

Meeting of the Policy & Resources Committee

**4pm on Tuesday, 1 October 2013
In 1B27, Technopark, London Road, SE1**

Agenda

<i>No.</i>	<i>Item</i>	<i>Paper No.</i>	<i>Presenter</i>
1.	Welcome and apologies		Chair
2.	Declarations of interest		Chair
3.	Minutes of the previous meeting (for publication)	PR.31(13)	Chair
4.	Matters arising		Chair
5.	Performance Matters		
5.1	Student recruitment update	PR.32(13)	PVC(E)
6.	Matters for Approval		
6.1	Transforming Students' Experience of Information Systems and Communication	PR.33(13)	PVC(A)
6.2	Intellectual Property Policy	PR.34(13)	PVC(E)
7.	Annual Reporting Matters		
7.1	Public Benefit Statement	PR.35(13)	Sec
7.2	Primary Responsibilities of the Board	PR.36(13)	Sec
7.3	Matters Reserved to the Board	PR.37(13)	Sec
7.4	Corporate Governance Statement	PR.38(13)	Sec
8.	Matters for Noting		
8.1	Tribal Benchmarking analysis	PR.39(13)	EDF
8.2	Key Performance Indicators	PR.40(13)	VC
8.4	Treasury management report	PR.41(13)	EDF
9.	Any other business		Chair
10.	Date of next meeting: 4pm on Tuesday 12 November 2013		

Members: Sarah Mullally (Chair), David Longbottom (Chairman of the Board), Martin Earwicker (Vice-Chancellor), Ken Dytor, Hilary McCallion, Anne Montgomery, Diana Parker and Jon Warwick.

With: Pro Vice Chancellor (Academic), Pro Vice Chancellor (External), Executive Director of Finance, Executive Director of Corporate Services, University Secretary and Governance Officer.

London South Bank University

	PAPER NO: PR.31(13)	
Board/Committee:	Policy and Resources Committee	
Date:	1 October 2013	
Paper title:	Minutes of the meeting of 3 July 2013	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsor:	Dame Sarah Mullally, Chair of the Committee	
Recommendation:	That the committee approve the minutes and the proposed redactions for publication	
Aspect of the Corporate Plan to which this will help deliver?	N/A	
Matter previously considered by:	N/A	N/A
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	Published on the LSBU website	

Executive Summary

The committee is requested to approve the minutes of its meeting of 3 July 2013 and the proposed redactions for publication.

London South Bank University

Minutes of a Meeting of the Policy and Resources Committee
held at 3pm on Wednesday, 3 July 2013
in 1B33, Technopark, London Road, SE1

Present

Dame Sarah Mullally	Chair
Prof Martin Earwicker	Vice Chancellor
Ken Dytor	
Prof Hilary McCallion	
Prof Jon Warwick	

In attendance

Richard Flatman	Executive Director of Finance
Beverley Jullien	Pro Vice Chancellor (External)
James Stevenson	University Secretary and Clerk to the Board of Governors
Michael Broadway	Governance Officer

Welcome and Apologies

1. Apologies had been received from David Longbottom, Anne Montgomery, Diana Parker and Prof Phil Cardew.

Declarations of Interest

2. No member declared an interest on any item on the agenda.

Minutes of the previous meeting

3. The minutes of the previous meeting were approved as a correct record. The minutes were approved for publication subject to the proposed redactions (paper **PR.20(13)**).

Matters Arising

4. The committee received an update on NHS funding (minute 8 of the meeting of 7 May 2013 refers). It was reported that income for 2013/14 from the Continuing Professional and Personal Development (CPPD) budget which had been viewed as most at risk was expected to be ahead of budget at £3.85m.
5. It was noted that the committee would receive the estates report (minute 10 of the meeting of 7 May 2013 refers) in the autumn.

London South Bank University

6. The committee noted an update on health and safety management following the Board's concern at the annual health and safety report at its meeting of 21 March 2013 (minute 33 refers). It was reported that there were no health and safety matters which needed to be drawn to the Board's attention and that the committee would receive the annual report for 2012/13 at its autumn meeting. [*Secretary's note: due to staffing issues in the Health and Safety team this will be ready for spring 2014*].

Student Recruitment Update

7. The committee noted an update on student recruitment for 2013/14 (paper **PR.21(13)**). It was reported that full time undergraduate recruitment was ahead of target largely due to improvements in conversion. It was anticipated that fewer students would be recruited through Clearing than in previous years. EU and international recruitment were also tracking ahead of budget.
8. It was reported that across all target markets the University is on track to deliver the budget. It was noted that postgraduate recruitment was ahead of 2012/13 recruitment but behind target for 2013/14 and that there was some risk relative to budget.

Budget 2013/14

9. The committee discussed the proposed budget for 2013/14 (paper **PR.22(13)**). The target surplus of £2.5m was in line with the latest five year forecasts. The budget assumed full time undergraduate recruitment of 2750 and undergraduate progression of 61%. There is an operating expense contingency of £0.5m, restructuring contingencies of £1.5m and an investment pot of £2m which will compensate for some of the risk inherent in the year. It was noted that staff costs were toward the top end of the target (55% of income) and that planned actions are in hand. The topic was due to be discussed at the Human Resources Committee meeting of 8 July 2013.
10. The committee recommended the proposed budget to the Board for approval.

