 budget target setting process. The Operations Board have taken the view that until the University is back on budget any YTD staff savings should not be invested in OPEX and we will be monitoring that closely. YTD savings are broadly split 50 / 50 between the Schools and Professional Service Functions

4) Table 1: Full Year Forecast vs. Budget

| Financial Summary in £'m | 13 / 14 Actual | 14/15 Budget | Change % |
|--------------------------|-------------------|-----------------|-------------|
| Funding Grants | 25.8 | 19.0 | -26% |
| Health - Contract | 25.2 | 24.4 | -3% |
| Home / EU UG Fees | 44.0 | 54.7 | 24% |
| Home / EU PG Fees | 7.8 | 6.7 | -14% |
| Overseas Fees | 8.5 | 9.0 | 6% |
| Research Grants | 1.8 | 1.4 | -23% |
| Enterprise Activities | 7.4 | 8.8 | 19% |
| Student Related Income | 9.9 | 10.2 | 3% |
| Other Operating Income | 4.0 | 1.9 | -52% |
| Endowments & Interest | 0.3 | 0.3 | -9% |
| Income | 134.8 | 136.5 | 1.3% |

| Nov 14 / 15 FYF | Monthly Move | Dec 14 / 15 FYF | variance to Budget | Budget variance% | variance to 13/14 |
|--------------------|-----------------|--------------------|-----------------------|---------------------|----------------------|
| 18.1 | -0.1 | 17.9 | -1.1 | -6% | -31% |
| 24.6 | 0.0 | 24.6 | 0.2 | 1% | -2% |
| 54.5 | 0.0 | 54.5 | -0.2 | -0% | 24% |
| 6.8 | -0.0 | 6.7 | 0.1 | 1% | -13% |
| 9.3 | 0.1 | 9.5 | 0.5 | 5% | 11% |
| 1.4 | 0.2 | 1.6 | 0.2 | 17% | -9% |
| 8.7 | -0.0 | 8.7 | -0.1 | -1% | 18% |
| 10.2 | 0.0 | 10.2 | -0.0 | -0% | 3% |
| 1.9 | 0.0 | 1.9 | -0.0 | -0% | -52% |
| 0.3 | 0.0 | 0.3 | 0.0 | 0% | -9% |
| 135.8 | 0.2 | 136.0 | -0.5 | -0.3% | 0.9% |

| 13 / 14 YTD | 14 / 15 YTD | Variance to 13 / 14 | Variance % |
|----------------|----------------|------------------------|---------------|
| 11.5 | 7.7 | -3.8 | -33% |
| 10.2 | 10.1 | -0.1 | -1% |
| 46.0 | 57.1 | 11.1 | 24% |
| 7.0 | 5.8 | -1.3 | -18% |
| 7.7 | 9.2 | 1.5 | 19% |
| 0.7 | 0.9 | 0.1 | 19% |
| 2.4 | 2.4 | 0.0 | 1% |
| 4.3 | 4.4 | 0.0 | 1% |
| 1.2 | 0.8 | -0.4 | -35% |
| 0.1 | 0.1 | 0.0 | 23% |
| 91.2 | 98.4 | 7.2 | 7.9% |

| in £'m | | | |
|-----------------------|--------------|--------------|-------------|
| Academic Staff Costs | 41.3 | 40.7 | -2% |
| Support & Technicians | 30.4 | 35.2 | 16% |
| Third Party Staff | 3.5 | 1.9 | -44% |
| Depreciation | 8.5 | 9.5 | 12% |
| Operating Expenses | 44.3 | 42.9 | -3% |
| Interest Payable | 3.8 | 4.7 | 24% |
| Exceptional Items | 0.0 | 0.6 | 0% |
| Expenditure | 131.7 | 135.5 | 2.9% |

| 40.7 | 0.1 | 40.9 | 0.2 | 0% | -1% |
|--------------|------------|--------------|-------------|-------------|-------------|
| 34.2 | 0.0 | 34.2 | -0.9 | -3% | 13% |
| 2.8 | -0.1 | 2.7 | 0.8 | 41% | -22% |
| 9.0 | 0.1 | 9.1 | -0.4 | -5% | 7% |
| 43.3 | 0.0 | 43.3 | 0.4 | 1% | -2% |
| 4.7 | 0.0 | 4.7 | 0.0 | 0% | 24% |
| 0.6 | -0.0 | 0.6 | 0.0 | 0% | 0% |
| 135.3 | 0.2 | 135.5 | -0.0 | 0.0% | 2.9% |

| 16.6 | 15.8 | -0.8 | -5% |
|-------------|-------------|-------------|--------------|
| 12.6 | 12.9 | 0.4 | 3% |
| 1.3 | 1.4 | 0.0 | 3% |
| 3.4 | 3.6 | 0.2 | 6% |
| 14.9 | 14.3 | -0.5 | -3% |
| 1.6 | 1.3 | -0.3 | -19% |
| 0.0 | 0.0 | 0.0 | 0% |
| 50.4 | 49.3 | -1.0 | -2.1% |

| Surplus for the year | 3.1 | 1.0 | -67.7% |
|----------------------|-----|-----|--------|
|----------------------|-----|-----|--------|

| | 0.5 | 0.0 | 0.5 | -0.5 | -46.6% | -82.8% |
|--|-----|-----|-----|------|--------|--------|
|--|-----|-----|-----|------|--------|--------|

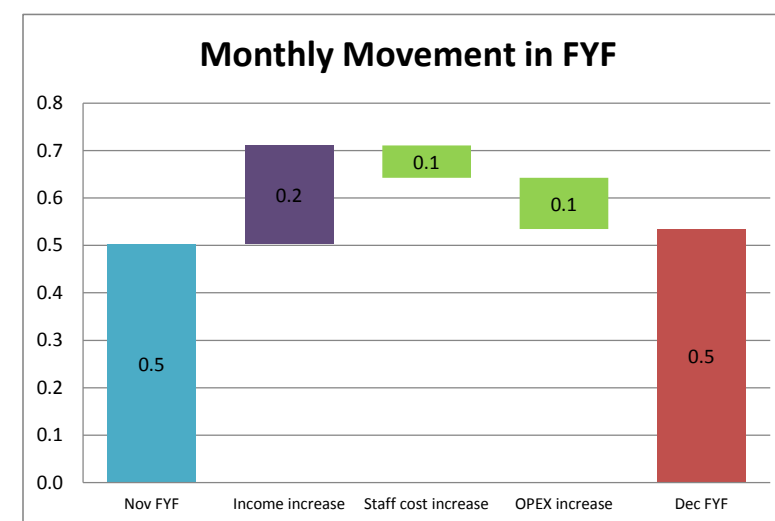
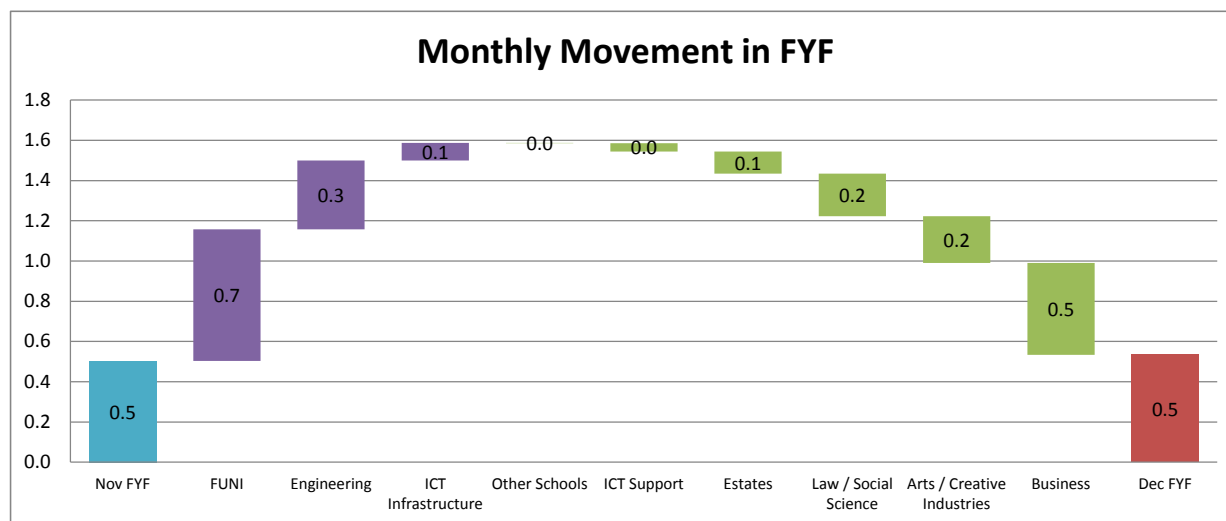
| Surplus as % of income | 2.3% | 0.7% | 0.4% | 0.4% |
|---------------------------|--------|-------|-------|-------|
| Surplus per student FTE | £209.6 | £67.6 | £34.0 | £36.1 |
| Staff cost as % of income | 55.8% | 57.0% | 57.2% | 57.2% |

| | 40.6% | 38.6% | YTD Staff Cost % |
|--|-------|-------|------------------|
| | 33.5% | 33.1% | YTD OPEX Cost % |
| | 38.3% | 36.4% | Total YTD cost % |

5) Forecast Summary

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An detailed analysis of the movement in Full Year Forecast can be found on Pages 15 & 16. Unbudgeted decreases in income or increases in costs that reduce contribution are marked in red, whereas positive movements are highlighted in black. The key change this month is the recharge of £650K of the £1M HEFCE grant reduction to the Schools. HESES14 negatively impacted 3 schools but had a positive impact on the School of Engineering which was ahead in terms of old regime UG students. We have not transferred the entire forecast grant reduction and will review this in March when the HEFCE grant letter is received. 2 Schools; Engineering and Architecture & The Built Environment, have increased their Research income forecast although this has been matched with additional costs. The change in forecast staffing costs within ICT is due to the movement of a member of that team from a day rate contract that incurs VAT to being paid through the Payroll. The increase in Opex this month is due to an increase in depreciation within ICT and Estates.



6) Risks and Contingencies

The Full Year Forecast contains a number of risks primarily to do with second semester recruitment and retention including a forecast of £1M for second semester enrolments. In order to balance these risks we are holding an OPEX contingency of £0.5M. We are also carrying a provision of £0.5M relating to redundancies identified in 13/14 that have not yet crystallised and have a further restructuring provision of £1.1M relating to 14/15. The restructuring provision is primarily used to fund redundancies and HR are forecasting potential costs in excess of £1.3M so this amount is forecast to be used. The exceptional item in the accounts of £627K relates to the funds remaining to be distributed from the Investment Pot. £189K of this has been approved and is waiting to be matched with expenditure which leaves £439K remaining.

7) Contribution Analysis

The Full Year Forecast Contribution is £2.6M behind the comparable position in 13/14. It was always anticipated that 2014/15 would be more challenging given our investments in EDISON and the Change Programme and page 7 indicates the £2.7M movement in contribution caused by these 2 projects. As well as these investments, there has been considerable investment in HR particularly in senior staff and the development of the leadership team. The change in forecast in Marketing is due to investment in staff and more significantly a reduction in year on year widening participation income. Even after the HEFCE grant reduction the Schools are still forecast to increase their contribution year on year by £2.3M. The other increase in year on year contribution is due to forecast growth in Enterprise income.

| Contribution per Student and per Staff excluding School Admin | Applied Science | | Arts and Creative Industries | | Built Environment & Architecture | | Business | | Engineering | | Health & Social Care (including HSC admin) | | Law & Social Sciences | | Total All Schools | |
|--|-----------------|-----------------|------------------------------|-----------------|----------------------------------|-----------------|----------------|-----------------|----------------|-----------------|--|-----------------|-----------------------|-----------------|-------------------|-----------------|
| | 13 / 14 Actual | Dec 13 / 14 FYF | 13 / 14 Actual | Dec 13 / 14 FYF | 13 / 14 Actual | Dec 13 / 14 FYF | 13 / 14 Actual | Dec 13 / 14 FYF | 13 / 14 Actual | Dec 13 / 14 FYF | 13 / 14 Actual | Dec 13 / 14 FYF | 13 / 14 Actual | Dec 13 / 14 FYF | 13 / 14 Actual | Dec 13 / 14 FYF |
| Income (M) | £10.9 | £11.0 | £8.4 | £9.3 | £14.1 | £15.0 | £21.2 | £20.8 | £13.6 | £14.7 | £32.9 | £32.9 | £14.9 | £14.2 | £116.0 | £117.9 |
| Expenditure (M) | £6.5 | £6.5 | £4.2 | £4.1 | £7.3 | £7.4 | £11.4 | £11.1 | £8.5 | £8.6 | £20.8 | £20.5 | £7.1 | £7.2 | £65.8 | £65.4 |
| Contribution (M) | £4.4 | £4.5 | £4.2 | £5.2 | £6.7 | £7.6 | £9.8 | £9.7 | £5.1 | £6.1 | £12.1 | £12.3 | £7.9 | £7.1 | £50.2 | £52.5 |
| Contribution % | 40% | 41% | 50% | 56% | 48% | 51% | 46% | 47% | 38% | 42% | 37% | 38% | 53% | 50% | 43% | 45% |
| Student FTE | 1,139 | 1,155 | 1,097 | 1,057 | 1,672 | 1,601 | 3,030 | 2,721 | 1,468 | 1,480 | 4,406 | 4,100 | 1,992 | 1,711 | 14,805 | 13,825 |
| Contribution per FTE | £3,864 | £3,913 | £3,804 | £4,934 | £4,033 | £4,745 | £3,242 | £3,558 | £3,488 | £4,116 | £2,747 | £3,008 | £3,953 | £4,134 | £3,393 | £3,798 |
| Academic Staff FTE | | 61 | | 39 | | 76 | | 104 | | 82 | | 189 | | 79 | | 629 |
| Contribution per Staff FTE | | £74,056 | | £134,436 | | £100,288 | | £93,437 | | £74,331 | | £65,185 | | £90,037 | | £83,497 |

Even after the HEFCE grant reduction we are still forecasting that Schools will increase their year on year contribution by 5%, or £2.3M. The largest increases are from the School of Arts & Creative Industries (£1M), the School of Engineering (£1M) and the School of Architecture and the Built Environment (£0.8M) whilst the School of Law and Social Sciences (-£0.8M) is shrinking in terms of contribution. The School of Arts & Creative Industries remains the most profitable school when measured in terms of Contribution % and Contribution per staff FTE. In terms of contribution per student FTE the Schools of Arts & Creative Industries, and the School of Architecture and the Built Environment are significantly ahead of the rest of the University.

In terms of full cost allocation, as per pages 8 & 9, following the reduction in HEFCE funding only 2 schools are not forecast to cover their allocated central costs; the school of Business and the School of Health & Social Care. Our central costs are currently estimated at £3,412 for each Home/EU Full Time Equivalent student and £4,238 for each Overseas FTE student. The space charge which can vary from £656 in the School of Law and Social Sciences to £1,598 for each FTE within the School of Engineering may well change after a review of space used in January.

8) Student Number Analysis

Student FTEs on pages 21 to 29 have been taken from the Registry HESES re-creation as of January 1. This shows a month on month increase of 416 students and 36 FTE as compared to December. In 2013 / 14 we lost £3.0M in income from the 1,092 students who Withdrew or Interrupted. So far in 2014 / 15 we have lost £1.7M in terms of the difference between the Fee that we will charge and the Fee that would have been charged if the student stayed the whole year. As can be seen on Page 6, this is slightly worse than the comparable position in 13 / 14 and we have so far withdrawn (including interruptions) 425 students representing 302 FTE including 144 new FT UG students.

9) Student Withdrawal Analysis

| Academic year | Total Students | Total Withdrawals | % of Total Student bodies | Comparable at 30/10 | |
|---------------|----------------|-------------------|---------------------------|---------------------|------|
| 11/12 | 21,127 | 1,189 | 5.6% | 536 | 2.5% |
| 12/13 | 19,262 | 1,020 | 5.3% | 520 | 2.7% |
| 13/14 | 19,641 | 1,092 | 5.6% | 402 | 2.0% |
| 14/15 | 16,837 | | | 425 | 2.5% |

| 14/15 'Lost Income' | | | |
|----------------------------------|----------|-----------------------|------------|
| Applied Science | £210,000 | Engineering | £236,000 |
| Arts and Creative Industries | £242,000 | Health & Social Care | £37,000 |
| Built Environment & Architecture | £159,000 | Law & Social Sciences | £316,000 |
| Business | £456,000 | Total | £1,656,000 |

10) Income Analysis

Even after the reduction in HEFCE grant, our income is still forecast to increase by £1.2M year on year which would represent a significant turnaround from previous years particularly since our income forecast is cautious about the level of second semester starts. Key movements this month include a £150K increase in forecast Research and Enterprise income within the School of Architecture and the Built Environment and a £186K increase within the School of Engineering following a review of Research & Enterprise activity. This has been offset by a reduction of £70K in our deferred capital grants forecast within Estates.