HEFCE Annual Accountability mid-year return

11. The committee recommended the HEFCE annual accountability mid-year return to the Board for approval (paper **PR.23(13)**). It was noted that the Board had approved the five year forecasts, a key component of the return, at its meeting of 21 March 2013.

12. The Vice Chancellor updated the committee on discussions with HEFCE around the “core and margin” places. It was noted that the University had appealed to HEFCE against its decision but was still confident it could meet its target of 2,750 assumed in the 2013/14 budget whatever the outcome.

Tuition Fees, 2014/15

13. The committee recommended the proposed tuition fee levels for 2014/15 to the Board for approval (paper **PR.24(13)**).

Articles of Association

14. The committee discussed the proposed new articles of association (paper **PR.25(13)**). The committee noted that the joint unions had been consulted on the proposed articles of association and some articles had been amended to reflect their comments.
15. The committee discussed the proposed enabling power allowing governors to be remunerated and the associated standing order. It was noted that UCU were not in favour of the enabling power to remunerate governors. The committee noted that if the Board decided it needed to use the power to remunerate it would have to consider Charity Commission guidance, resolve that the remuneration is clearly in the interests of the University and that remuneration provides a clear and significant advantage over all other options. The committee considered that there were potential benefits in terms of improving the diversity of the Board in including the power to remunerate. The committee recommended inclusion of the enabling power in the articles to the Board for approval.
16. The committee noted the proposed standing orders which would complement the new articles. The committee recommended to the Board reducing its membership from 20 governors to 18 governors and ceasing the practice of co-opting two staff governors following staff elections. The revised composition of the Board would be: 13 independent governors, the Vice Chancellor, two students and two academic staff members of the Academic Board.
17. The committee noted the proposed timetable for final approval of the new articles. The committee recommended the proposed articles to the Board for approval to begin consultation with the Privy Council and the proposed standing orders to the Board for approval.

Insurance Renewal

18. The committee approved the renewal of insurance cover for 2013/14 (paper **PR.26(13)**). It was noted that the University would remain a member of the London Universities Purchasing Consortium.

Amendments to the Financial Regulations

19. The committee approved the proposed amendments to the Financial Regulations (paper **PR.27(13)**).

Key Performance Indicators

20. The committee noted the key performance indicators (paper **PR.28(13)**). The committee noted that the University had dropped down the Guardian league table 2014 from 104 (of 120) to 113 (of 119). Factors in this drop were student satisfaction and value added. An update would be provided to the Board.
21. The committee noted that staff satisfaction survey participation had dropped to 52%. It was noted that the Human Resources Committee would discuss the survey results in detail at its meeting of 8 July 2013 and the Board would receive an update on 18 July 2013.

Management Accounts to 31 May 2013

22. The committee noted the management accounts to 31 May 2013 which showed a forecast surplus of £4.2m (paper **PR.29(13)**).

Treasury Management report

23. The committee noted the treasury management report (paper **PR.30(13)**). The committee recommended to the Board the setup of online banking with Bank of Scotland for approval.

Date of next meeting

24. The next meeting of the committee will be, Tuesday 1 October 2013 at 4pm.

The Chair closed the meeting.

Approved as a true record:

London South Bank
University

.....
Chair

	PAPER NO: PR.32(13)	
Board	Policy and Resource Committee (P&R Committee)	
Date:	1 October 2013	
Paper title:	Student Recruitment Update	
Author:	Tere Daly – Head, Student Recruitment and Partnerships (UK and EU); Jenni Parsons, Director of Internationalisation	
Executive sponsor:	Bev Jullien	
Recommendation by the Executive:	To note the progress towards achieving recruitment targets	
Aspect of the Corporate Plan to which this will help deliver?	Student choice	
Matter previously considered by:	Executive	September 2013
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	N/A	

Executive Summary

1. Prior to Clearing, LSBU had a 25% increase in firm acceptances for full-time undergraduates compared to 2012/13, which, assuming a similar pattern to 2012/13 in Clearing, led to an expectation of possible upside on the budget of 2750 enrolments.
2. However, significantly more students have asked to be released this year, either to change University or to step out of University; also Business courses, which have historically recruited heavily in clearing, have not had the anticipated uptake, so the most likely outcome in terms of final enrolment at the end of clearing on 4th October is 2600-2650 (including ABB students). Ahead of last year but about 5% below budget.
3. The main shortfall is in the Business Faculty, where action is already being taken to manage costs, and where there will be a realignment to match market need.
4. Part-time undergraduate programmes are now recruiting strongly, with the number of students in the enrolment process or fully enrolled 22% ahead of the budget, and a likely outcome close to the figure for 2011/12. This is driven by a resurgence in employer-sponsored students in the Built Environment, and also a successful start to the new Saturday Business degree and strong performance in accounting and finance.
5. Post graduate home and EU courses are recruiting steadily ahead of last year. Recruitment is particularly strong in ESBE, and good in AHS – but Business is weak, for both Management and undifferentiated business and accounting and finance programmes. The expectation is that the overall out-turn will be a growth relative to last year, but, as highlighted previously, below the stretch budget set by the Faculties.

London South Bank University

6. International recruitment continues to progress well, ahead of 2012/13. Firm acceptances are 20% ahead of last year, which would deliver an outturn ahead of budget if sustained into enrolment over the next 3 weeks.
7. Health have under-recruited in Children's Nursing by 30-40 students, and by 9 in social work. They are negotiating a possible increase in numbers in midwifery, and will manage costs as required to achieve budget contribution.
8. Recruitment to Semester 2 for established post-graduate programmes, and for new undergraduate programmes in Business and ESBE, has just started, with very early uptake positive.
9. Overall, it is expected that recruitment income for new students will be at, or close to, budget. The Executive will review the position in November once recruitment across all sectors for the first semester is complete and take any further action, if required, to manage operational costs as well as any lessons on strategic positioning.

Performance to Date – Undergraduate Full time (SNC), Semester 1 (2013/14) as at 23 September 2013

The table below indicates our current position for acceptances and enrolments.

TOTAL UG FT SNC	Pre-Clearing			Clearing		Enrolment	
Department Code	Target	Unconditional Firm	Conditional Firm	Clearing AUFC	Clearing AUOC	Commenced/Completed Enrolment	% against Target
Arts And Media	155	104	0	24	0	120	77.42%
Culture Writing And Performance	230	178	0	39	4	193	83.91%
Education	15	49	0	19	1	59	393.33%
Law	175	108	0	54	3	149	85.14%
Psychology	117	130	0	27	5	144	123.08%
Social Sciences	160	84	0	53	6	126	78.75%
Urban, Environment And Leisure Studies	118	57	0	43	3	79	66.95%
AHS	970	710	0	259	22	870	89.69%
Accounting & Finance	210	136	0	66	8	188	89.52%
Business Studies	325	163	1	148	15	264	81.23%
Informatics	180	97	0	62	21	134	74.44%
Management	58	31	0	10	1	35	60.34%
National Bakery School	55	44	0	6	0	46	83.64%
BUS	828	471	1	292	45	667	80.56%
Applied Science	406	254	0	166	18	378	93.10%
Built Environment	175	138	0	47	10	158	90.29%
Engineering And Design	185	126	0	52	10	157	84.86%
Urban Engineering	75	55	0	26	6	69	92.00%
ESBE	841	573	0	291	44	762	90.61%
Allied Health Professions	28	18	0	0	0	18	64.29%
Primary & Social Care	50	40	0	0	0	49	98.00%
HSC	78	58	0	0	0	67	85.90%
LSBU (SNC) - Total	2,717	1,812	1	842	111	2,366	87.08%

(LSBU Admissions Summary Reporty_23.09.13; Commenced/Completed Enrolment includes all EFE, EASS and EOER students)

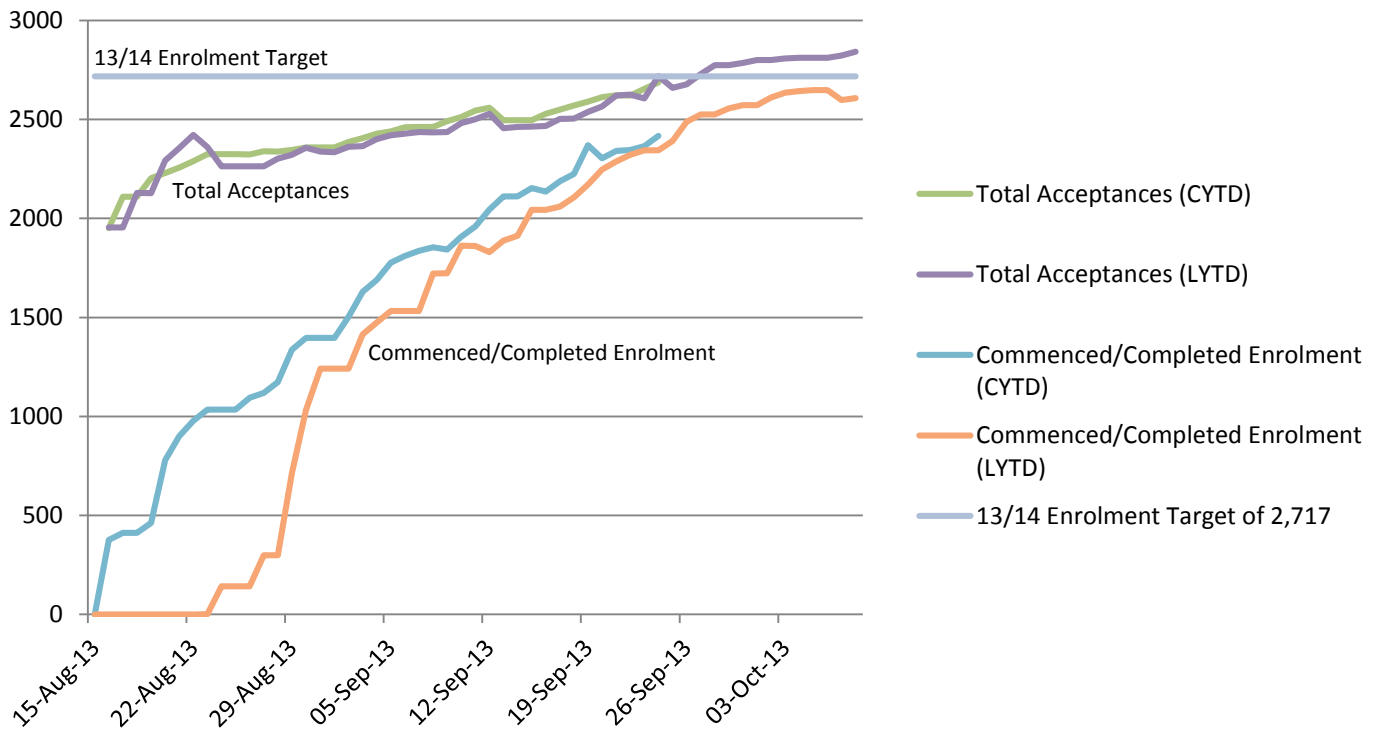
Undergraduate Full time (SNC): Performance to last year