11) Staff Cost Analysis

The university YTD staff costs are currently £425K less than the comparable position in 13/14 although the Full Year Forecast assumes that our staffing costs will be over budget and £2.6M higher than in 13/14. Of the YTD position £500K of the reduction is due to lower restructuring costs in 14/15 than the comparable position in 13/14 so the 'true YTD' change is +£100K. As can be seen from the analysis on pages 5 there have been considerable savings within the Schools which have funded investments within the centre

In terms of forecast staff costs, the management accounts assume that our Monthly staff cost will increase by 10% compared to the current monthly rate, this would be equivalent to an investment of £3.4M over the next 7 months as compared to the last 7 months of 13/14. There is no sign that the University has the appetite for this level of investment and staff recruitment is being tightly controlled in order to manage expense. We will continue to work with Deans and Professional Service functions and expect our staff cost forecast to fall over the next few months

12) Opex Analysis

The University's operating expenses including depreciation, are forecast to fall by £1.0M year on year, a decrease of 2.2%. £300K of these reductions have been found within the Schools, Estates were tasked with finding a £1M year on year saving and there is a further £600K year on year reduction due to one off Sports Centre Entrance costs. Depreciation has increased by £0.5M year on year and the other largest increase in expenditure is due to the Edison Project

In terms of YTD expenditure, just as with YTD staffing costs the University is significantly behind in terms of spend, and as per page 4, has spent £3.6M less than the expected budgeted level of operating expenditure. The bulk of this is Student Related expenditure which relates to a delay in Library expenditure. There is a large variance in Student Bursaries although this is a profiling issue and a variance in Maintenance & Other Estate costs which represents a delay in a number of projects driven by this area. Areas marked in Red on pages 19 & 20 identify which departments are spending ahead of their profiled budget. 3 areas are slightly ahead of YTD spend but none are significant.

13 Budget Analysis

As per pages 15 & 16, there are 35 distinct areas of the University that have separate budgets and each area is expected to deliver to their Budget. Numbers in red indicate either a shortfall in income against budget or additional costs that are being incurred. There are 5 Schools which are currently forecast to be short in terms of contribution and 2 Schools which are forecast to deliver ahead. The Net School position is a £0.5M deficit against budget and this is directly caused by the reduction in HEFCE grant. There are 3 Professional Service Functions that are over budget. ICT which is taking steps to reduce its deficit, the Business Intelligence Unit which is looking to expand its activity and Estates.

In terms of Capital Budgets as per pages 23 & 24 the University spent £1.1M on capital projects this month. The Edison Project is expected to overspend its capital budget but this is funded from savings in its revenue budget and it is expected to deliver to the total project budget.

| Full Year Outturn Last Year (£) | YTD Actuals Last Year (£) | Description | FULL YEAR | | | | YEAR TO DATE | | | | Full year Forecast less Actual YTD (£) | | |
|--|---------------------------------|---|-------------------------|---------------------|---|------------|--------------|---------------------|--------------------|--|---|---|--------------------|
| | | | 2014 Forecast (£) | 2014 Budget (£) | Variance - Forecast to Budget (£) | % | Note | 2014 Actuals (£) | 2014 Budget (£) | Variance - Actuals to Budget (£) | | % | Note |
| -25,824,679 | -11,519,760 | Funding Grants | -17,945,735 | -19,046,625 | (1,100,890) | (6%) | | -7,679,415 | -7,957,736 | (278,320) | (3%) | | -10,266,320 |
| -25,156,983 | -10,181,259 | Health - Contract | -24,556,569 | -24,375,142 | 181,427 | 1% | | -10,119,975 | -9,996,922 | 123,053 | 1% | | -14,436,593 |
| -43,998,610 | -46,014,901 | Fees - Home & EU UG | -54,526,812 | -54,718,910 | (192,098) | (%) | | -57,096,413 | -56,606,948 | 489,465 | 1% | | 2,569,602 |
| -7,762,676 | -7,033,251 | Fees - Home & EU PG | -6,749,341 | -6,664,312 | 85,029 | 1% | | -5,765,914 | -5,964,979 | (199,065) | (3%) | | -983,427 |
| -5,140,888 | -4,987,032 | Fees - Overseas UG | -6,432,008 | -5,822,304 | 609,704 | 10% | | -5,840,918 | -5,651,154 | 189,765 | 3% | | -591,090 |
| -3,376,815 | -2,713,086 | Fees - Overseas PG | -3,038,602 | -3,198,075 | (159,472) | (5%) | | -3,351,332 | -2,614,343 | 736,989 | 28% | | 312,730 |
| -1,812,921 | -717,822 | Research - Grants | -1,645,926 | -1,403,161 | 242,765 | 17% | | -855,932 | -602,175 | 253,757 | 42% | | -789,994 |
| -442,587 | -377,028 | Enterprise - Research Related Activities | -388,548 | -290,548 | 98,000 | 34% | | -244,266 | -126,312 | 117,954 | 93% | | -144,282 |
| -827,288 | -5,500 | Enterprise - Partnerships | -1,003,950 | -1,224,280 | (220,330) | (18%) | | -7,960 | -172,093 | (164,133) | (95%) | | -995,990 |
| -2,044,822 | -441,445 | Enterprise - University Fees | -2,697,471 | -2,565,471 | 132,000 | 5% | | -759,144 | -1,869,003 | (1,109,860) | (59%) | | -1,938,328 |
| -4,075,364 | -1,554,592 | Enterprise - Other | -4,600,852 | -4,738,407 | (137,555) | (3%) | | -1,392,596 | -1,766,615 | (374,019) | (21%) | | -3,208,256 |
| -9,918,717 | -4,306,115 | Other - Student Related Income | -10,187,744 | -10,192,344 | (4,600) | (%) | | -4,351,473 | -4,414,401 | (62,928) | (1%) | | -5,836,271 |
| -4,040,613 | -1,227,265 | Other - Operating Income | -1,924,895 | -1,928,404 | (3,509) | (%) | | -801,583 | -783,436 | 18,147 | 2% | | -1,123,312 |
| -331,015 | -83,165 | Endowment Income & Interest Receivable | -300,000 | -300,000 | | % | | -102,519 | -125,000 | (22,481) | (18%) | | -197,481 |
| -134,753,977 | -91,162,221 | Total Income | -135,998,452 | -136,467,982 | (469,530) | (%) | | -98,369,441 | -98,651,117 | (281,676) | (%) | | -37,629,012 |
| 37,535,865 | 15,542,122 | Academic - Permanent staff | 37,868,738 | 37,785,502 | (83,236) | (%) | | 14,884,775 | 15,720,809 | 836,034 | 5% | | 22,983,964 |
| 3,762,737 | 1,058,911 | Academic - Temporary staff | 2,990,026 | 2,885,026 | (105,000) | (4%) | | 904,538 | 941,712 | 37,174 | 4% | | 2,085,488 |
| | | Interdepartmental Delivery staff | | 3 | 3 | % | | | 1 | 1 | 100% | | 3 |
| 2,788,953 | 1,135,461 | Technicians staff | 2,938,101 | 2,891,120 | (46,981) | (2%) | | 1,232,451 | 1,202,832 | (29,619) | (2%) | | 1,705,650 |
| 26,741,766 | 11,138,527 | Support - Permanent staff | 30,815,300 | 31,734,690 | 919,390 | 3% | | 11,369,835 | 13,043,681 | 1,673,846 | 13% | | 19,445,465 |
| 833,387 | 280,189 | Support - Temporary staff | 471,520 | 534,441 | 62,921 | 12% | | 303,265 | 219,873 | (83,392) | (38%) | | 168,255 |
| 3,494,063 | 1,331,342 | Third party staff | 2,728,377 | 1,941,716 | (786,661) | (41%) | | 1,366,264 | 969,337 | (396,927) | (41%) | | 1,362,112 |
| 75,156,771 | 30,486,551 | Total Staff Costs | 77,812,065 | 77,772,498 | (39,566) | (%) | | 30,061,128 | 32,098,245 | 2,037,117 | 6% | | 47,750,937 |
| 8,453,650 | 3,425,124 | Total Depreciation | 9,050,083 | 9,478,456 | 428,373 | 5% | | 3,635,103 | 3,605,365 | (29,738) | (1%) | | 5,414,980 |
| 2,461,058 | 894,738 | Staff Related | 2,087,339 | 1,974,693 | (112,646) | (6%) | | 454,366 | 925,014 | 470,648 | 51% | | 1,632,973 |
| 2,127,819 | 981,784 | Marketing and PR | 2,209,042 | 2,199,082 | (9,960) | (%) | | 639,287 | 1,019,098 | 379,811 | 37% | | 1,569,755 |
| 734,895 | 68,248 | Student Recruitment | 579,084 | 579,084 | | % | | 184,811 | 75,290 | (109,521) | (145%) | | 394,273 |
| 2,717,681 | 653,695 | Bursaries and Scholarships | 2,505,962 | 2,499,752 | (6,210) | (%) | | 385,342 | 613,104 | 227,762 | 37% | | 2,120,620 |
| 5,862,689 | 2,210,282 | Student Related | 5,744,546 | 5,745,220 | 674 | % | | 2,241,840 | 2,822,920 | 581,080 | 21% | | 3,502,706 |
| 751,006 | 179,066 | Equipment | 748,504 | 769,298 | 20,794 | 3% | | 181,662 | 319,792 | 138,130 | 43% | | 566,842 |
| 3,449,265 | 1,194,597 | Computing | 4,276,789 | 4,164,487 | (112,302) | (3%) | | 1,739,803 | 1,765,536 | 25,732 | 1% | | 2,536,986 |
| 3,585,043 | 1,323,736 | Utilities | 3,659,350 | 3,652,683 | (6,667) | (%) | | 1,291,912 | 1,494,259 | 202,347 | 14% | | 2,367,438 |
| 8,295,266 | 1,884,464 | Maintenance & Other Estate | 6,310,301 | 6,276,918 | (33,384) | (1%) | | 2,177,554 | 2,522,584 | 345,030 | 14% | | 4,132,747 |
| 4,669,033 | 1,861,184 | Cleaning & Security | 5,062,216 | 5,055,126 | (7,090) | (%) | | 2,064,183 | 2,144,096 | 79,912 | 4% | | 2,998,033 |
| 868,651 | 154,152 | Financial | 123,316 | 123,316 | | % | | 61,041 | 52,840 | (8,201) | (16%) | | 62,275 |
| 632,851 | 218,854 | Communications | 718,805 | 717,858 | (947) | (%) | | 252,817 | 298,667 | 45,850 | 15% | | 465,988 |
| 3,053,062 | 830,320 | Legal & Professional | 2,716,483 | 2,674,483 | (42,000) | (2%) | | 998,454 | 1,150,317 | 151,863 | 13% | | 1,718,029 |
| 775,692 | 358,919 | Subscriptions and Membership Fees | 915,024 | 912,650 | (2,374) | (%) | | 247,302 | 402,875 | 155,572 | 39% | | 667,722 |
| 1,347,239 | 358,261 | Photocopying and Stationery | 1,094,597 | 1,198,193 | 103,596 | 9% | | 304,060 | 538,432 | 234,371 | 44% | | 790,537 |
| 2,937,854 | 1,678,041 | Other | 4,707,018 | 4,535,742 | (171,275) | (4%) | | 1,117,019 | 1,838,134 | 721,115 | 39% | | 3,589,998 |
| 901 | | Internal Recharges | -156,701 | -161,901 | (5,200) | (3%) | | 53 | -19,357 | (19,410) | (100%) | | -156,754 |
| 44,270,006 | 14,850,340 | Total Other Operating Expenses | 43,301,675 | 42,916,684 | (384,991) | (1%) | | 14,341,508 | 17,963,600 | 3,622,092 | 20% | | 28,960,167 |
| 3,775,416 | 1,598,709 | Total Interest Payable | 4,672,644 | 4,672,644 | | % | | 1,288,019 | 1,947,449 | 659,430 | 34% | | 3,384,625 |
| | | Total Exceptional Items | 627,706 | 627,706 | | % | | | 144,334 | 144,334 | 100% | | 627,706 |
| -3,098,134 | -40,801,497 | Contribution | -534,280 | -1,000,000 | (465,720) | (47%) | | -49,043,683 | -42,892,125 | 6,151,558 | 14% | | 48,509,403 |
| 55.8% | | Staff costs as % of income | 57.2% | 57.0% | | | 30.6% | 32.5% | | | | | |
| 2.3% | | Contribution % | 0.4% | 0.7% | | | 49.9% | 43.5% | | | | | |

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| | PAPER NO: BG.06(15) |
| Paper title: | REF 2014 and Research Strategy |
| Board/Committee | Board of Governors |
| Date of meeting: | 12 February 2015 |
| Author: | Paul Ivey, Pro Vice Chancellor (Research and External Engagement) |
| Executive/Operations sponsor: | Paul Ivey, Pro Vice Chancellor (Research and External Engagement) |
| Purpose: | To report to the Board on the outcome of the 2014 Research Excellence Framework and strategy |

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| Executive Summary | |
| Context | The REF assesses the quality of research in UK Higher Education institutions. |
| Question | How did LSBU perform in the REF 2014? What is the strategy to improve our performance in future? |
| Conclusion & Recommendation | LSBU had a GPA of 2.52 meaning its research outputs are excellent/recognised internationally. |

| | | |
|----------------------------------|---|--|
| Matter previously considered by: | Operations meeting Educational Character Committee | On: 20 January 2015 27 January 2015 |
| Further approval required? | No | N/A |



London South Bank
University

REF2014 & Research Strategy

Board of Governors

12 February 2015

REF 2014 - What do we know?

Our Result?

4 world-leading 3*internationally excellent 2*recognised internationally in terms of originality, significance and rigour.*

LSBU GPA 2.52 - excellent / recognised internationally.

Outputs 2.49 Impact 2.83 & Environment 2.23

How good was it?

FTE (number of staff) +17%, GPA+ 13%, all UoA 4*, 50% (ish) intensity table (% FTE submitted)

REF2020 50% GPA – overall +11%, output +9%, impact +10%, environment +27%

What will we do? – Research strategy

- **8 UoAs** each with a senior external academic ‘mentor’.
- Annual support for each UoA for international / collaborative / multidisciplinary research – **citations, impact and grant success**.
- Professoriate, **Research College** (virtual) and Global Research Unit.
- UoA **annual reviews and impact audit** (presentation, critique and group application / withdrawals)
- Ph.D student monitoring, both **numbers and completions** / impact (academic and societal)
- **Active monitoring** of research outputs / strengths and comparative performance (Elsevier software).
- Annual staff research **performance / promotion review**.

| | | |
|--|---|---------------------|
| | PAPER NO: BG.07(15) | |
| Paper title: | Overseas Partnerships | |
| Date: | 12 February 2015 | |
| Board/Committee: | Board of Governors | |
| Author: | Professor David Phoenix, Vice Chancellor | |
| Executive sponsor: | Professor David Phoenix, Vice Chancellor | |
| Recommendation by the Executive: | To provide an update on developments with British University Egypt following the Board's approval of the model in 2014 To seek an extension of the model to include Bahrain. | |
| Previously considered by: | Policy and Resources Committee | On: 3 February 2015 |
| Further approval required? | No | N/A |
| Communications – who should be made aware of the decision? | N/A | |

Executive Summary

The paper updates the Board on progress with the British University Egypt (BUE) and a proposed partnership in Bahrain with the Applied Science University (ASU).

The Policy and Resources Committee discussed the paper in detail. The committee supported the proposal but expressed concern about reputational risk for the University operating in Bahrain. The risk analysis in the paper has been updated to include this risk.

The Board is requested to note progress with the BUE and approve the establishment of a partnership with ASU.

Approach to Academic Collaboration and developments in Bahrain

Context:

LSBU has identified a need to enhance the level of its international activity. This is embedded within the corporate strategy and has the following ambitions:

1. To increase revenue
2. To enhance reputation
3. To improve student experience

Income generation will mainly be through student recruitment. This will have an element of direct recruitment (including the use of agents) but will also increasingly involve trans-national elements. These later programmes are delivered in country and whilst they are less profitable they represent one of the key growth areas for UK Universities. Such programmes do allow students to study in-country with the option of doing a single year in the UK or in many cases supports transfer to masters programmes in the UK after completion of the undergraduate programme. When done successfully Universities such as Liverpool and Nottingham have seen significant growth in on campus activity through such an intercalated approach.

In addition to the impact on the UK learning environment overseas activity can enhance student experience by providing access to an increased range of study abroad activities and by providing access to a wider range of expertise through visiting staff for example. This requires relations that go beyond recruitment.

Reputation is driven by the nature of the partners and the in-country networks they enable LSBU to access coupled to the potential for joint research and enterprise activity. The outputs of such activity tend to have greater impact than activity that is nationally focused.

All three of the aims are therefore highly dependent on partnership activity rather than solely driven by recruitment activity and this is recognized in LSBU's Corporate Strategy 2015-20.

Approach

I have previously reported to the Board that our initial aspirations are to increase our presence in:

- China and the Far East,
- Middle East and GCC States
- Africa
- India

- South America

With the appointment of a PVC (Research and External Engagement) a new policy document outlining our approach to international partnership is now being developed but in the interim we have sought to progress links at the above locations. The developments have utilized a simple formula:

- Find a credible partner that is recognized by the local government and which is at a stage of development that it can engage with teaching, research and enterprise. The partner has to align with our values and mission and is subject to due diligence
- Seek to generate a programme of transnational education that will generate sufficient revenue to not only support the work but to add to the UK operation
- Seek to capitalize on the provision of the educational element by seeking support from the partner to develop a research and enterprise center that is synergistic with our research strengths, builds on our enterprise focus and which will enhance reputation, build links with local government bodies and business.

Academic Partnership Unit

All our partnerships will use existing processes for management of course delivery and research degrees at these partner organizations and be overseen by Academic Board in line with QAA guidance. Additional oversight and 'client management systems' will be developed though to manage and coordinate these partnerships due to their size.

Establishing an academic partnership unit (APU) is an approach adopted by many UK HEIs to ensure effective oversight of the relationship and activity. The APU holds the account management function liaising critically with LSBU quality assurance (QA) and individual Schools for the academic integrity via so-called 'link tutors' who deliver cognate authority to the partnership.

The usual structure adopted for APUs is one of regional managers responsible for the partners in a geographical segment who spend a reasonable period of time visiting institutions, keeping contact with key leaders and providing a point of contact for troubleshooting etc. Such a model is scalable and given the immediate focus on BUE and ASU, one regional manager for the Middle East and North Africa region (MENA) is proposed together with an APU director and two administrators. As partnerships increase in China and India, then this model expands to accommodate.