- Year to date, Undergraduate full-time SNC acceptances (unconditional firms) are tracking positively against last year (up by approximately 2-3%), however the large pre-clearing position has been reduced significantly with an increase in students being released back into clearing (i.e. students who change their mind and withdraw or move to an alternative institution – there is more specific information in the “Student Release” section of this paper) and perhaps as an outcome of confirming students at a lower entry requirement earlier in the process.
- We remain dependent on clearing continuing to increase student application volumes and acceptances up until the end of the clearing period (4 October) and if we continue to track similarly against last year, this will see a marginal increase in acceptances by end of cycle of 2-3%.
- Clearing overall has helped to off-set the pre-clearing acceptances in that we are up by approximately 5% year on year with clearing acceptances. This suggests that the changes made to the clearing operations for 2013/14 have had a positive impact on student recruitment and student decision making.
- Traditional clearing courses (mostly in the Faculty of Business) have not seen the volume of applications that would normally be experienced at this time of year, which suggests a shift in student behaviour.

London South Bank University

14. Enrolments to date has also seen a positive increase – this is partly to do with better and more efficient processing, but also because there has been no significant system issues with enrolment.

Chart 1: Performance Comparison – Undergraduate Full time SNC Only



Forecast by end of cycle (4th October)

15. Applications have continued to rise by approximately 20 new students day on average (although currently this is higher) – if that continues; it suggests that we will receive an additional 120 new applications over the coming 7 days:
- 2,654 Unconditional Firms + 140 new applications = **2,794**
 - Please note that this does not take into consideration any fluctuations i.e. in Clearing 12/13 there was a large uptake in the final week of clearing – if this occurs this year, it will improve the position
16. Enrolments are currently at 2,366 (including students engaged in the enrolment process, but not yet fully complete) 86% of final target.

Non-SNC Under graduate full-time Performance

17. HSC are looking to under recruitment to BSc (Hons) Children’s Nursing by approximately 40 students, as well as the BSc (Hons) Midwifery by approximately 10 students – however, they plan to offset this elsewhere.
18. EU Study Abroad (Visiting Student – Fee Paying) numbers are currently up, with an increase of over 100% (from 62 in 2012/13 to 131 in 2013/14).
19. There are approximately 88 “ABB” students who will contribute to the overall target, but who are not counted in SNC – which take the overall progress to target to 89%.

Performance to Date – Undergraduate Part time, Semester 1 (2013/14) as at 23 September 2013

The table below indicates our current position for acceptances and enrolments for AHS, BUS and ESBE.

PT UG	Pre-Clearing			Clearing		Enrolment	
Department Code	Target	Unconditional Firm	Conditional Firm	Clearing AUFC	Clearing AUOC	Commenced/Completed Enrolment	% against Target
Law	4	5	1	1	1	3	75.00%
Psychology		6	0	2	0	6	
Social Sciences	4	24	0	2	0	14	350.00%
Urban, Environment And Leisure Studies	40	9	1	10	1	14	35.00%
AHS	48	44	2	15	2	37	77.08%
Accounting & Finance	10	67	2	9	0	64	640.00%
Business Studies	40	82	0	5	0	78	195.00%
Informatics	5	2	1	2	0	1	20.00%
Management	6	3	0	0	0	2	33.33%
BUS	61	153	3	16	0	145	237.70%
Applied Science	6	5	0	9	0	9	150.00%
Built Environment	114	90	7	51	4	113	99.12%
Engineering And Design	40	55	1	23	4	55	137.50%
Engineering, Science And The Built Environment	1	5	0	0	0	4	400.00%
Urban Engineering	155	135	3	37	4	157	101.29%
ESBE	316	290	11	120	12	338	106.96%
LSBU (PT-UG) – Total (excluding HSC)	425	487	16	151	14	520	122.35%

(LSBU Admissions Summary Reporty_23.09.13; Commenced/Completed Enrolment includes all EFE, EASS and EOER students)

The position for Health is on target to meet their contract

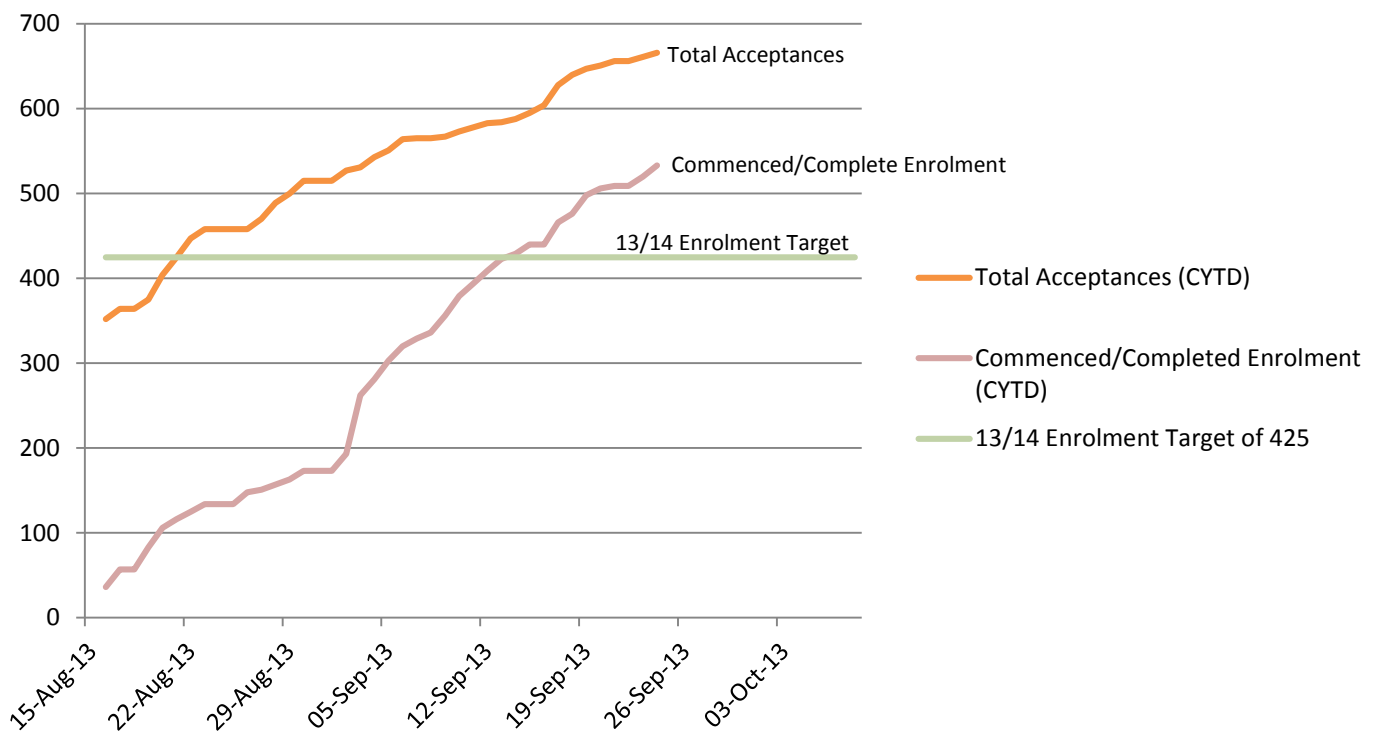
Undergraduate Part time: Performance to last year

AHS, BUS and ESBE

20. Year to date, Undergraduate part-time acceptances (unconditional firms) are tracking very positively against last final figures. This has been a positive rise across all faculties, with particular strength in ESBE. The Business Studies Saturday degree has recruited viable numbers and looks to be an area which can still grow.

21. Currently, enrolments in progress are tracking at 25% above last year, and it looks likely that overall levels will be close to the level achieved in 2011/12.

Chart 2: Performance Comparison – Undergraduate Part time (AHS, BUS and ESBE Only)



Performance to Date – Postgraduate Full time, Semester 1 (2013/14) as at 23 September 2013

The table below indicates our current position for acceptances and enrolments.