The post of Director of Collaborations, (APU) was created, reporting to the PVC, to support these types of developments at BUE and other partnerships. Philip Lockett was appointed, previously Pro-Dean in Engineering, and is leading on this area.

Progress on British University in Egypt.

The University Board approved the development of such a partnership between LSBU and the British University in Egypt (BUE).

LSBU had an existing validation partnership for two degrees in Petroleum Engineering and Chemical Engineering with BUE. This partnership started in 2012. Discussion was held around expanding this partnership to provide a focus for LSBU in North Africa. The aims of the collaboration as agreed with the Board were:

1. To foster an academic partnership between LSBU and BUE, for the mutual benefit of students and staff.
2. To provide the opportunity for BUE students to graduate with an LSBU award, upon successful completion of an approved programme of study (and achievement of an appropriate level and volume of academic credit).
3. To establish a mutual community of research and enterprise between both universities, enabling the development of a research culture, collaborative working, project development and the joint supervision of research students.
4. To facilitate opportunities for student and staff exchange, and to provide BUE students with the opportunity of studying in London (either for a defined time period within their BUE academic programme, or as part of an articulation arrangement, enabling entry [with, or without, advanced standing] onto a London-based course.
5. To promote the partnership to the mutual benefit of both universities, as an example of collaborative engagement that is sympathetic to the academic development, and cultural contexts, of international higher education.

LSBU and BUE signed a Memorandum of Cooperation in 2014 on the above basis with the aim of expanding taught activity and developing our first research and enterprise centre. There was a site visit in January 2015 to agree resources for course delivery to progress with expansion of the programmes as of this September. The expectation is that over the next 3-5 years we will move to have 3000-5000 students in Egypt studying Dual awards. Research areas are being identified and bids have been placed with the British Council through the UKs Newton Fund to help support this development

The initial target areas for the joint research programmes are:

- Sustainable and Renewable Energy Engineering;
- Chemical and Petroleum Engineering;
- Information Technology.

Development in Bahrain.

A delegation from the Applied Science University (ASU) in Bahrain visited LSBU in November 2014 at which time we signed an agreement with the intention of

investigating whether we should develop a similar model to that of BUE with ASU. The Memorandum of Understanding sets out an intent to develop academic collaboration between the two institutions. It covers the intention to validate a number of courses commencing with five branches of engineering. This work is progressing.

Following validation for dual awards, ASU is targeting an initial intake of 170 students into the common first year of the four year engineering programme for start in September 2015. It is expected that the number of students will grow to 1000 over the first four years. We are currently in the process of approving the engineering courses. A site visit is being led by Phil Cardew in March 2015. Once the engineering courses are validated and established, it is proposed that LSBU would consider validation of the programmes already established at ASU in computer science, business management and design. Currently there are over 2000 students studying in these courses at ASU. Hence this site would also seek to work with c3000 students which ensures appropriate critical mass to support a significant partnership.

On the site next to ASU we have existing links with the Gulf Petrochemical Industries Company (GPIC) where they accept four engineering undergraduate students to undertake training over summer.

I have recently visited ASU and GPIC and met government ministers to check the standing of the partner (ASU) and their support for such a development. The Government has recently published a new government strategy it has developed with Stanford University focused on enterprise and given LSBUs approach there was strong support for what they see as a timely development. GPIC agreed it would wish to engage with the a research and enterprise entre to develop industrial research activity and this closely aligns with one of our areas of strength in petroleum engineering. ASU has similar aspirations to LSBU around working with the community and is active at support for women into education. GIPC is focus on issues relating to gender equality and community having won a number of national and international awards for areas such as sustainability and support for women

I am now seeking the support of the Board to pursue discussions around the concept of the joint research enterprise center whilst we have maximum negotiating power. As with BUE there is new build activity on site and a willingness to provide the university with space in the new accommodation for the joint Centre. There would be no capital investment from LSBU

Risks

The key risks associated with the partnership are:

| Risk | Inherent risk | Controls | Residual risk | Action required |
|---|---------------|--|---------------|---|
| Political instability | 3 2 | Develop links to Government and BC within the region | 2 2 | LSBU to monitor political situation |
| Safety of LSBU staff is compromised | 2 2 | FCO travel advise and feedback from British Council | 2 1 | LSBU to monitor security situation |
| Quality Failure of ASU | 3 2 | LSBU quality processes Established QA processes at ASU – led by UK expert | 3 1 | LSBU to develop new processes for large complex partnership management |
| Breakdown in relationships between ASU and LSBU | 2 2 | Senior staff from both institutions to meet regularly | 2 1 | To develop partner management structures to ensure regular meaningful contact |
| ASU and LSBU fail to develop Research/ Enterprise collaboration | 2 3 | Activity aligned with new Bahrain Gov strategy and hence seen as a priority | 2 2 | To develop a management infrastructure and incentives to promote this activity at both ASU and LSBU |
| Reputational risk around country's practices | 3 3 | Partners have been visited and their focus reviewed | 2 2 | Promote their work and awards on gender equality and community engagement |

Potential future developments

China remains a key market hence we are reviewing potential links. We already have a link with Chongqing Jiatong University with a Chinese Ministry of Education approved joint programme. Under this programme students are selected through

Chinese Ministry's university entrance examination. They study there for three years and will transfer to LSBU for their final year. Upon graduation they will receive degrees from both the universities. This recognition is increasingly hard to obtain and a key asset hence I met with the President to discuss building on this platform. The President and his senior team visited LSBU in early December and we agreed in principle to further expand our partnership. I will visit Chongqing in June once we are clearer on our ambitions in China and may as bring proposals for developments in this area.

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| | PAPER NO: BG.08(15) |
| Paper title: | Acquisition of Hugh Astor Court from Peabody Trust |
| Board/Committee | Board of Governors |
| Date of meeting: | 12 February 2015 |
| Author: | Carol Rose, Director of Estates and Academic Environment |
| Executive sponsor: | Ian Mehrtens, Chief Operating Officer |
| Purpose: | To present the business justification case for the acquisition of Hugh Astor Court from The Peabody Trust for consideration/discussion and for the Board to approve that the property be purchased at a total cost of £11,383,000 including legal costs and VAT. |
| Context | Corporate Strategy 2015-2020 'Strategically investing in the creation of first class facilities and ensuring that they are underpinned by services which are responsive to academic needs and outcome focused'. |

| | | |
|----------------------------------|---|---|
| Matter previously considered by: | Executive Property Committee Policy and Resources Committee | On: 3 December 2014 and via email 28 January 2015 3 February 2015 |
| Further approval required? | No | N/A |

Executive Summary

In order to enhance the student experience and to invest in the creation of first class teaching and social facilities, it is essential that the existing provision be reviewed and improved and the Estate Development Strategy, which is currently being prepared, includes various proposals to achieve this goal – most of which are dependent on the acquisition and redevelopment of the Hugh Astor Court site.

London South Bank University

The conclusion of an agreement with The Peabody Trust by March 2015 is crucial to obtain the building at the current draft purchase price. Approval for disposal of the property by the Homes and Communities Agency (HCA) has already been obtained by The Peabody Trust and should the University not agree to purchase the site, there is a risk that it could be offered for sale to private developers on the open market. The total cost of the acquisition is £11,383,000 including legal costs and VAT. This includes a negotiated 10% discount to reflect bulk purchase.

The business case was discussed in detail by the Property Committee at its meeting of 28 January 2015. Answers to queries from the Property Committee are provided below for information.

In order to meet the strategic objective of securing the footprint of the site for future University development opportunities, it is recommended that the Board approves the acquisition of Hugh Astor Court.

RESPONSE TO QUESTIONS FROM PROPERTY COMMITTEE

CONFIDENTIAL

Value of the Site

- The site was valued in September 2014 at £13m and with a bulk discount to LSBU is £11.358m. GVA will not project forward as this is so uncertain and the professional conduct rules will not allow them to speculate in this way.
- Currently, the site is worth £1.642m (or 15%) more than the agreed price.
- Residential land values in Southwark/SE1 are increasing currently at 24% pa and whether that is sustained or not then the value will continue to increase.
- Once vacant possession is achieved, then until the time at which the new development proceeds, the building will be used for student/staff residences.

Return on Investment

- It will be necessary to do some low level refurbishment before occupation. The income will £260k pa resulting in £120k pa profit and a return on investment:
 - If the accommodation block was to be in use for 2 years with a refurbishment budget at £200K the return on investment will be 13.1%
 - If the accommodation block was to be in use for 3 years with a refurbishment budget at £300K the return on investment will be 9.7%
 - If the accommodation block was to be in use for 4 years with a refurbishment budget at £400K the return on investment will be 7.7%

Potential use of the site

- The potential uses of the site in the new development currently being considered are:

A new front door for the campus

Co-locating the library and LRC

A new home for Student Services/Support

Creating a large flexible space that can be used for events, exams, and

London South Bank University

exhibitions

Creation of additional lecture theatres

Creation of conference space that can be commercially let

A new more accessible home for the SU

A new home for ACI and other design related courses.

London South Bank University

Acquisition of Hugh Astor Court from Peabody Trust.

LSBU Large Project Business Justification

This document provides a template for business cases in support of business cases above £250k.

Executive Summary

The University Southwark estate comprises a triangular campus site bounded by Borough Road, London Road and Southwark Bridge Road. The University owns freehold or occupies leasehold all buildings within this core area with the exception of Hugh Astor Court.

Hugh Astor Court is a block of 32 social rented flats, garden and car park, constructed in 1994 by Peabody, on a lease with a term of 125 years dated 1991 from The Bridge House Trust (Corporation of London). The location of this property is far from ideal being a small number of social housing flats within the centre of what is otherwise a University campus.

The University owns the freehold of the adjacent sites i.e. the former Chapel and garden at 109-122 London Road. The acquisition of the Hugh Astor Court site is of significant strategic importance to LSBU as the footprint unlocks potential development opportunities for the campus.

The main benefits of the purchase are the acquisition of a significant development site of strategic importance at the heart of the campus and the ability to create a real sense of a university campus with a new building as the central hub which is currently lacking. In order to enhance the student experience, it is essential that the existing facilities be reviewed and improved and the Estate Development Strategy, which is currently being prepared, includes various proposals to achieve this goal - most of which are dependant on the acquisition and redevelopment of the Hugh Astor Court site. In turn a development on the combined site could release value within the University estate, and afford an opportunity to consider further options for increasing/improving the student accommodation stock. Given the current strong residential development market within the Elephant & Castle area, the purchase would also prevent a private developer gaining control of the Hugh Astor Court site. The Southwark Campus covers an area of 11.7 acres with Hugh Astor Court covering an additional .49 of an acre.

The University has been seeking to acquire the property for some considerable time with negotiations close to being finalised as far back as 2007. The three way deal, in conjunction with First Base/English Partnerships and The Peabody Trust, failed to reach conclusion due to both the recession and the linked Park Hotel development not proceeding at that time.

Dialogue between LSBU and Peabody re-commenced in the summer of 2013. Following independent valuations, the Peabody Board agreed to dispose of their interest in Hugh Astor Court and will deliver vacant possession within 18 months of an official agreement to purchase by LSBU. Peabody has already gained Homes and Communities Agency (HCA) approval for the disposal.

The current purchase price is £11,358,000 to Peabody exempt from VAT, plus estimated legal fees of £25,000 inclusive of VAT, giving a total acquisition cost of £11,383,000 which includes the 93 year remainder of the lease.

The negotiation with existing tenants is already underway to achieve vacant possession within 18 months. Once the purchase has been agreed, The Peabody Trust has provisionally offered any voids to LSBU which could offer short term increased student accommodation/visiting lecturer capacity. Continued occupation of the premises will mean that there will be no problems with squatters for either the Peabody Trust or LSBU and, therefore, no need to enter into an arrangement with property guardians to keep the building safe. This offer is, however, subject to careful consideration and discussion before any decision is made as LSBU students would be living in self contained flats located in blocks which also include social housing. The

building will be handed over with vacant possession on completion of the sale by Peabody Trust notwithstanding any students we have placed in there.

Document Control

| Version | Created/Changed by | Date | Notes |
|---------|------------------------------|----------|--|
| 1.1 | Roger Tuke | 18/12/14 | |
| 1.2 | Carol Rose | 06/01/15 | Comments from 05/01/15 meeting incorporated. |
| 1.3 | Richard Flatman/Ian Mehrtens | 20/01/15 | Comments included |

Scope of work

Investment objective The objective is to acquire Peabody's interest in the Hugh Astor Court site (with vacant possession) in order to achieve the campus improvement objectives currently being developed in the Estate Development Strategy. The conclusion of an agreement by March 2015 is crucial to obtain the building at the current draft purchase price in line with the HCA approval. The effect of the strong residential market in the Elephant & Castle area and increasing purchase prices should not be underestimated if a purchase agreement is not made by this date – the difference between the valuations carried out by Savills in November 2013 and September 2014 exceeds £1.7m before any bulk purchase reduction.

Business need The need for this property purchase is driven by the strategic imperative of securing the Hugh Astor Court site footprint which will enable the University to invest in the creation of first class teaching and social facilities at the very heart of the campus and deliver and improved student experience.

Implementation The proposal is to conclude the agreement with Peabody to purchase their interest in the Hugh Astor Court site for £11,358,000, having undertaken legal due diligence. This needs to include confirmation of legal boundary, planning permission history, past building regulations approval, any restrictive covenants or rights affecting title and the like. At this stage no significant issues are currently envisaged or known.

Sponsorship Sponsor – Ian Mehrtens – Chief Operating Officer.
Estates and Academic Environment to deliver the purchase.

Rationale

Relationship to Corporate Plan The proposed re-development of the campus responds to the following Resources and Infrastructure key outcome included in the Corporate Strategy 2015 – 2020 :

“ Strategically investing in the creation of first class facilities and ensuring they are underpinned by services which are responsive to academic needs and outcome focused”

It is imperative to secure the Hugh Astor Court site which will, together with the immediate adjacent LSBU owned sites, release development opportunities on campus to contribute to the achievement of this aspiration of the Corporate Strategy.

Critical success factor(s) Satisfactory completion of legal due diligence confirming that there are no adverse issues affecting purchase.

Concluding the formal agreement to purchase with Peabody.

Ensuring Peabody delivers vacant possession within the agreed 18 month timescale.

Successful purchase unlocks significant development opportunities of strategic importance on campus.

The above success factors will be achieved by engaging the University's term solicitor Mills & Reeve LLP to act on the University's behalf and will be monitored by regular monthly review meetings with both Mills & Reeve and Peabody.

The achievement of planning permission from London Borough

**Options
Analysis**

Options

There are only two options;

- 1) Do nothing. This would not meet the strategic imperative of securing the Hugh Astor Court site footprint for future University Estate Development Strategy purposes. It would mean that 32 social rented flats would continue to be in the centre of what is otherwise the University campus. There is also a risk given the incompatibility of this location for this purpose and high residential demand in the area that Peabody could offer the Hugh Astor Court site for sale to private developers on the open market.
- 2) Purchase of Peabody's interest in Hugh Astor Court site to meet the strategic objective of securing the footprint of the site for future University Estate Development Strategy purposes.

Negotiation and Valuation

Provision was made in the Capital Plan for this acquisition (Option 2) with a notional £10m allocated as at November 2013, based on advice from Peabody's advisors Savills, who suggested a value range between £8,925,000 and £10,890,000 at that time.

Peabody and the University subsequently had separate formal valuations undertaken in September 2014 in accordance with RICS Red Book (2012) Professional Valuation Standards.

The valuation undertaken by GVA for the University valued Hugh Astor Court at £13,000,000 but suggested a market value of £11,250,000 to reflect a discount for bulk purchase on the special assumption of vacant possession.

The valuation undertaken by Savills for Peabody valued Hugh Astor Court at £12,620,000 but recommended a reduction to reflect bulk purchase resulting in an amended valuation of £11,500,000.

Peabody initially indicated that they would be unable to accept any offer less than £11,500,000 but following negotiations with LSBU, ultimately increased their discount on the original valuation of £12,620,000 to 10% to reflect both the bulk purchase and the fact that LSBU is not a commercial property developer.

A draft purchase price of £11,358,000 (£12,620,000 less 10%) has, therefore, provisionally been agreed between LSBU and Peabody to enable them to seek HCA approval for the disposal of their interest in Hugh Astor Court.

Evidence from GVA indicates that over the same period, the Land Registry House Price Index shows a 24% growth in the cost of property in Southwark reflecting the increase in valuations from 2013 to the 2014 value.

Affordability/cashflow

The University budgeted for the likely expenditure incurred in both purchasing and potentially demolishing Hugh Astor Court in its Capital Plan and these amounts have been reported in the Management Accounts as pipeline projects for the last year. The purchase price has been increased from the initial notional £10m to £11.4m to reflect latest negotiations and a further £2m has been included in the Capital Plan to cover potential demolition costs which are in line with estimates and make up some of the £100m of potential capital expenditure reported to the Board in our last 5 year forecast. The University is currently revising its 5 year forecast for the period 2015 to 2020 and will update its Capital Plan. There is flexibility within this plan including large amounts allocated to unspecified estates projects and so committing these amounts to the purchase of Hugh Astor Court at this stage does not put any particular project at risk.

Accounting treatment

The University's auditors have provided guidance on the accounting treatment for this project. The accounting entries and presentation on the balance sheet will be driven by the intended and actual use of the building and the University will need to consider at the end of each financial year if the asset can remain on the balance sheet at cost, if an impairment charge is necessary or if the asset should be derecognised and written off as an expense.

Initially, following purchase, the building will either be put to use or be left empty. Using the building, for example as accommodation or office space, will mean the asset can be held on the balance sheet at cost and depreciated in line with our accounting policy – in this case the length of the lease which is 93 years. This will result in an annual charge to depreciation of approximately £120k. In a scenario where the building is left empty, we would have to assess if the carrying value of the asset was no more than the 'net realisable value' of the property – i.e. the market value less the cost to sell. Assuming that property prices in the area continue to increase, it is likely that the value would always be higher than the net book value and we would not need to write down the asset even if it was not being used. We would continue the annual depreciation charge as if it was in use and would in addition incur costs of obtaining a market valuation periodically.