FT PG	Pre-Clearing			Clearing		Enrolment	
Department Code	Target	Unconditional Firm	Conditional Firm	Clearing AUFC	Clearing AUOC	Commenced /Completed Enrolment	% against Target
Culture Writing And Performance	4	10	1	0	0	8	200.00%
Education	250	178	2	0	0	174	69.60%
Law	41	48	4	3	0	33	80.49%
Psychology	23	30	2	3	0	26	113.04%
Social Sciences	32	21	3	3	0	16	50.00%
Urban, Environment And Leisure Studies	36	32	4	4	0	25	69.44%
AHS	386	319	16	13	0	282	73.06%
Accounting & Finance	22	25	10	2	2	17	77.27%
Business Studies	43	41	1	4	1	29	67.44%
Informatics	6	2	2	4	0	5	83.33%
Management	92	70	12	4	0	51	55.43%
Business		3	0	0	0	0	
BUS	163	141	25	14	3	102	62.58%
Applied Science	56	44	9	3	1	29	51.79%
Built Environment	87	104	4	6	3	86	98.85%
Engineering And Design	9	9	6	4	1	4	44.44%
Engineering, Science And The Built Environment		1	0	0	0	0	
Urban Engineering	16	25	7	2	0	20	125.00%

London South Bank University

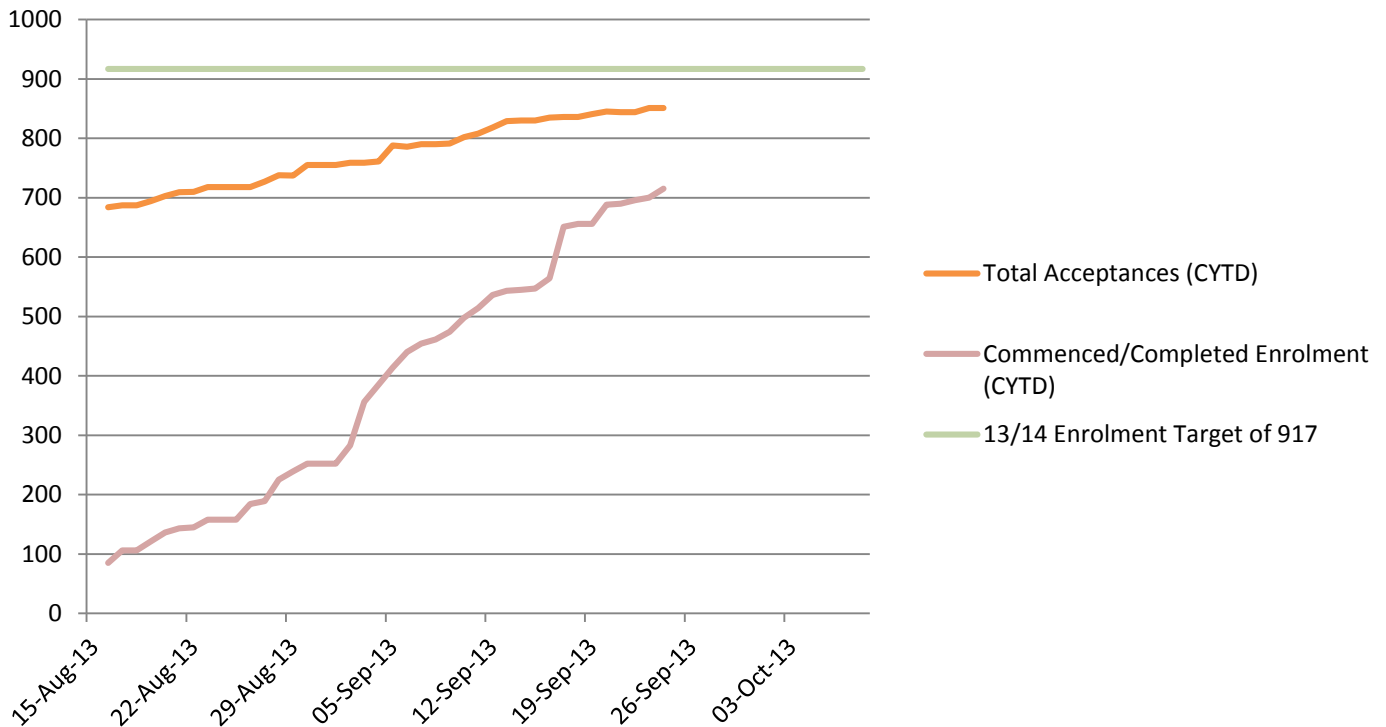
ESBE	168	183	26	15	5	139	82.74%
Allied Health Professions	63	15	0	0	0	66	104.76%
Adult Nursing	40	18	0	0	0	18	45.00%
Children's Nursing	10	12	0	0	0	12	120.00%
Mental Health Nursing	11	11	0	0	0	10	90.91%
Primary & Social Care	76	43	0	0	0	71	93.42%
HSC	200	99	0	0	0	177	88.50%
LSBU (FT-PG) - Total	917	742	67	42	8	700	76.34%

(LSBU Admissions Summary Report_23.09.13; Commenced/Completed Enrolment includes all EFE, EASS and EOER students)

Postgraduate Full time: Performance to last year

22. Year to date, Postgraduate full-time acceptances (unconditional firms) are tracking positively and are on track to exceed that 12/13 Final figures. Based on current application flows it is still reasonable to assume that unconditional firm acceptances will meet the stretch growth target. Overall enrolments are on track to exceed last year, but it is unlikely that the full stretch target will be met. This is primarily due to a low conversion rate in Business, at 50%, compared to 60-80% in other Faculties.