At the time that plans for a subsequent new build have been agreed, all costs directly attributable to bringing the new building and surrounding areas into use can be included in the cost of the asset, including the net book value of Hugh Astor Court and demolition costs. When the asset comes into use and at each accounting date the University will need to assess whether there are any indications of impairment. As with the Enterprise Centre project, service criteria will need to be agreed (such as the building's role as a central hub to the campus and improved student experience) and performance against these criteria used in justifying its carrying value.

| Description | Year | £ |
|------------------------|------|---|
| Internal costs: | | |
| | | |
| | | |
| | | |
| External costs: | | |

| | | |
|--|----------------|-------------------|
| Current purchase cost | 2015/16 | 11,358,000 |
| Legal costs estimated at £25,000 inclusive of VAT | 2015/16 | 25,000 |
| | | |
| Total costs: | | |
| | 2015/16 | 11,383,000 |
| | | |
| | | |

Planning

Timing

| Date | Milestone / Deliverable | Notes |
|---------------------|--|--------------|
| End of March 2015. | Complete legal due diligence to conclude purchase at current purchase price. | |
| End of August 2016. | Peabody delivers the Hugh Astor Court property and site with full vacant possession. | |
| | | |

Dependencies University Board approval to purchase at the current purchase price of £11,358,000. Completion of legal due diligence satisfying the University that there are no adverse issues affecting purchase.
Conclusion of the agreement to purchase so as to achieve purchase at current purchase price offered.

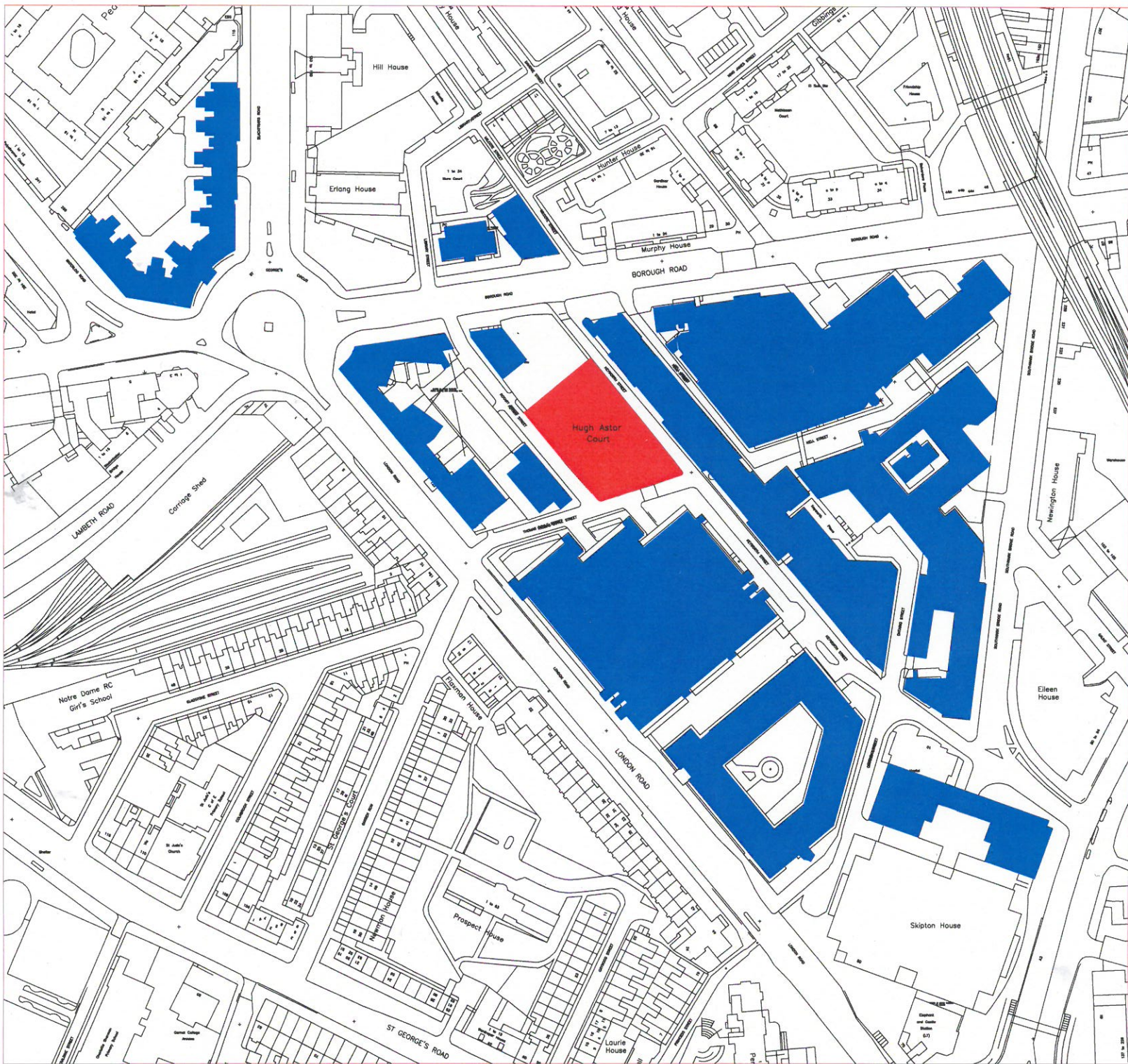
Risks

| Risk | L'hood (H/M/L) | Impact (H/M/L) | Mitigation | Owner |
|--|-----------------------|-----------------------|---|--------------|
| Legal due diligence discovering an adverse issue affecting purchase. | L | H | Engagement of University term solicitor Mills & Reeve LLP to promptly complete legal due diligence. | R.Tuke. |
| Inability to | M | M | Prompt | R.Tuke. |

| | | | | |
|---|--|--|---|--|
| conclude purchase to take advantage of the current purchase cost. | | | approval to proceed and agreement of terms of purchase using Mills & Reeve LLP to act on the University's behalf. | |
| | | | | |

Checklist Have you consulted the appropriate departments when drafting this business case:

| Department | Requires consultation? | Consulted? | Will consult later in process |
|--|-------------------------------|-------------------|--------------------------------------|
| Estates & Academic Environment. | Y | Y | |
| ICT | | | |
| Procurement | Y | | Y |
| HR | | | |
| Pro-Vice Chancellor (Academic) | | | |
| Pro Vice Chancellor (External) e.g marketing | | | |



| | |
|--------------------|---|
| | PAPER NO: BG.09(15) |
| Paper title: | Media Centre business case |
| Board/Committee | Board of Governors |
| Date of meeting: | 12 February 2015 |
| Author: | Janet Jones, Dean of the School of Arts and Creative Industries |
| Executive sponsor: | Prof Pat Bailey, Deputy Vice Chancellor |
| Purpose: | To approve the business justification case for the creation of a new Media Centre |
| Context | Delivering ambitions outlined in the Corporate Strategy 2015-2020 : Goal 1. Employability Goal 2. Student Experience Goal 4. Research and Enterprise Goal 8. Resources and Infrastructure |

| | | |
|----------------------------------|--------------------------------|---------------------|
| Matter previously considered by: | Executive | On: 13 January 2015 |
| | Property Committee | 28 January 2015 |
| | Policy and Resources Committee | 3 February 2015 |
| Further approval required? | No | N/A |

Executive Summary

The creation of a new Media Centre in London Road will address the issue of the current facilities being inadequate affecting the learning outcomes of the courses currently offered. The enhanced facilities will enable the LSBU to compete successfully with the sector competitor group and will lead to an increase in applicants for courses.

The proposal was considered by the Strategic Space Management Group and the space needs of current users of the space discussed. It was agreed that alternative,

comparable space for current users could be created elsewhere on campus and the allocation of space for this proposed project was agreed.

The business case was discussed in detail by the Property Committee at its meeting of 28 January 2015 and requested additions to the rationale are included in the "Summary of the Case".

It is recommended, therefore, that the committee recommend to the Board that resources be made available for the creation of the new Media Centre and for the creation of new teaching and exam facilities in the Tower Block to replace space lost in London Road.

ACI Media Centre: summary of the case

What is being requested?

A fully equipped Media Centre to support courses in 7 BA and 3 MA degrees in areas such as film, journalism and photography, with currently 559 students (early indications are that these courses are on a strong upwards growth curve). This breaks down into 4 main costs:

- Refurbishment: £2.5M
- Equipment: £1.2M
- Knock-on upgrades: £0.4M

Why is this top priority?

The current facilities are antiquated. This is affecting recruitment, retention, and NSS scores. In addition, we have to send our students to facilities elsewhere, which is both costly and a poor experience.

Why now?

The £1.2M equipment upgrade would have been a routine requirement anyway (i.e. standard upgrades required every 3-5 years). We have also revamped the whole suite of courses on offer, and are recruiting strongly to new courses.

Options appraisal?

An extensive assessment of potential locations for the Media Centre has been considered over the past 3 years, for which knock-on problems have been the biggest blocker. This proposal has been judged to be the best value for money by the Estates team.

What would be the impact of the upgrade/no action?

- a) No action – we predict student numbers would drop from 559 to 390 by 2018/19, which would equate to a reduction in income of about £1.5M p.a.
- b) Upgrade – projected increase in student numbers from 559 to 696 by 2018/19, which would equate to an increased income of about £1.2M p.a.

Overall, a difference of £2.7M p.a. by 2018/19

What is the current financial position of the School?

- The total income for the School is £9.3M p.a.
- It generates a surplus of **£5.2M p.a.**, equating to a **56% central contribution**
- Sector norms are around 40% central contribution (but depend on the financial model)

How does this align with the institutional strategy?

We are committed to improving the student experience, as measured by the NSS and retention rates. The Centre will also improve employability skills and facilities for research. The evidence is very strong that more, high quality students could be attracted, and this aligns with a modest increase in overall intake numbers, and the planned expansion in digital technologies when ACI was set up.

What do the knock-on upgrades contribute?

There is a loss of crucial flat floor teaching space linked to this change, which would impact on both educational delivery and examinations. However, the proposed 'knock-on upgrades' would both improve a poor area (an ex-restaurant eating area used for architectural model-building) to meet core teaching and examination needs AND address a concern about the disparate (and poor) location of facilities for architecture. Staff motivation, retention and recruitment will all be positively impacted.

Are there other benefits?

The refurbished Media Centre could have wider usage, and the space could be adapted for other teaching purposes were the Media Centre to move (e.g. to the new building planned for 2020-ish, to which the equipment could be re-located).

ACI Media Centre

LSBU Large Project Business Justification

This document provides a template for business cases in support of business cases above £250k.

Executive Summary

We wish to build a new Media Centre in order to greatly enhance undergraduate specialist teaching provision for Journalism, Photography, Film Practice, Sound Design and Digital Design and MA Creative Industries (the core of ACI teaching provision) and to provide additional support for all ACI students and the larger LSBU student community. The main benefits will be to halt a potential irreversible decline in sector applications and external transfers, whilst allowing for controlled, strategic growth within our Portfolio. We are currently not able to compete successfully within our sector, as our current facilities are inadequate and dated, measuring-up poorly when compared to our competitor group. There are also major gaps in our resource provision, especially in Sound Design, Film Production, Journalism and Photography, where students are unable to meet their courses' learning outcomes due to lack of facilities. (Estimated cost: **£4,080,574**)

Document Control

| Version | Created/Changed by | Date | Notes |
|---------|--------------------|----------|-------|
| 1.1 | Janet Jones | 14/11/14 | |

Scope of work

Investment objective

Analysis shows our key London-set competitors have made significant recent investments in facilities for their media courses. (Media Centre Competitor Research available on request.) Enrolment across cognate sector courses has remained and new facilities coupled with innovative refocusing of our portfolio will help us reverse the decline in applications experienced over the last 5 years and create a stronger market brand for LSBU Digital Media courses. (enrolment stats available on request)

The subject cluster has the potential to attract more students, and with the right positioning, allow LSBU to enhance the quality of the student mix and increase the percentage of students who actively select LSBU, thereby increasing tariff. ('where else do our students apply' available on request)

The new facility is an essential building block to meet the following specific aims:

- Substantially improved student experience
 - Significantly improved NSS ratings on question 18
 - Significant improvement in the average score for Learning Resources.
 - Scores for organisation and management (Qs 13, 14 and 15) reflecting improved planning resulting from dedicated teaching resources.
 - Enhanced satisfaction with preparation for employment and making our students more employable
 - Improve student confidence working with industry standard facilities
 - Consequential improvement in overall satisfaction (Q22)

- Improved competitive position
 - NSS ratings on question 18 to sector average or above in NSS 2015/16
 - Significant improvement in the average score for Learning Resources.
- Improvement in student digital profile, enhancing their employability.
- Increased applicant numbers and enrolments generating additional income.
- Increase in the number of student listing LSBU as their first choice.
- Improved retention.
- Increase in PG and O/S numbers and ability to attract and sustain academic collaborations such as British University Egypt.
- Improved quality of conversions. Students who may have previously gone to our competitors.
- An enhanced School identity for students and staff reflected in a greater co-location of resources
- Improved staff and student engagement with the School.
- Support for research activities related to industry practice
- Support for LSBU Student Union Media
- Income generating activities including hire of facilities and short courses and enterprise activity.
- Ensure a competitive short-list for staff recruitment.

Business need

What triggered the need for the project? / what is the impact of the issue?

The School has seen a sharp decline in applications within these subject areas since the introduction of higher fees in 2012. Targets have been reduced and we have not benefited from the growth in application numbers that our competitors have over the same period.

The effect of higher fees and value for money has created an expectation of 'state-of-the-art' facilities paralleling industry, (see competitor facilities ppt.) with students (and parents) wanting to see a better range and quality of facilities for their investment.

We have failed to build on our potential in Arts and Creative Industries through chronic lack of investment into facilities over many years. Consequently, the Creative Industries subjects at LSBU represent 7% of its turn-over and yet our competitor institutions, with less desirable locations, boast 16-25% of their turnover in this area. These competitor institutions have invested heavily and strategically, where we have not.

- By comparison to other London Universities, LSBU is very small scale, and is not competing across the full reach of the Arts Process
- Traditional specialist competitors, such as The University of the Arts and Goldsmiths, operate at a very large scale in only a small number of areas. They should not be considered major competitors for the curriculum that LSBU is seeking to achieve.
- Non-specialist competitors, particularly Kingston and the University of East London, have achieved a much greater reach and larger scale across the board than LSBU. Most have more diversified portfolios, and operate at a larger scale than LSBU currently does. (source: market research 2013)

Specifically, competitor institutions in London (Kingston, Middlesex, Westminster, UEL, UAL, and Ravensbourne) have made significant infrastructure investments to support their creative arts provision and remain competitive. LSBU's offer is, by contrast, somewhat dated and piecemeal. This has been picked up by visitors on open days who have pointed out that our facilities are not comparable with other institutions. We are becoming increasingly less competitive in the market place reflected in recent recruitment figures not only with Sound Design (which has no sound recording facilities at all) but also flagship programmes such as Digital Design and the newly expanded provision in Journalism.

The lack of a professional media production space allowing students to work with industry standard formats contributes to NSS ratings on the optional questions about careers, in particular B1.1 (As a result of my course, I believe that I have improved my career prospects), at 71%, which is 14% below benchmark.

Why it should be done now and what are the implications of not doing it?

It resolves long overdue issues. The triggers mentioned above evidence a lack of student satisfaction in current teaching spaces and access to specialist equipment as well as preparation for employment – the fact that these results now appear on KIS data published on the web makes it essential to improve such scores. We cannot be competitive with applicants commenting at open days that we do not have comparable facilities to other Universities, especially with the increase in student fees and the focus on value for money.

The workshop-dependent courses within ACI have expanded and have significantly outgrown their use of spaces allocated within Keyworth. For example, when the Dept. of CWP was created in 2010 (as result of division of old department of AME into Arts &

Media and Culture, Writing and Performance) it was agreed that BA (Hons) Multimedia Journalism would continue to utilise the Keyworth Digital Media Labs for the teaching of its practice modules. In addition, the degrees BA (Hons) Film Studies and BA (Hons) Media and Cultural Studies also had a small number of media/film practice modules – and this teaching has continued to take place in the Keyworth Digital Media Labs. Since 2010 there have however, been a number of curriculum based developments in the CWP portfolio – as well as continuing innovation/development in the creative industries in relation to ubiquity/centrality of ‘the digital’. This has meant a growing requirement for more lab-based teaching.

Validation panels and external examiner reports have noted these wider developments within the creative industries and have made a number of recommendations. In May 2011 – the course, BA (Hons) Print and Online Journalism was successfully re-titled as BA (Hons) Multimedia Journalism – and the panel noted that it was desirable for students to have access to a newsroom. This was echoed in the validation of the MA Creative Media Industries: Journalism in March 2012. Journalism is a competitive area for recruitment in London and competitors such as Westminster, City, and London College of Communication have these facilities. These facilities would improve the teaching and learning experience, develop students’ employability, aid recruitment and offer the potential for income generation as a site for short course teaching.

The aim of the bid is to replicate a professional working environment with students using industry standard formats that will give them the skills for future employment. The proposal is student-centred and responds to their continuous feedback that the teaching environment and facilities need to be improved to a suitable if not professional standard and one that puts us on a more even keel with our competitors. There is a real danger that by becoming less competitive we will not be able to deliver these courses and we find ourselves at a critical juncture, with a limited window of opportunity to reverse the decline.

In addition to an increase in applications, greater satisfaction with learning resources should translate into students more willing to attend regularly and therefore more likely to achieve and progress. Finally, we enjoy the best location for Creative Industries courses in the UK and arguably internationally. We should be able to better exploit our SE1 location.

Implications of not doing it:

- Reduction of the student experience and their engagement with the course/University.
- Deteriorating NSS satisfaction ratings leading to a cycle of decline which has already started across some of the programmes.
- Lower competitor positioning.
- Lack of competitive facilities resulting in the gradual decline of recruitment to the core ACI courses.
- Inability to deliver some of the validated curriculum, triggering revalidation or resulting in potential closure of the course(s).
- Reduction in the staff engagement.
- Reduce possibilities for future curriculum development in what is a fast changing digital environment.
- Reduced enterprise potential.
- Inability to grow our enterprise provision around short course and CPD.
- Poor application base for new staff positions.

Implementation *How you propose to implement the change?*

- n The works will be carried out within a network of teaching rooms within the Abbey Suite. (see plan PDF)

The expectation is for the Media Centre to be available for student teaching from October 2015. This would require works to be completed over the Easter break and summer months.

High level costs are as follows: Total £4,080,574

- AV (Gavin Warnock) £297,600
- Media Centre Kit costs (ACI) £930,974
- Lecture Theatre repurposing £300,000
- Estates costs with 15% contingency: £2,552,000 (includes costs associated with creating new teaching spaces/exam spaces in the Tower Building £300,000 and a buffer of £100,000 for decant.)

Addendums to this document list the detailed works required.

In summary

- a) 250 seater screening/lecture theatre, advance sound system, blackout and HD projector.
- b) Flexible studio/production space with lighting rig for Digital Photography/Sound Design and Digital Design and green screen for Film Practice.
- c) Sound recording studio primarily for Sound Design, but will enhance current provision available to all ACI courses
- d) 12 editing suites for post-production work in sound, journalism, games and film
- e) New student facing loans store - essential for student experience with extended opening hours afforded through the London Road location.
- f) 1x Newsroom and 1 x Mac Lab (each room to accommodate 25-30 students working at any one time) to support teaching and potentially to provide a base for income generating short courses (evening/weekends/summer schools).
- g) 25 desks with Macs and headphones and printers. This will include video cameras/lighting kit/mixing desk/laptops,
- h) Fully equipped radio studio with telephone, desk mics etc.
- i) New expanded kit room and technician's office

Those items which are in scope, out of scope, and not essential

All items are in scope as the Media Centre is integrated and networked with a common server enjoying multiple student interdisciplinary use.

The screening/lecture theatre will be re-created from a current lecture theatre split across two levels and the upper level will be centrally timetabled, although Film and Media students should have priority booking.

Similar known requirements in other schools and departments.

A Media Centre has multiple uses across all Schools and Services. Central timetabling of facilities should ensure that the benefits accrue across the Institution, although fee-paying students on courses within ACI should have preferential access to support their modular learning outcomes.

Sponsorship

Janet Jones, Dean of School, Arts and Creative Industries

The key stakeholders have been identified as ACI students, applicants, staff, ACI Deanery, Faculty Manager, Estates and Academic Environment (Room Bookings), ICT (Support for MacLab/A/V requirements), Strategic Space Management Group, Marketing Dept. Procurement.

All have been consulted/notified.

Rationale

Relationship to Corporate Plan The Media Centre will provide a professional environment to ensure high quality teaching and effective learning. It will ensure that we are able to fulfil the Corporate strategy and Learning and Teaching strategy.

- Delivering success for our students
- Successfully meeting the Learning Outcomes of our programmes.
- Supporting all students who have the potential to succeed academically and in professional employment.
- Increasing our support for employability skills for our students
- Excellence and continuous improvement in all we do to meet the aspirations of our students and deliver ever better value for money

Relationship to Local Delivery Plan

It meets the School's *Local Delivery Plan* by providing a solid foundation on which to consolidate and subsequently build on student numbers with improved KPI performance across the full range of indicators, (Tariff, NSS, Employability, Progression, Good Honours, Recruitment and increased market share) followed by controlled growth over 5 years from a UG base of 1000 students to 1500. It also provides a venue for developing Enterprise income in the form of CPD and short courses. In addition it provides an improved showcase for international recruitment.

Critical success factor(s)

| Objective | Critical Success Factor | Success Monitor |
|---------------------------------------|---|---|
| Increased income | a) Greater competitiveness with key HE institutions in performing arts subject area; growth in applications in UG market. b) Improved teaching and learning experience and further enhanced progression and retention. c) Develop income generating activities – summer schools, Saturday schools, short courses, venue hire etc. | University League Tables Internally monitored KPIs Quarterly accounts |
| Enhanced University reputation | a) Excellent external partnerships with key external stakeholders, will result in a vibrant exchange of knowledge, experience and expertise and which will enhance the employment prospects of our students | NSS/Management and Quarterly accounts/Enhanced external reputation/employability. |

LSBU Large Project Business Justification

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| | <p>b) The new Centre will lead to new partnerships within the local community and enhance the reputation and standing of the University.</p> <p>c) We aim to allow partner companies and alumni to use of the space to develop their own creative practice, in association with LSBU, thus positioning the University as a focal point for creative industry practice and research.</p> | <p>Enhanced external reputation and local community partnerships.</p> <p>Marketing opportunities for LSBU from the delivery of programmes to the wider creative arts industry through key partnerships</p> |
| Reduced costs | The subsequent reversal of the decline in recruitment and growth in student numbers will ensure that we continue to increase our income. | Annual accounts |
| Improved employability | Improved facilities will enhance progression and create an aspirational working environment with appropriate professional contexts. | <p>KPIs</p> <p>Income from partnerships embedding networking opportunities.</p> <p>External examiners reports</p> <p>Successful validations</p> |
| Reduction of risk to continued portfolio success | The School Risk Register notes the importance of NSS ratings, recruiting to target and appropriate quality of teaching environment | NSS, Recruitment (including international) and Enterprise |

Describe how you will monitor these success factors through the project to ensure benefits can be realised at the end.

The most significant measure to monitor will be student recruitment. Also key will be tariff on entry, improved retention, increased competitor share of the market and enhanced employability. Other success indicators will be meeting international income and Enterprise targets.

Options Analysis 1) **Student income return on Investment (5 years) UG and PG numbers (with and without investment)**

The courses below reflect primary usage of the new facility. There are other courses within ACI that will benefit from secondary usage. The estimates reflect a predicted a 30% decline in student numbers across the of the portfolio, as we continue to lose market share. It's predicted that some courses will close, others will stabilise at a lower student FTE.

| <i>Estimate without investment (current progression) Reduction of 30% student FTE over 5 years across course portfolio.</i> | 14/ 15 | 15/ 16 | 16/ 17 | 17/ 18 | 18/ 19 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| BA(Hons) Digital Sound (course will close) | 40 | 30 | 20 | 10 | 0 |
| BA (Hons) Film Practice | 130 | 120 | 110 | 100 | 100 |
| BA(Hons) Digital Photography | 93 | 85 | 80 | 75 | 75 |
| BA (Hons) Game Design | 81 | 75 | 75 | 75 | 75 |
| BA(Hons) Digital Design (course will close) | 47 | 35 | 25 | 15 | 0 |
| BA (Hons) Multimedia Journalism | 75 | 70 | 65 | 65 | 65 |
| BA (Hons) Film Studies (with combined) | 82 | 75 | 70 | 65 | 65 |
| MA(Journalism) | 7 | 7 | 6 | 6 | 6 |
| MA (Photography) | 2 | 2 | 2 | 2 | 2 |
| MA (Digital Film) | 2 | 2 | 2 | 2 | 2 |
| | | | | | |
| Total FTE | 559 | 501 | 455 | 415 | 390 |

| <i>Estimate with investment (15% enhanced progression) 20% growth in portfolio numbers.</i> | 14/ 15 | 15/ 16 | 16/ 17 | 17/ 18 | 18/ 19 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| BA(Hons) Digital Sound (course will remain open) | 40 | 45 | 50 | 55 | 60 |
| BA (Hons) Film Practice | 130 | 135 | 140 | 145 | 150 |
| BA(Hons) Digital Photography | 93 | 100 | 105 | 110 | 115 |
| BA (Hons) Game Design | 81 | 85 | 90 | 90 | 90** |
| BA(Hons) Digital Design (course will remain open) | 47 | 50 | 55 | 60 | 65 |
| BA (Hons) Multimedia Journalism | 75 | 80 | 90 | 100 | 100 |
| BA (Hons) Film Studies (with combined) | 82 | 85 | 90 | 90 | 90 |
| MA(Journalism) | 7 | 8 | 9 | 10 | 10 |
| MA (Photography) | 2 | 6 | 8 | 8 | 8 |
| MA (Digital Film) | 2 | 6 | 8 | 8 | 8 |
| | | | | | |
| Total FTE | 559 | 600 | 645 | 676 | 696* |

*A 20% growth in student portfolio numbers is not unrealistic given our current, relative low market share across the London sector. The LDP argues that we should be able to grow our total student numbers from the current 1000 to 1500. It is predicted that with additional investment Drama and Performance will also grow by 25%.

**Additional new games-related courses will be launched with the support of the new facility. The current course should stabilise at an intake of 35-40 per year with a net number of 90 students across all three years.

2) Staff investment

To support the growth in student numbers over the five years, we will require extra staff. On an SSR of 35:1, we will require four new academic full time staff over five years to compensate for the extra numbers plus the equivalent of 1.0 FTE in HPL support.

We will also require a new full time technician from September 2015 and another two 0.5 technicians, one joining us in 2016 and the second in 2017.

3) Enterprise Income

We currently have no CPD or short course income within the School.

We anticipate that the new Media Centre will enable us to grow our portfolio over 5 years.

| Enterprise income through CPD and short courses | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 |
|--|-------|--------|---------|---------|---------|
| | 6000 | 77,000 | 137,000 | 197,000 | 197,000 |

Description

NPV shows positive in 4.3 years from start of project (2014/15) at 6% discount factor

Payback Period on Initial Investment @ 4 years 1mth

The implementation costs including AV/IT/Estates and full fit-out are £4,080,574

| | | |
|--|----------------|------------------|
| Refurbishment of Rooms | 2014-15 | 2,152,000 |
| Equipment Cost | 2014-15 | 930,974 |
| AV Equipment | 2014-15 | 297,600 |
| Refurbishment of Lecture Hall | 2014-15 | 300,000 |
| Decant and building new teaching and exam facilities in tower Block | 2014-15 | 400,000 |
| Total costs (including contingency and VAT): | | 4,080,574 |

Planning

Timing This project is urgent in order to reverse the decline in attractiveness for these courses and the ensuing reputational damage accrued from the negative impressions caused when students visit on Open Days, and also how they judge us when they study here. We require this facility to be operational by September 2015. This can only be guaranteed if the case is approved within this review cycle. E.g. BoG approval in February.

| Date | Milestone / Deliverable | Notes |
|----------------|----------------------------|--|
| February 2015 | Detailed plans delivered | |
| March 2015 | Contract tendering | |
| May 2015 | Contractor starts | |
| August 2015 | Installation, testing etc. | |
| September 2015 | Handover | ready for Week 1 Semester 1 2015-16 |
| | | If the timeline is interrupted – Week 1 Semester 2, 2016 if necessary. |

Dependencies [Detail any projects, events or work that are either dependent on the outcome of this project or that the project will depend on.]

Availability of the Abbey suite of rooms in London Road. Vacant possession needed in time for building works to start.

Risks [Identify the key risks that might impact on the project and particularly on the achievement of the desired benefits in the following table. For large or complicated projects, a separate risk register should be used. This should be referenced here and summary information provided below. Risks to consider:

- Business risks that impact the business processes or structures.
- Financial risks that have consequences for LSBU's financial stability.
- Technical risks e.g. system downtime, specification standards, and incompatible interfaces.
- Implementation risks e.g. deviation from plan, delays, and implementation not to standard.]

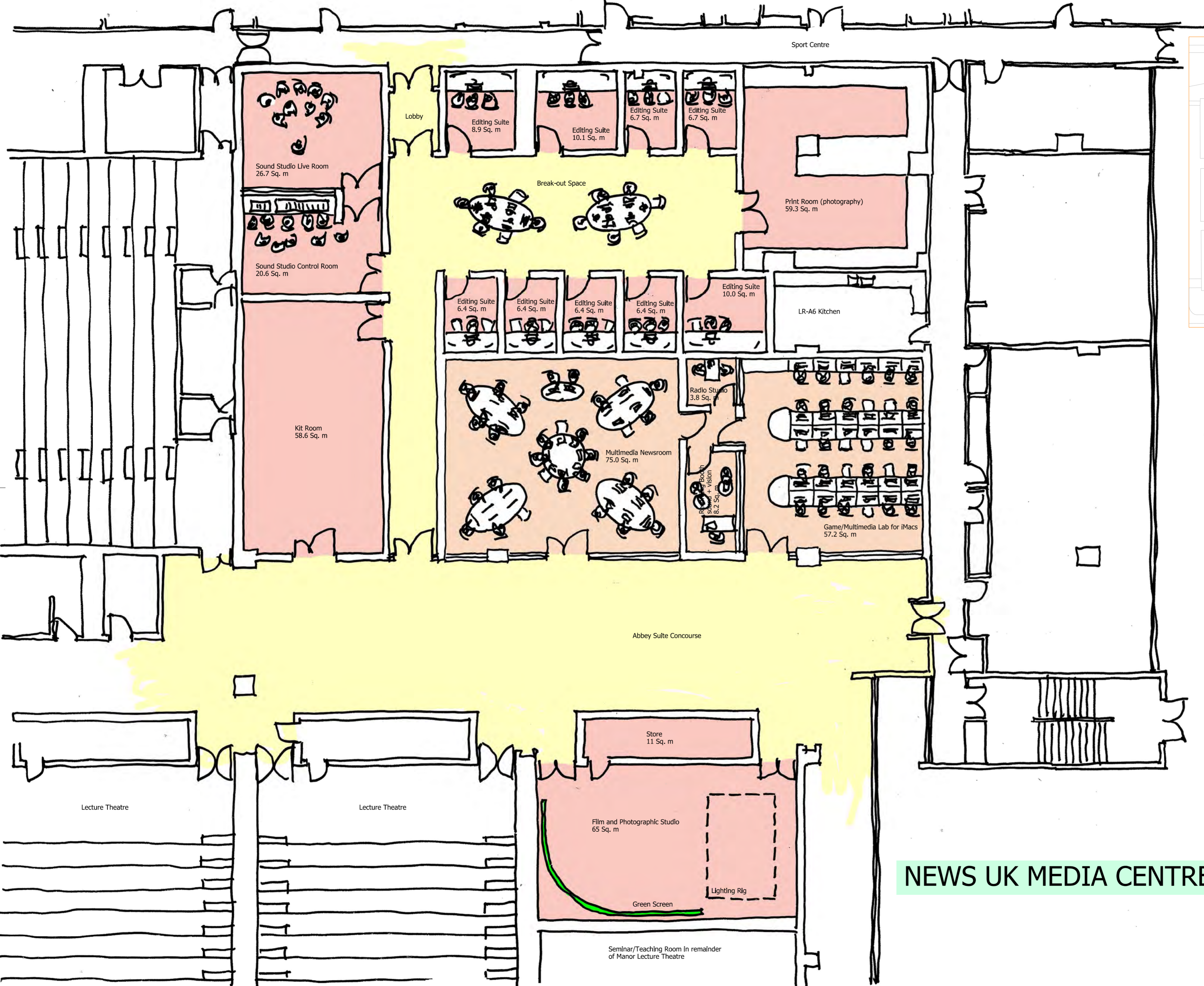
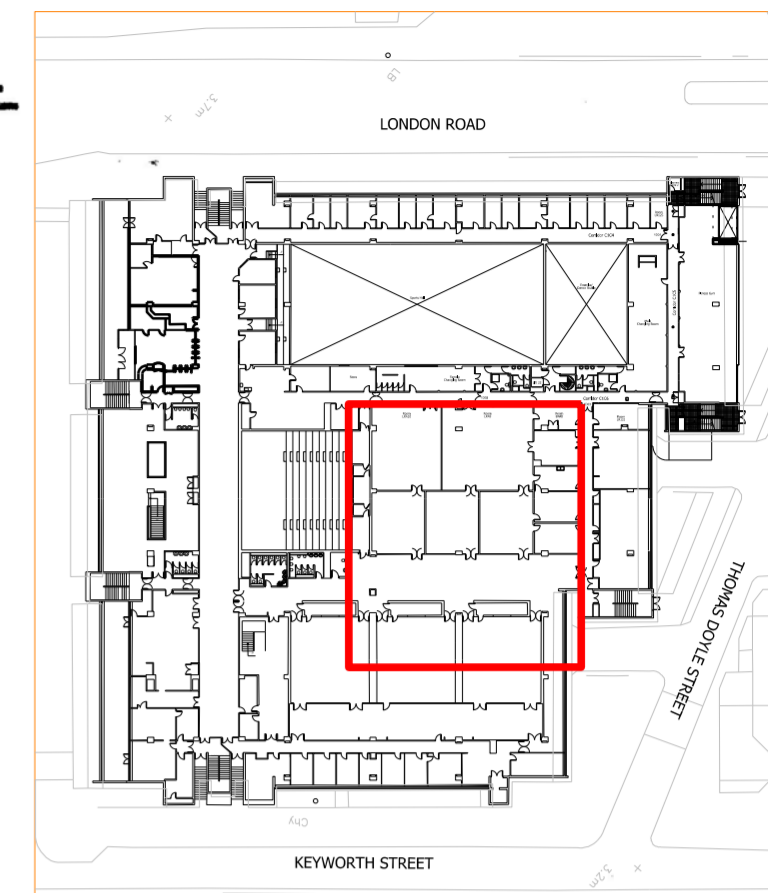
| Risk | L'hood (H/M/L) | Impact (H/M/L) | Mitigation | Owner |
|--|----------------|----------------|---|-------------|
| The proposal is based on Executive and Governors' agreement for the spend. | M | H | Canvassing support of all stakeholders. Effective communication of strong financial business case | Janet Jones |
| Obtaining Building and Planning consents | H | H | Experience in Estates suggests that a timely and well-conceived request would be effective. Early pre-application advice, generous programme allowance to obtain consent and a generous allowance to discharge the more onerous conditions once on site. | Estates |