Chart 3: Performance – Postgraduate Full time



Performance to Date – Postgraduate Part time, Semester 1 (2013/14) as at 23 September 2013

The table below indicates our current position for acceptances and enrolments for AHS, BUS and ESBE Only. Health recruitment is tracking in line with the contract.

PT PG	Pre-Clearing			Clearing		Enrolment	
Department Code	Target	Unconditiona l Firm	Conditional Firm	Clearing AUFC	Clearing AUOC	Commenced/ Completed Enrolment	% against Target
Education	46	3	0	0	0	0	
Law	30	32	2	11	2	35	116.67%
Psychology	55	47	5	3	0	38	69.09%
Social Sciences	23	34	7	5	0	26	113.04%
Urban, Environment And Leisure Studies	43	21	4	8	1	24	55.81%
AHS	197	137	18	27	3	123	62.44%
Accounting & Finance	61	53	1	3	0	47	77.05%
Business Studies	35	20	0	3	0	19	54.29%
Informatics	4	0	0	0	0	0	
Management	127	68	1	32	2	73	57.48%
Business	5	5	0	0	0	3	60.00%
BUS	232	146	2	38	2	142	61.21%
Applied Science	10	6	2	0	2	5	50.00%
Built Environment	119	106	5	21	0	111	93.28%
Engineering And Design	11	9	1	0	0	9	81.82%
Urban Engineering	37	51	3	13	1	58	156.76%
ESBE	177	172	11	34	3	183	103.39%
LSBU (PT-PG) - Total	606	455	31	99	8	448	73.93%

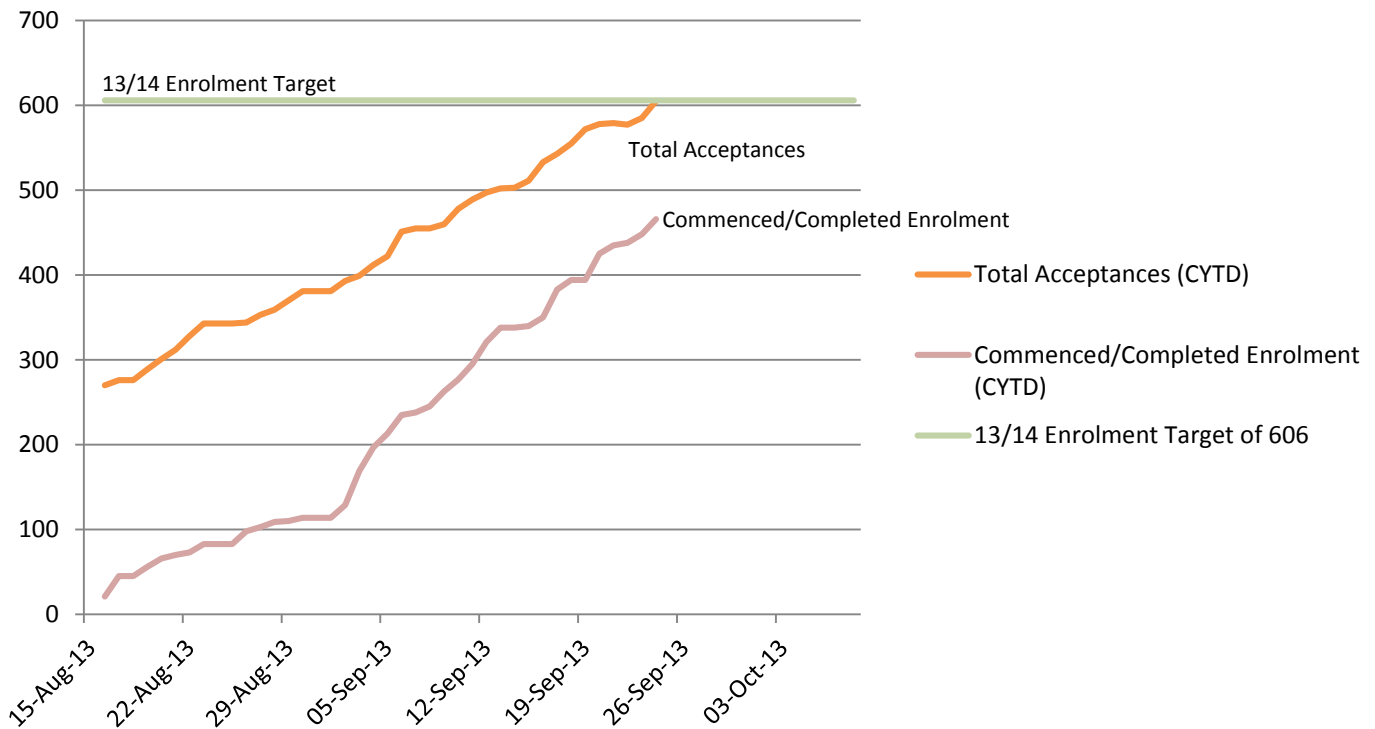
(LSBU Admissions Summary Reporty_23.09.13; Commenced/Completed Enrolment includes all EFE, EASS and EOER students)

Postgraduate Part time: Performance to last year

AHS, BUS and ESBE

23. Year to date, Postgraduate part-time acceptances (unconditional firms) have had a resurgence since the middle of August – applications and acceptances have almost doubled in that 4 week period. Although most of these again are within ESBE, both AHS and BUS are also showing good increases, although these are still below target.
24. Enrolments are also tracking positively.
25. As with full-time Post Graduate, it is anticipated that final enrolment will be ahead of last year, but somewhat short of the stretch target.