LSBU Large Project Business Justification

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| Obtaining affordable work tenders | L | M | Effective project planning and clear tender briefs | Estates and School of ACI |
| Delay in starting or progression of the project | H | H | Effective project planning and clear tender briefs | Estates and School of ACI |
| Construction Industry Inflation | M | L | Contingency built-in | Inflation built into NPV |
| Discovery of unknowns: structure, services, asbestos etc. | M | M | Early comprehensive structural surveys | Estates |
| Local area Network capacity/speed not able to support use. | M | H | Continued negotiations with IT to determine best network installation programme. Benchmarking with other HE institutions | IT |
| Central Timetabling won't be able to find the extra capacity to rehome teaching activities displaced | M | M | Estates is hopeful that the new central timetabling process will help to mitigate this risk by uncovering under-utilised space and assigning current space more efficiently. There may be a need to repurpose other spaces to increase capacity. | Estates |

Checklist Have you consulted the appropriate departments when drafting this business case:

| Department | Requires consultation? | Consulted? | Will consult later in process |
|--|------------------------|----------------|-------------------------------|
| Estates and Academic Environment (inc. space considerations) | Yes | Yes | |
| ICT | Yes | Yes | |
| Procurement | Yes | Yes on estates | Yes |
| HR | Yes | No | Yes |
| Pro-Vice Chancellor (Academic) | Yes | Yes | |
| Pro Vice Chancellor (External) | Yes | No | Yes |



Notes

1. Do not scale from this drawing
2. Work to figured dimensions where shown
3. Confirm dimensions on site before fabrication or construction - report any discrepancies to CA

| | | | |
|--------------------|----------|--|----|
| B | 22.10.14 | Recording studio and multimedia room names amended | ss |
| A | 22.09.14 | Location Plan and title added | hb |
| rev | date | description | by |
| drawing amendments | | | |

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Architecture Planning Landscape

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NEWS UK MEDIA CENTRE

| | |
|---------|--------------------------------|
| project | AHS Newsroom and Sound Studios |
| client | London South Bank University |

| | | |
|---|-------------|------|
| drawing status | scale | size |
| Feasibility | 1:100 | A2 |
| drawing | job no. | |
| London Road Building First Floor Plan as Proposed Option 04 | 14074 | |
| | drawing no. | rev. |
| | 011 | B |

| | | |
|--------------------|---|--|
| | PAPER NO: BG.10(15) | |
| Paper title: | Key Performance Indicators | |
| Board/Committee | Board of Governors | |
| Date of meeting: | 12 February 2015 | |
| Author: | John Baker, Corporate & Business Planning Manager | |
| Executive sponsor: | Richard Flatman, Chief Financial Officer | |
| Purpose: | <p>To approve the recommendations of the KPI working group regarding the reporting of KPIs to the Board for the 14/15 cycle.</p> <p>To approve:</p> <ul style="list-style-type: none"> • the KPI set, • the KPI targets, and • the KPI rating criteria for the 14/15 academic cycle. | |
| Context | <p><i>Strategy, 2015-2020</i></p> <p>The KPI's have been revised in line with the goals and measures of the Corporate Strategy, 2015-2020.</p> | |

| | | |
|----------------------------------|---|---|
| Matter previously considered by: | Board KPI Working Group Operations Executive Policy and Resources Committee | On: 7 th November 2014 On: 16 th December 2014 On: 13 th January 2015 On: 3 February 2015 |
| Further approval required? | No | N/A |

Executive Summary

The KPI working group met in November to consider the initial set of proposed KPIs for 14/15 – developed from the previous KPI set, which were reviewed in the context of the goals and measures of the Corporate Strategy 2015-2020. The recommendations of the working group are included as appendix 2 to this paper, and the revised KPI report for 14/15 has now been reviewed by the Operations Board, the Executive and the Policy and Resources Committee. For brevity the 14/15 KPI

report provided as appendix 1 to this paper is presented as it would be on the assumption that the recommendations of the working group are accepted.

Due to limited time between these meetings and the paper deadline for P&R, only the forecast figures from the November management accounts are presented at this stage, but if this format is approved, forecasts will be sought for all feasible metrics for the next report.

The Board Sub-Group specifically supported the automation of data collection for performance monitoring and reporting purposes. The Sub-Group agreed that, subject to satisfactory review of an updated KPI report by email, there was no need for any further meetings and the amended KPIs and reporting arrangements would be recommended to the February P&R and Board meetings.

The proposed KPI reporting arrangements are that an updated KPI report will be presented to the Executive meeting in the month preceding each meeting of the Policy & Resources Committee, and then attached as an appendix to the Vice Chancellor's report presented to the subsequent meeting of the Board of Governors.

The proposed format of the KPI report for the 14/15 cycle will be generated from manual entry into an excel spreadsheet, but the objectives of the Corporate Performance Management change programme project include automatic generation of reports from direct data feeds into a new reporting environment.

The KPI cycle runs a little behind the academic year owing to the time taken to confirm year-end financial data and sign the accounts, so it is proposed that going forward the first and last presentation of the reports for each KPI cycle is at the November Board meetings (the final report for the year just concluded, and the first report for the year just commenced – to agree targets for the year ahead).

Requested amendments from the Policy and Resources Committee have been included.

| Outcomes | # | Corporate Strategy Goals | 20/20 Success Measures | # | Key Performance Indicators | Past Performance Baselines | | | benchmark | 14/15 Ratings | | Targets | | 14/15 Rating Criteria | | | (NB: this area not in report format but provided for information in format approval) | | | | | | |
|-----------------------|--------------------------------|---|--|---|--|---|-----------|-------------------|-----------------------|--------------------------------|---------------------|----------------------|-----------------------------|------------------------|-----------------------------|---------------------------|--|---------------------------|--------------------------------|--|---|--|------------------------------|
| | | | | | | 2011/12 | 2012/13 | 2013/14 | | Competitor Group 12/13 average | Forecast RAG rating | Actual Result Rating | 2014/15 | 2020/21 | Exec. Lead | Green | Amber | Red | Data Supply Timing | Data Supply Source (& competitor data) | Results provided by | Data Owner | Definition |
| Student Success | 1 | Employ- ability | 95% students in employment / further study (EPI) | 1 | DHLE entry to employment or further study (EPI) | 78.10% | 77.4% | 85.5% | 88.5% | | | 87% | 95% | PVC (SE) | 87 % + | 80 - 86 % | <80 % | May / June | LSBU QL Report / HEIDI | Kirsty Palmer | Head of Employability Service | HESA PI - % of Home/EU students in employment/further study 6 months after graduation | |
| | | | Top 10 UK universities for student start ups | 2 | Number of Student start ups | 6 | 1 | 27 | 47.86 | | | 50 | 150 | PVC (R&E) | 50 + | 43 - 49 | < 42 | Jan return | HEBCIS return / HEIDI | Lindsay Cole | Head of Enterprise | HEBCIS Table 4 - no of start-ups | |
| | 2 | Student Experience | Top quartile of all universities in NSS | NSS scores – overall satisfaction | 3 | NSS scores – overall satisfaction | 80% | 82% | 80% | 81.7% | | | 82% | 89% | DVC | 82 % + | 80 - 81 % | < 80 % | August (exiting cohort) | NSS Dataset / IpsosMori | Emily Rubythorn | Deans | NSS Q22 |
| | | | | International Student barometer (% recommending LSBU) | 4 | International Student barometer (% recommending LSBU) | 70.00% | 73.00% | 72.40% | not available | | | N/A (hiatus) | 81% | | n/a | n/a | n/a | 2 waves | 3rd party Local Spreadsheet | Jenni Parsons | Deans | ISB question |
| | | | | PGT experience (% satisfaction) | 5 | PGT experience (% satisfaction) | 71% | 75% | 75% | not available | | | 77% | 82% | | 77 % + | 72 - 76 % | < 72 % | Sep | HESA data / HEIDI | Emily Rubythorn | | PGT survey |
| | | | | Student Staff Ratio | 6 | Student Staff Ratio | 22.4:1 | 23.7:1 | 24.2:1 | 21.2 | | | 22:1 | 19:1 | | <=22 | 23 - 24 | >25 | May | | Richard Duke | | HESA PI - SSR |
| Real World Impact | 3 | Teaching and Learning | Top 50% of universities for graduate employment / starting salaries. | 7 | Graduate level employment | not available | 59% | 54% | n/a (local indicator) | | | 55% | 60% | PVC (SE) | 55 % + | 52 - 54 % | <52 % | June / July | LSBU QL Report / HEIDI | Kirsty Palmer | Head of Employability Service | % of positive outcomes in graduate level employment or studying 6 months after graduating | |
| | 4 | Research and Enterprise | Top 50% UK for Research & Enterprise Income | 8 | Research Income (non Hefce) | £2.4m | £2.2m | £1.8 | £6.1 | £1.4m | | £1.4 m | £6.0 m | PVC (R&E) | £1.4 m + | £1.2 - 1.3 m | <£1.2 m | Nov Forecast - Oct P.Acts | MANSUS report | Ralph Sanders | Director of R&I | Research income (Not Hefce QR) | |
| 9 | | | | Enterprise Income | £10m | £8.5m | £9.5m | not available | £9.7m | | £9.9 m | £15.0 m | £9.9 m + | | £9.5 - 9.8 m | <£9.5 m | Nov Forecast - Oct P.Acts | MANSUS report / HEBCIS | Ralph Sanders | | Enterprise income percentage of entrants from Low Participation Neighbourhoods for full-time first-degree students (as defined by HESA performance) | | |
| Access to Opportunity | 5 | Access | Top London Modern for LPN recruitment | 10 | % recruitment from low participation neighbourhoods | 6.5% | 7.4% | not yet available | 6.4% | | | 8.4% | 12.4% | DVC | 8.4 % + | 7 - 8.3 % | <7 % | May (prev. year data) | HESA data / HEIDI | Tere Daly | PVC - R&E | Neighbourhoods for full-time first-degree students (as defined by HESA performance) | |
| | | | | 11 | Undergraduate recruitment before clearing (% of firm acceptances against target prior to clearing) | 63% | 68% | 76% | not available | | | 80% | 90% | | 80% + | 76 - 79 % | <76 % | August | Cognos Reports | Lynn Grimes | Director Marketing | % of firm acceptances against target prior to clearing | |
| | | | | 12 | Completion (at or above benchmark) | not available | -9.50% | not yet available | -3.13% | | | -6% | +3% | | >=-6 % | -7 to -9 % | <-9 % | May (prev. year data) | HESA data (PY?) via HEIDI | Richard Duke | DVC | % of students projected to gain first degree compared to benchmark (per HESA stats) | |
| | | | 13 | Exceed expectations on completion | Year 1 progression | 63% | 65% | 63% | not available | 64% | | 69% | 85% | | 69 % + | 63 - 68% | <63% | October S1 | Cognos Reports | Clive Case | Deans | FTUG progressing into Y2 | |
| | | | | | Good Honours | 53.4% | 59.8% | 58.3% | 62.2% | | | 60 - 65% | | | 60 % + | 55 - 59 % | <55 % | October | Registry cognos report / HEIDI | Andrew Fisher / Richard Duke | DVC | % of students gaining 1st or 2:1 out of total awarded degree classifications (per HESA stats) - FPE classification of first degree | |
| 6 | International | 4 QS Stars | 16 | QS Star Rating | n/a | n/a | 2 (prov.) | not available | | | 2 | 4 | VC | 2 | 1 | 0 | April | Quacarelli Symonds | Richard Duke | Head of BIU Director of International/Collaborations | Overall QS star rating | | |
| | | | 17 | Overseas student income | £9.6m | £8.6m | £8.5m | £29.5m | £9.3m | | £9.3m | 20m | £9.3 m + | £8.8 - 9.2 m | <£8.8 m | Nov Forecast - Oct P.Acts | MANSUM report | Ralph Sanders | | Overseas student income | | | |
| Strategic Enablers | 7 | People and Organisation | Rated as a good employer | 18 | Appraisal completion % | 21% | 28% | 37% | not available | | | 50% | 95% | EDHR | 50 % + | 45 - 49 % | < 45 % | Jan | OSDT report | Cheryl King-McDowall | Director OSDT | % of staff due to have an appraisal who have had an annual appraisal during the year | |
| | | | | 19 | Average Engagement Score as as % | | 58% | - | 70% | | | 55% | 75% | EDHR | | | | June | OSDT partner | tbc | Director OSDT | The engagement score is calculated for each respondent based on answers to a range of Qs. | |
| | 8 | Resources and Infrastructure | Grow our income by 25% to £170m annually, deliver an operating surplus of 5% and an EBITDA margin of 15% | 20 | Surplus as % of income | 4.7% | 4.0% | 2.3% | 9.6% | 0.5% | | 0.7% | 5.0% | CFO | 0.7 % + | 0.4 - 0.6 % | < 0.4% | Nov Forecast - Oct P.Acts | MANSUM report | Ralph Sanders | Director of Planning, Information & Reporting | Surplus/income * 100 | |
| | | | | 21 | Income (£m) | £138.3m | £137.9m | £134.8m | £188.2m | £136.4m | | £136.5m | £170.0m | | £136.5 m + | £134.0 - 136.3 m | < £134 m | Nov Forecast - Oct P.Acts | MANSUM report | Ralph Sanders | | Income £m | |
| | | | | 22 | EBITDA margin (EBITDA expressed as % of income) | 14.3% | 11.2% | 9.9% | 9.20% | | | 10.7% | 15.0% | | 10.7% + | 9.7 - 10.6% | <9.7% | Nov Forecast - Oct PA | MANSUM report | Ralph Sanders | | EBITDA/income *100 | |
| | | | | 23 | Student satisfaction ratings with facilities & environment | 79% | 80.0% | 83.0% | 82.7% | | | 84% | 87% | | 84 % + | 81 - 83 % | < 81% | August | NSS spreadsheet / IpsosMori | Emily Rubythorn | | Director of Estates | NSS - responses to Q16,17&18 |
| 24 | Teaching room utilisation rate | 42% | 42% | not yet available | 42.8% | | | 43% | 48% | 43% | 41 - 42% | <41% | Sep / Oct (prev. year data) | Estates Survey / HEIDI | Andrew Wignall / Carol Rose | Director Estates | Estates Management Record (March) | | | | | | |
| League Tables | Overall | Top London Modern university (excl UAL) | 25 | TIMES - League table ranking | 111/121 | 118/121 | 122/133 | 92.3 | | | 118 | 80 | VC | 118 or higher | 119 - 122 | 122 or lower | Sep | Times | Richard Duke | | Times league table position | | |
| | | | 26 | GUARDIAN – League table ranking | 104/120 | 113/119 | 112/116 | 87.1 | | | 110 | 86 | | 110 or higher | 111 - 114 | 115 or lower | June | Guardian | Richard Duke | Head of BIU | Guardian league table position | | |
| | | | 27 | COMPLETE UNIVERSITY GUIDE – League table ranking | 109/116 | 119/124 | 120/123 | 85 | | | 117 | 93 | | 117 or higher | 118 - 120 | 121 or lower | May | CUG website | Richard Duke | | Complete University Guide league table position | | |

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| | PAPER NO: BG.11(15) |
| Paper title: | Change Programme update |
| Board/Committee | Board of Governors |
| Date of meeting: | 12 February 2015 |
| Author: | Amir Rashid, Programme Director |
| Executive sponsor: | David Phoenix, Vice Chancellor |
| Purpose: | To provide an update on the change programme covering: high level dashboard by theme |

| | |
|--|---|
| Executive Summary | |
| Context | <p>This paper gives a high level overview of programme performance. The information presented is correct as of 27 January 2015.</p> <p>The change programme is delivering a range of projects – i.e. interventions outside our business-as-usual, defined by time and scope - to achieve those aspects of the corporate strategy that represent significant change.</p> |
| Question | What is the current progress of the change programme? |
| Conclusion & Recommendation | <ul style="list-style-type: none"> • That Board note progress to date. |

Programme Status

As projects transition to business-as-usual, operation and improvement projects emerge from the design phase of the Change Programme (mapping business processes and customer interactions), the programme structure has been revised. The dashboard of projects is attached at appendix 1 – at this stage there are 17 distinct projects:

- 2 projects are at 'concept' stage and the merit of delivering time-limited project activity in these areas will be reviewed in February
- 3 projects are in 'planning and delivery' – following completion of the initial design phase.
- 2 projects are in the process of developing detailed project initiation documents
- 6 projects are in delivery
- 2 projects are complete and have transitioned to business-as-usual
- 2 areas (Leadership and workforce development and Estates) will be delivered as business as usual with reporting on key milestones into the change programme.

High level commentary on the status of projects is provided on the dashboard.

Key successes

Under the theme of *Developing the Academic Environment*, the portfolio review project is now complete. The final report on courses reviewed was considered by the Programme Board and Operations Board in December 2014. With further detail to Educational Character in January 2015.

Within the *Support to the Academic Environment* theme, projects are progressing well. The Student Support project aims to enhance the model for student support drawing on the predictive analytics tools introduced by the EDISON project. A pilot to test how the tools will be used has been underway since December and has involved academics across all Schools. The outcome of this pilot will inform the further development of the tools and the development of the student support model.

The Student Journey project, has mapped all processes which involve student interaction. This work has been analysed with a range of improvements identified; this will involve improvements to: application processes, keep warm practices, the enrolment process and processes in the Student Life Centre. In addition a number of other business as usual projects will follow the same programme methodology: central timetabling, coursework submission and marking and complaints and issues handling.

These projects will be reliant on underpinning technology which will be developed in tandem (*ICT and infrastructure theme*).

The Course and Student Administration project was approved in December 2014. This project aims to ensure an effective transfer and redesign faculty office functions to Schools and Professional Functions.

Following project approval, all faculty office staff transferred to Student Support and Employment on 5 January 2015. Review and redesign (and migration as appropriate) of processes and systems will continue through the year to enhance the operation of functions: for example, migrating and streamlining the timetabling function to Estates to provide an enhanced service to students and improve our estate utilisation rate.

Within the *ICT and Infrastructure* theme, the new student portal, myLSBU, was launched in December 2014. Advance testing of network capacity was successful and the portal has been stable, serving over 100,000 page requests each day. Early life issues and user feedback are being addressed by the project team, and a second phase of enhancements is in initial scoping.

Also work is underway to develop the enabling technology that will underpin the work on student journey process re-design.

Key risks and issues

Risks/issues that are rated as critical or high are reported to each Executive Change Programme Board and mitigations are set and tracked by the programme team.

At this point, the key risks and issues to the programme relate to staff engagement and communications. Roadshows were held in late November, allowing further engagement with staff: the three events had approximately 90 attendees. Feedback received will inform further communications.

Within the *ICT and Infrastructure* theme, the migration of LSBU applications and systems to the new cloud-based data centre (Data Centre Outsourcing) is progressing: 52% of applications have now moved across. However, technical issues caused a number of system outages in late December and January. IBM has undertaken work to address this and the ICT team are evaluating whether this has fixed the issue but to date the problem seems to have been resolved. The ICT team are preparing for the next wave of migrations, with completion now scheduled for March 2015.

The Identity and Access Management project (IAMs) has also suffered issues which have invalidated the original implementation plan. A number of options for delivering IAM, adopting a different approach with delivery commenced at the start of February 2015 with an end date of June 2015.

| | Project | Sponsor | Project Lead | RAG status | Overall status | Commentary |
|--------------------------------------|--|----------------------------|--------------------------------|------------|-----------------------|--|
| Developing the academic environment | 1 Portfolio review | Mike Molan | | | Project complete | Transitioned into BAU |
| | 2 Learning pathway: curriculum structure | Phil Cardew | TBD | A | PID in development | |
| | 3 Partnerships, collaboration and reputation | Paul Ivey | TBD | | | To be reviewed in February 2015 |
| | 4 Developing scholarship | Paul Ivey | TBD | | | To be reviewed in February 2015 |
| Support for the academic environment | 5 Student support | Pat Bailey | Bolaji Banjo | G | In delivery | On track |
| | 6 Student journey (7 sub projects) | Pat Bailey | Paul Grosart | A | Planning and delivery | Detailed to be designs in progress. Timescales challenging |
| | 7 Course and student administration | Ian Mehrtens | TBD | G | In delivery | Project manager being recruited |
| Informed decision making | 8 League table | James Stevenson | Laura Bowes | | Project complete | Transitioned into BAU |
| | 9 Management committee review | James Stevenson | Tom Kelly | G | PID in development | Mapping in progress and PID scheduled for 10/03/2015 |
| | 10 Corporate performance management | Richard Flatman | Laura Bowes | G | In delivery | KPI's agreed and mission critical PI's from wider suite being selected |
| | 11 Data quality and management | Richard Flatman | Laura Bowes | G | In delivery | On track |
| ICT and infrastructure | 12 Information management | Ian Mehrtens | Paul Grosart | A | Planning and delivery | Initial business requirements gathering almost complete. Timescales challenging |
| | 13 Single view of the student | Ian Mehrtens | Paul Grosart | A | Planning and delivery | Initial business requirements gathering and proof of concept in progress. Timescales challenging |
| | 14 Edison (3 sub projects) | Phil Cardew / Ian Mehrtens | Paul Grosart / John Whitehouse | A | In delivery | IAM plan not yet locked down and DCO project affected by technical issues |
| | 15 Estates | Ian Mehrtens | | | BAU | Delivered through BAU with reporting on key milestones at Programme Board |
| People | 16 Leadership and workforce development | Mandy Eddolls | | | | |
| | 17 Communications | Mandy Eddolls | | A | In delivery | Additional resources needed |

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| | PAPER NO: BG.12(15) |
| Paper title: | Report on decisions of Committees |
| Board/Committee | Board of Governors |
| Date of meeting: | 12 February 2015 |
| Author: | James Stevenson, University Secretary and Clerk to the Board of Governors |
| Board sponsors: | Relevant committee chairs |
| Purpose: | To update the Board on committee decisions |

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| Matter previously considered by: | As indicated | N/A |
| Further approval required? | No | N/A |

Summary

A summary of Committee decisions is provided for information. Minutes and papers are available on the governors' sharepoint.

The Board is requested to note the reports.

Summary of Committee decisions

Educational Character Committee – 27 January 2015

The committee discussed:

- Overseas development; and
- Development of School structure

The committee noted:

- The REF Outcome and Research Strategy;
- Student Equality, Diversity and Inclusion statistics; an external consultant will be appointed who would be able to contextualise LSBU's data to give better information and enable benchmarking about student equality, diversity and inclusion at LSBU;
- A Change Programme update on the academic environment; and
- An update on sports provision.

Property Committee – 28 January 2015

The committee recommended the following business cases to the Policy & Resources:

- The acquisition of Hugh Astor Court; and
- The creation of a Media Centre in London Road

The committee approved:

- The creation of an Estates Master Planning working group.

The committee discussed:

- The redevelopment of Elephant and Castle and the opportunities for LSBU.

The committee noted:

- The Confucius Institute development update;
- The Clarence Centre post occupancy review; and
- A paper on general estates matters.

Policy and Resources Committee – 3 February 2015

The committee recommended to the Board for approval:

- the Hugh Astor Court (paper **BG.08(15)**) and Media Centre (paper **BG.09(15)**) business cases;

- the key performance indicators set (subject to minor changes) – paper **BG.10(15)**); and
- the model for overseas partnerships – paper **BG.07(15)**).

The committee discussed:

- Management accounts to 31 December 2014 including an analysis of staff costs – summary as part of CFO's report paper **BG.05(15)**;
- An update on research and enterprise activity and income; and
- Student recruitment.

The committee noted:

- Change programme update on ICT and infrastructure theme. A presentation of the outcome of the EDISON project would be reported at the Board meeting of 14 May 2015; and
- Treasury management report.

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| | PAPER NO: BG.13(15) |
| Paper title: | Corporate Risk Register |
| Board/Committee | Board of Governors |
| Date of meeting: | 12 February 2015 |
| Author: | John Baker, Corporate & Business Planning Manager |
| Executive sponsor: | Richard Flatman, Chief Financial Officer |
| Purpose: | To provide the Board with the current corporate risk register |

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|----------------------------------|------------------|------------------|
| Matter previously considered by: | Operations Board | On: 20th January |
| Further approval required? | No | N/A |

Executive Summary

The Corporate Risk Register is a dynamic live document managed within the 4-Risk web platform.

This record presents the details of all identified corporate risks, along with their assessments of impact and likelihood, and related control and actions as at 4 February 2015.

The following summary pages present the risks against a one page matrix of impact and residual likelihood, and also details all changes and action progress updates since the last presentation of the register to the Board.

The risks are linked to the objectives of the new Corporate Strategy, and the Register now presents the risks in this format.

The Board is requested to note the risk register.

LSBU Corporate Risk Register cover sheet: Risk overview matrix by impact & residual likelihood

Date: 3rd February 2015 **Author:** John Baker – Corporate & Business Planning Manager **Executive Lead:** Richard Flatman – Chief Financial Officer

| | | | | |
|---|--|--|--|---------------|
| | 2: Revenue reduction if marketing and PR activity does not achieve recruitment targets (PI) | 1: Failure to position LSBU to improve reputation & effectively respond to policy changes & shifts in competitive landscape (DP) | 4 Critical <i>fail to deliver corporate plan / removal of funding or degree awarding status, penalty / closure</i> | Impact |
| 397: Effectiveness of delivery impaired as institution goes through restructuring process (DP) | 6: Management Information is not meaningful, is unreliable, or does not triangulate for internal decision or external reporting (RF) 14: Potential loss of NHS contract income (WT) 305: Data not used / maintained securely (IM) 362: Low staff engagement impacts performance negatively (DP) 3: Increasing pensions deficit (RF) 402: Income growth from R&E unrealised (PI) | 37: Capital investment ambitions of forward estates strategy undermine financial sustainability (RF) | 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> | |
| | 398: Academic programmes do not remain engaged with technological and pedagogic developments which support students and promote progression and achievement (PC) | | 2 Medium <i>failure to meet operational objectives of the University</i> | |
| | | | 1 Low <i>little effect on operational objectives</i> | |
| 3 - High <i>The risk is likely to occur short term</i> | 2 - Medium <i>This risk may occur in the medium to long term.</i> | 1 - Low <i>This risk is highly unlikely to occur</i> | | |
| Residual Likelihood | | | | |
| Executive Risk Spread: VC – 3, DVC – 0, CFO – 3, PVC-S&E – 1, PVC-R&EE – 2, COO – 1, PVC/Health – 1, ExD-HR – 0, US - 0 | | | | |

Changes since presentation at January Operations Board meeting detailed below:

| <i>Risk reference</i> | <i>Risk area</i> | <i>Changes made</i> |
|--|---|--|
| Goal 3: Real World Impact - Teaching & Learning: Ensuring teaching is highly applied, professionally accredited & linked to research & enterprise | | |
| 398 (PC) | Academic programmes not engaged with technology or pedagogic dev. | ESE action re-allocated to Bolaji Banjo. |
| Goal 4: Real World Impact - Research & Enterprise: Delivering outstanding economic, social and cultural benefits from our intellectual capital. | | |
| 402 (PI) | 2020 income growth through Research & Enterprise | <p>Pipeline action progress note:</p> <p>Working up a business plan for research and enterprise that dovetails into the corporate strategy & their KPIs and PIs & identifies where the research and enterprise income is likely to come from for the next five years and plan to share before Easter once SMT is in place.</p> |
| Goal 7: Strategic Enabler - People & Organisation: Attracting proud, responsible staff, & valuing & rewarding their achievements. | | |
| 1 (DP) | Response to environmental change & reputation | <p>Control around press pack scrutiny removed.</p> <p>Action created around reputation dashboard. Action around Dean appointments closed.</p> |
| 362 (DP) | Staff Engagement | <p>Change Stakeholder Network action progress note:</p> <p>Discussions are currently taking place to review the scope and purpose of the Stakeholder Change Network in light of wider discussions about internal communications and communications from the Change Programme office. Anticipate an agreed approach by the end of February.</p> |
| 397 (DP) | Restructuring impact on service | |
| Goal 8: Strategic Enabler - Infrastructure: Investing in first class facilities and outcome focused services, responsive to academic needs. | | |
| 2 (PI) | Recruitment & income targets including International | <p>Partnership strategy action in abeyance pending Tere Daly's replacement.</p> <p>Controls updated to refer to Operations Board, the Five year forecast process, and the postponement of the operation of the HESA board.</p> <p>UEA & UTC action relocated to Executive Office operational risk register.</p> |
| 3 (RF) | Pensions deficit | Controls around valuations and Board reports updated to reflect current process. |
| 6 (RF) | Ineffective data | <p>Action regarding manual attendance monitoring for international students recorded as implemented, by Jonathan Tanner, and new related action created for risk 2 regarding piloting of new app for Masters and PHD students.</p> <p>Controls around data returns re-described as BIU assessment of returns prior to sign off and submission. Controls around Internal Audit updated to reflect current operation and planning.</p> |

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|----------|---------------------------|--|
| | | <p>Update note on system regarding ICT Project PID: Exec discussion occurred at Jan meeting, and related discussion at Feb meeting at High Level.</p> <p>New Action created regarding phase 1 of the data quality management project.</p> |
| 14 (JE) | Loss of NHS income | |
| 37 (RF) | Estates strategy £ impact | <p>Previous Estate Strategy action completed and New Action created regarding short life working group.</p> <p>Controls around reporting updated.</p> <p>Student Centre negotiations action progress note: We have engaged a programming expert to adjudicate on the decisions taken in respect of the refused extension of time claim which is the issue holding up agreement of the final account. We expect their report in the next couple of weeks and will seek to have a meeting with Mansell to discuss and find a way forward with a view to agreeing a final account. This should take place by March 2015.</p> |
| 305 (IM) | Data Security | <p>Action around developing strategy for tracking critical corporate communications recorded as complete.</p> <p>Actions added for delivery of mandatory training via ICT log on, and for response to findings of PWN internal audit into data security.</p> <p>Awareness raising action progress note: Action for high risk group: Following the last Phishing Test, the OD Team working with ICT have contacted staff who mistakenly clicked on test links and have asked them to undertake an online Phishing Awareness training session. Those staff who did not complete the online training within the specified time will now be asked to undertake a face to face training session on Phishing awareness. The OD Team is working with ICT to plan wider Phishing Awareness sessions. In future this will be led by ICT.</p> |

Corporate Level - Risk Register

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|----------------------------|--|
| Date | 04/02/2015 |
| Risk Status | Open |
| Corporate Objective | A 15-20 #3 Real World Impact - Teaching & Learning: Ensuring teaching is highly applied, professionally accredited & linked to research & enterprise |
| Risk Area | Corporate |

| Risk Ref | Risk Title | Cause & Effect | Inherent Risk Priority | Existing Controls | Residual Risk Priority | Action Required |
|----------|---|--|------------------------|--|------------------------|--|
| 398 | Academic programmes do not remain engaged with technological and pedagogic developments which support students and promote progression and achievement Risk Owner: Phil Cardew Last Updated: 03/02/2015 | <p>Cause & Effect: Cause: LSBU does not effectively exploit the learning potential of new technologies. Curriculum do not adapt sufficiently to give students the knowledge and skills valued by employers Support mechanisms do not provide some students with the learning support they need to navigate and succeed in the learning environment.</p> <p>Effect: Retention does not meet the targets within the 5 year forecast. Employability of LSBU graduates does not improve. Market appeal of courses is impaired</p> | 2 3 Medium | Delivery of the Teaching Enhanced Learning Strategy (TEL) through Academic Board and related committees. | 2 2 Medium | <p>Actively pursue the long term objectives of the TEL strategy:</p> <ol style="list-style-type: none"> Promote active learning methods that go beyond a 'filing cabinet' use of a VLE; Promote electronic submission, assessment and feedback; Promote aspects of staff development focused towards developing effective and technology enhanced learner-centred approaches to curriculum design, learning and assessment; Support all staff in professional development and other learning and teaching activities; Identify common technologies and develop information repositories; Actively engage students in the further development of the VLE and in evaluating the use of technology in support of learning. <p>Person Responsible: Phil Cardew To be implemented by: 30/09/2015</p> <hr/> <p>Implement 'Exceptional Student Experience' aspect of the EDISON Investment program to deliver a step change in the institutional use of personal in year data to drive communications to students concerning their academic performance.</p> <p>Person Responsible: Bolaji Banjo To be implemented by: 31/07/2015</p> |

Corporate Level - Risk Register

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|----------------------------|--|
| Date | 04/02/2015 |
| Risk Status | Open |
| Corporate Objective | A 15-20 #4 Real World Impact – Research & Enterprise: Delivering outstanding economic, social and cultural benefits from our intellectual capital. |
| Risk Area | Corporate |

| Risk Ref | Risk Title | Cause & Effect | Inherent Risk Priority | Existing Controls | Residual Risk Priority | Action Required |
|----------|--|---|------------------------|--|------------------------|---|
| 402 | Income growth expected from greater research and enterprise activity does not materialise Risk Owner: Paul Ivey Last Updated: 04/02/2015 | <p>Cause & Effect: Cause: Academic staff Fail to engage with research and enterprise activities that have potential to deliver additional income. Enterprise department encounter resistance from academic staff to a more commercial approach or are not able to provide the support or development required. The outcome of the REF is not as positive as was hoped.</p> <p>Effect: Income growth expectations of the 5 year forecast are unrealised. Research funding opportunities are harder to come by. A market based approach to costing academic activity to slow to develop.</p> | 3 2 High | <p>R&E activity Pipeline Reports (Financial & Narrative) will be provided to each Executive Meeting to aid constant scrutiny and review of progress against 5 year income targets.</p> <hr/> <p>Enterprise Business Plan & strategy submitted for approval annually to SBUEL Board (which has 2 Non-Executive Directors) for monitoring & quarterly updates provided at LSBU Board meetings.</p> | 3 1 Medium | <p>Activity Pipeline: research, identify, prioritise & develop a range of major long term Research & Enterprise investment opportunities with potential to generate significant income and contribution over 5 years, pipeline update to be reported regularly.</p> <p>Person Responsible: Gurpreet Jagpal To be implemented by: 19/12/2014</p> |

Corporate Level - Risk Register

| | |
|----------------------------|--|
| Date | 04/02/2015 |
| Risk Status | Open |
| Corporate Objective | A 15-20 #7 Strategic Enabler - People & Organisation: Attracting proud, responsible staff, & valuing & rewarding their achievements. |
| Risk Area | Corporate |

| Risk Ref | Risk Title | Cause & Effect | Inherent Risk Priority | Existing Controls | Residual Risk Priority | Action Required |
|----------|--|---|-----------------------------------|---|-------------------------------|--|
| 1 | <p>Failure to position LSBU to improve reputation & effectively respond to policy changes & shifts in competitive landscape</p> <p>Risk Owner: David Phoenix</p> <p>Last Updated: 04/02/2015</p> | <p>Cause & Effect:</p> <p>Causes:</p> <ul style="list-style-type: none"> - Changes to fees and funding models - Increased competition from Private Providers - Government policy changes and SNC cap removal - Failure to anticipate change - Failure to position (politically) - Failure to position (capacity/structure) - Failure to improve League Table position <p>Effects:</p> <ul style="list-style-type: none"> - Further loss of public funding - Loss of HEFCE contract numbers - Failure to recruit students - Business model becomes unsustainable | <p>4 3</p> <p>Critical</p> | <p>Ketchum appointed to advise LSBU on the ongoing changes to the political environment for higher education & its external communications in response to these changes.</p> <hr/> <p>Financial controls (inc. forecasting & restructure) enable achievement of forward operating surplus target communicated to Hefce in July Forecast.</p> <hr/> <p>A horizon scanning report produced by the Director of Strategic Stakeholder Engagement is provided to each meeting of the Executive.</p> <hr/> <p>Maintain relationships with key politicians/influencers, boroughs and local FE</p> <hr/> <p>Annual review of corporate strategy by Executive and Board of Governors</p> <hr/> <p>Student Access & Success Strategy for 14/15 through OFFA</p> | <p>4 1</p> <p>High</p> | <p>Develop a simple reputation management dashboard to summarise media coverage, social media analytics, forthcoming event activity, and a RAG rating of reputational risks for regular reporting.</p> <p>Person Responsible: Andrew McCracken</p> <p>To be implemented by: 31/03/2015</p> <hr/> <p>Full review of organisational processes to ensure clarity of roles and functions, and alignment with key deliverables of Corporate Delivery plan.</p> <p>Person Responsible: David Phoenix</p> <p>To be implemented by: 31/07/2015</p> |

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|----------|---|---|-------------------------------|--|-------------------------------|---|
| 362 | <p>Low staff engagement impacts performance negatively</p> <p>Risk Owner: David Phoenix</p> <p>Last Updated: 04/02/2015</p> | <p>Cause & Effect:</p> <p>Causes:</p> <ul style="list-style-type: none"> •Bureaucracy involved in decision making at the University •No teamwork amongst departments at the University •Staff feeling that they do not receive relevant information directly linked to them and their jobs •Poor pay and reward packages •Poor diversity and inclusion practises <p>Effects:</p> <ul style="list-style-type: none"> •Decreased customer (student) satisfaction •Overall University performance decreases •Low staff satisfaction results •Increased staff turnover •Quality of service delivered decreases | <p>3 3</p> <p>High</p> | <p>Cascade messages from Ops Board circulated for Cascade Meetings within each School & Professional Function.</p> <hr/> <p>Departmental Business Planning process</p> <hr/> <p>Direct staff feedback is encouraged through the "asktheVC@" email address and through feedback forms on intranet and 'developing our structures' microsite.</p> <hr/> <p>Scheduled Team meetings</p> <hr/> <p>Regular Business review meetings</p> | <p>3 2</p> <p>High</p> | <p>Deliver a planned programme of activities to ensure continued awareness raising and promotion of the Behavioural Framework, to embed the values in to HR documentation, and to develop baseline measures.</p> <hr/> <p>Person Responsible: Cheryl King-McDowall</p> <p>To be implemented by: 31/07/2015</p> <hr/> <p>Develop and launch Stakeholder Change Network in conjunction with Change Programme Office</p> <p>Person Responsible: Cheryl King-McDowall</p> <p>To be implemented by: 30/01/2015</p> |

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|----------|---|---|------------------------|---|------------------------|--|
| 397 | Effectiveness of delivery impaired as Institution goes through restructuring process Risk Owner: David Phoenix Last Updated: 21/11/2014 | <p>Cause & Effect:</p> <p>Cause: The structural re-organisation of academic groupings from 4 faculties to 7 schools. The re-focusing of support departments into professional service clusters. - undertaken to underpin academic and business effectiveness.</p> <p>Effect: Staff morale could be impacted negatively by process of change, and by perceived threats to job security, which impairs enthusiasm and contribution in role. In turn this can cause high performing staff to seek employment elsewhere, which can cause skills shortages and loss to the institutional knowledge base. Service levels - to staff and students - could be impacted negatively by teams trying to deliver business as usual whilst also going through the change process. Data reliability might be impaired if the translation process encounters issues such as limitations with the flexibility of existing software solutions, unforeseen time or money resource implications or error in the relocation process.</p> | 3 3 High | <p>The Executive team have taken a Project Management Approach to the Change, appointing as Executive Director of HR an expert on Organisational change, and freeing up staff from within the organisation to act as a change team for the Programme Director, whom reports directly to the Executive.</p> <hr/> <p>The Executive have developed a Communications Strategy to ensure significant consultation with internal and external stakeholders.</p> <hr/> <p>New Professional Service groupings will be created from existing business units to minimise impact on service delivery.</p> <hr/> <p>Routine monitoring of high level action tracker for institutional transition by Operations Board.</p> <hr/> <p>Regular report to Operations Board on the Opportunities risks and issues in the "Creating the Schools" project.</p> | 3 2 High | <p>New action - 15 Change Programme Projects to be monitored by the Executive through the Project Office, with regular updates to the Board.</p> <p>Person Responsible: Amir Rashid To be implemented by: 30/03/2015</p> |

Corporate Level - Risk Register

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|----------------------------|--|
| Date | 04/02/2015 |
| Risk Status | Open |
| Corporate Objective | A 15-20 #8 Strategic Enabler – Infrastructure: Investing in first class facilities underpinned by outcome focused services responsive to academic need |
| Risk Area | Corporate |

| Risk Ref | Risk Title | Cause & Effect | Inherent Risk Priority | Existing Controls | Residual Risk Priority | Action Required |
|----------|--|---|------------------------|---|------------------------|--|
| 2 | Revenue reduction if marketing and PR activity does not achieve recruitment targets Risk Owner: Paul Ivey Last Updated: 04/02/2015 | <p>Cause & Effect:</p> <p>Causes:</p> <ul style="list-style-type: none"> - Changes to UGFT fees - Increased competition (removal of SNC cap in 15/16) - Changes to UKVI tier 4 arrangements - Failure to develop and communicate brand & lsbu graduate attributes - Lack of accurate real-time reporting mechanisms - LSBU late entrant to international student market - Poor league table position - Portfolio or modes of delivery do not reflect market need - Tighter tariff policy during clearing <p>Effects:</p> <ul style="list-style-type: none"> - Under recruitment - loss of international income - Loss of HEFCE contract numbers to 14/15 - Failure to meet related income targets | 4 3 Critical | <p>Report on student applications is presented to every monthly meeting of Operations Board & reviewed by Board of Governors</p> <hr/> <p>Advance predictions of student recruitment numbers informs the Annual five year forecast submitted to Hefce each July</p> <hr/> <p>Differentiated marketing campaigns are run for FTUG, PTUG and PG students on a semesterised basis.</p> | 4 2 Critical | <p>Develop partnership strategy for working with local schools</p> <p>Person Responsible: Tere Daly To be implemented by: 30/09/2014</p> <hr/> <p>Develop strategy for LSBU Graduate Attributes at all award levels to ensure continued course competitiveness, to be generated through the learning pathway. Stage 1: Launch draft proposals & have further consultation in February & March.</p> <p>Person Responsible: Mike Molan To be implemented by: 31/03/2015</p> <hr/> <p>International strategy to be developed incorporating both Collaborations and Partnerships and the International Office.</p> <p>Person Responsible: Jennifer Parsons To be implemented by: 26/06/2015</p> <hr/> <p>Oversee pilot project regarding ICT app developed to report on supervision session attendance for Masters and PhD students.</p> <p>Person Responsible: Jamie Jones To be implemented by: 29/05/2015</p> |

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| 3 | Staff pension scheme deficit increases Risk Owner: Richard Flatman Last Updated: 04/02/2015 | <p>Cause & Effect: Causes:</p> <ul style="list-style-type: none"> - Increased life expectancies - Reductions to long term bond yields, which drive the discount rate - Poor stock market performance - Poor performance of the LPFA fund manager relative to the market - TPS/USS schemes may also become subject to FRS17 accounting <p>Effects:</p> <ul style="list-style-type: none"> - Increased I&E pension cost means other resources are restricted further if a surplus is to be maintained - Balance sheet is weakened and may move to a net liabilities position, though pension liability is disregarded by HEFCE - Significant cash injections into schemes may be required in the long term | 3 3 High | <p>Switch of inflator from RPI to CPI (expected to be lower in the long term)</p> <hr/> <p>Regular monitoring of national/sector pension developments and attendance at relevant conferences and briefing seminars</p> <hr/> <p>Annual FRS 17 valuation of pension scheme</p> <hr/> <p>Regular Reporting to Board via CFO Report</p> <hr/> <p>DC pension scheme for SBUEL staff.</p> <hr/> <p>Tight Executive control of all staff costs through monthly scrutiny of management account and operation of recruitment freeze policy with defined exceptions.</p> <hr/> <p>New LPFA scheme terms, effective April 2014, with increased personal contributions</p> <hr/> <p>Strict control on early access to pension at redundancy/restructure</p> | 3 2 High | <p>Ongoing participation in sector discussions regarding employer categorisation.</p> <p>Person Responsible: Richard Flatman To be implemented by: 31/03/2015</p> |

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|----------|---|--|-------------------------------|---|-------------------------------|--|
| 6 | <p>Management Information is not meaningful, unreliable, or does not triangulate for internal decision or external reporting</p> <p>Risk Owner: Richard Flatman</p> <p>Last Updated: 04/02/2015</p> | <p>Cause & Effect:</p> <p>Causes:</p> <ul style="list-style-type: none"> - Lack of strategic vision for information technology - Proliferation of technology solutions - Data in systems is inaccurate - Data systems are insufficient to support effective delivery of linked management information - Resource constraints & insufficient staff capability delay system improvement - unclear data during clearing - Lack of data quality control and assurance mechanisms <p>Effects:</p> <ul style="list-style-type: none"> - Insufficient evidence to support effective decision-making at all levels - Inability to track trends or benchmark performance - Internal management information insufficient to verify external reporting - over-recruitment penalties - HESA/HESES returns not credible - League table position impaired by wrong data - UKBA licence revocation if conditions not satisfied = loss of £8m+ revenue/year, & reputation damage - Failure to satisfy requirements of Professional, Statutory and Regulatory bodies (NHS, course | <p>3 3</p> <p>High</p> | <p>Internal Auditors Continuous Audit programme provides regular assurance on student and finance information, including UKVI compliance.</p> <hr/> <p>Engagement between International Office, Registry & School Admin teams to ensure UKVI requirement compliance, specifically regarding:</p> <ul style="list-style-type: none"> - Visa applications and issue of CAS - English language requirements - Reporting of absence or withdrawal <hr/> <p>Systematic data quality checks and review of key data returns prior to submission by B.I.U.</p> <hr/> <p>International Office runs annual cycle of training events with staff to ensure knowledge of & compliance with UKVI processes.</p> <hr/> <p>Sporadic internal audit reports on key systems through 3 year IA cycle to systematically check data and related processes:</p> <ul style="list-style-type: none"> - HR systems - Space management systems - TRAC - External returns | <p>3 2</p> <p>High</p> | <p>Oversee production of PID for ICT Strategy / Architecture Change Programme Project - to address system mapping issues and an approach to data warehousing.</p> <p>Person Responsible: Ian Mehrrens</p> <p>To be implemented by: 31/10/2014</p> <hr/> <p>Deliver phase 1 deliverables of the Data Quality Management change project - including an agreed Data Management Policy & framework, and confirmation of all corporate datasets and identification of related owners.</p> <p>Person Responsible: John Baker</p> <p>To be implemented by: 30/04/2015</p> |

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| | | accreditation etc) | | | | |
| 14 | Loss of NHS contract income Risk Owner: Warren Turner Last Updated: 18/08/2014 | <p>Cause & Effect: Cause: NHS financial challenges/ structural change is resulting in a total review of educational comissioning by Health Education England with an expected overall 40% reduction in available funding. In addition late decision making over community programmes. Plus London Educational Contracts last intake September 2014 (apart from physio and adult nursing) and possible retenders or preferably a return to National Framework Failure to recruit to target inspite of increased applications due to low numeracy and literacy pass rates. Failure to maintain student numbers on the contract resulting in clawback Effect: Reduction in income Reduced staff numbers Negative impact on reputation</p> | 3 3 High | <p>Named Customer Manager roles with NHS Trusts, CCGs and HEE.</p> <hr/> <p>Monitor quality of courses (QCPM and NMC) annually in autumn (QCPM) and winter (NMC)</p> <hr/> <p>Support with numeracy and literacy test preparation Develop BSc Health and Social Care by September 2015 for applicants not meeting course tariffs requirements and to support PGDip recruitment.</p> <hr/> <p>Regular contact with HEE DEQs, None Medical Deans and commissioning contract managers.</p> | 3 3 High | <p>Attend consultation events with CoD and HEE (review of LEC and NF, NHS Pre-reg contract benchmark price / move to Outcome Based Commissioning could = drop in NHS income)</p> <p>Person Responsible: Warren Turner To be implemented by: 15/11/2014</p> <hr/> <p>Continue contract discussions with HEE/ LETB's as LEC last intake for all by Physio and adult nursing September 2014. Attempt to extend contracts or revert to National Framework</p> <p>Person Responsible: Warren Turner To be implemented by: 01/11/2014</p> <hr/> <p>Ensure a quality campus in each HEE/ LETB area. Plan for none renewal of Havering lease in 2018. Negotiate re inclusion in Care City plans with NELFT and Barking</p> <p>Person Responsible: Warren Turner To be implemented by: 01/11/2014</p> |

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|----------|------------|----------------|------------------------|-------------------|------------------------|---|
| | | | | | | <p>Grow into new markets for medical and private sector CPPD provision</p> <p>Person Responsible: Warren Turner</p> <p>To be implemented by: 30/10/2014</p> <hr/> <p>Develop opportunities for further International 'in-country' activity in Malaysia, Singapore, Hong Kong, India and Saudi.</p> <p>Person Responsible: Mary Lovegrove</p> <p>To be implemented by: 30/12/2014</p> <hr/> <p>Increase uptake in band 1-4 activity Support Trusts in seeking external (non NHS) funding</p> <p>Person Responsible: Sheelagh Mealing</p> <p>To be implemented by: 01/12/2014</p> <hr/> <p>Improve NSS participation & scores Develop action plans for Departments and Faculty from results of 2014 NSS</p> <p>Person Responsible: Sue Mullaney</p> <p>To be implemented by: 30/10/2014</p> |

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| 37 | Capital investment ambitions of forward estate strategy undermine financial sustainability Risk Owner: Richard Flatman Last Updated: 04/02/2015 | <p>Cause & Effect:</p> <p>Causes:</p> <ul style="list-style-type: none"> - Poor project controls - Lack of capacity to manage/deliver projects - Reduction in agreed/assumed capital funding - Reduction in other government funding <p>Effects:</p> <ul style="list-style-type: none"> - Adverse financial impact - Reputational damage - Reduced surplus - Planned improvement to student experience not delivered - Inability to attract new students | 3 3 High | <p>Management Accounts, with a CAPEX report section, are provided to each meeting of the P&R Committee, and the Board receives business cases in relation to all planned capital expenditure > £1million.</p> <hr/> <p>Full Business Cases prepared; using guidance and process approved by Executive - including clarity on cost and funding, for each element of Estates Strategy, and approved by Board of Governors where cost = >£1M.</p> <hr/> <p>ncluding all capital spend. Guidance developed as part of new process.</p> <hr/> <p>Clear requirement (including authority levels) for all major (>£1m) capital expenditure to have Board approval</p> <hr/> <p>Property Committee is a sub-committee of the Board of Governors and has a remit to review all property related capital decisions.</p> <hr/> <p>Capex reporting routines established and embedded into regularly updated financial forecasts & management accounts and regular Board reports.</p> <hr/> <p>LSBU Project methodology & Estates & Facilities Dept project controls, including Governance arrangements applied to all Capex projects.</p> | 3 1 Medium | <p>Complete report on the final negotiations for the Student Centre. Update: the 12 month defects liability period has past & we're working through the final defect list. No progress on Final Account completion until works are done to ensure completion. POE due by Feb 14.</p> <hr/> <p>Person Responsible: Ian Mehrtens To be implemented by: 30/04/2013</p> <hr/> <p>Lead a time limited working group; led by the University, with external development & regeneration expertise, to provide a focus and direction for the development of the St George's quarter site and for estate development up to 2035.</p> <hr/> <p>Person Responsible: Ian Mehrtens To be implemented by: 29/05/2015</p> |

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|----------|--|--|-------------------------------|---|-------------------------------|---|
| 305 | Student & corporate data not accessed and stored securely or appropriately | <p>Cause & Effect: Cause: Loss or inappropriate access to data, or breach of digital security; either en masse (e.g. address harvesting) or in specific cases (e.g. loss of sensitive files / data)</p> <p>Effect: Reputational damage, regulatory failure, undermining of academic credibility or compromise of competitive advantage.</p> | <p>3 2</p> <p>High</p> | Responsibility for control over data protection risks at an institutional level allocated to Director of ICT. | <p>3 2</p> <p>High</p> | <p>Deliver project to ensure mandatory training is delivered to staff via ICT log on, to include data security awareness.</p> <p>Person Responsible: Cheryl King-McDowall</p> <p>To be implemented by: 30/06/2015</p> <hr/> <p>Respond to findings of PWC 14/15 internal audit report into data security.</p> <p>Person Responsible: Rob McGeechan</p> <p>To be implemented by: 30/05/2015</p> <hr/> <p>Liaise with new HR Deputy Director-Organisational Development to consider and deliver strategy to increase awareness of this risk to all staff, especially including the dangers of phishing and enforcement action for non-compliance with university policy.</p> <p>Person Responsible: Mandy Eddolls</p> <p>To be implemented by: 31/10/2014</p> |