Chart 4: Performance Comparison – Postgraduate Part time (AHS, BUS and ESBE Only)



Performance to Date – All Modes of Study, Semester 2 (2013/14) as at 16 September 2013

The table below indicates our current position for applications and acceptances for Semester 2.

Level	Target	Firms (UF and CF) - CYTD	Firms (UF and CF) - LYTD	% Change	Offers (UO and CO) - CYTD	Offers (UO and CO) - LYTD	% Change	Total Applications (CYTD)	Total Applications (LYTD)	% Change
UNDERGRADUATE (FULL-TIME)	56	10	5	100.00%	0	0		30	6	400.00%
UNDERGRADUATE (FULL-TIME - SNC Only)	14	4	0		0	0		6	0	
UNDERGRADUATE (PART-TIME)	60	0	0		0	0		1	2	-50.00%
POSTGRADUATE (FULL-TIME)	80	7	2	250.00%	3	5	-40.00%	18	17	5.88%
POSTGRADUATE (PART-TIME)	208	19	7	171.43%	6	8	-25.00%	50	27	85.19%
OTHER (FULL-TIME)	0	2	0		0	0		3	0	
OTHER (PART-TIME)	18	1	1		1	0		2	1	

(LSBU YTD Admissions Report_16.09.13)

London South Bank University

26. It is very early in the cycle, but so far applications are encouraging

International

27. The international recruitment cycle will run for 3 more weeks, and enrolments are typically late in the cycle. So far, both firm acceptances and enrolments are 20% up on last year.

Level	Firm Acceptances (CYTD)	Firm Acceptances (LYTD)	% change
TOTALS	1,360	1,138	20
UG	319	291	10
PG	942	754	25
OTHER	98	93	5
AHS	332	232	43
UG	69	62	11
PG	263	170	55
BUS	526	509	3
UG	90	106	-15
PG	339	310	9
OTHER	98	93	5
ESBE	461	380	21
UG	150	121	24
PG	311	259	20
HSC	40	17	135
UG	11	2	450
PG	29	15	93

28. Business is weakest, with an increase in acceptances in post-graduate offset by a decline in under-graduate. All other faculties are showing good growth. The ESBE growth at undergraduate level is driven particularly by students enrolling through the programme sponsored by Qatar Oil.

Next steps and learnings

29. The Executive will review the outcomes in November after the September recruitment is complete and take any necessary further steps to manage costs. Those areas with a shortfall against target are already looking at options. The Executive will also look at the strategic implications across the overall portfolio.

London South Bank University

30. Recruitment for Semester 2 for new programmes at Undergraduate level, as well as the established post-graduate programmes, is starting and will accelerate from November.
31. Outcomes this year indicate significant challenges in Business. How to reposition LSBU in this competitive space is being addressed with urgency, and preliminary discussions have already been held with the new Vice Chancellor.
32. A bid has been submitted to HEFCE for funding to enhance the Post Graduate offering, with a particular focus on attracting more students from lower income backgrounds, and linking directly to employers.
33. There will be a “wash-up” with key staff engaged in the recruitment and enrolment processes, to understand what aspects have worked well, and where there are areas of improvement.
34. A business plan is in preparation to identify how we can accelerate development of our position in the EU, based on the success of activities to date in growing both award and non-award bearing applications from this sector.

Appendix: Performance to Date – Student Release

35. Students who opt to be released must be pre-clearing applicants who have met their conditions of study. Students need to be released in order to apply for another institution through clearing.
36. The total number of students that were released in 2012/13 was approximately 130 students. To date, we have had over 177 students request to be released in comparison to last year, representing a 36.15% increase in students requesting to be released. This is reflected in the early drop of pre-clearing application acceptances early in the clearing period. 85 are “destination unknown on UCAS” which suggests that they may have decided not to go to University at all.
37. The main faculty affected has been AHS, with 63 students opting to move in clearing. Psychology and Law were the main two areas affected, although Psychology was in a better position to absorb the impact in comparison to Law. The tables below are indicative of the spread of released students and include:
- Students Released by Faculty
 - Students Released and their destination university (for those that are known)
 - Students Released by LSBU Course

Faculty	Number of Students Released
Faculty of Arts and Human Sciences	63
Faculty of Business	49
Faculty of Engineering, Science and the Built Environment	47
Faculty of Health and Social Care	18
Total	177

(Released Students_23.09.13)

University Placed	Number of Students
Birkbeck University	2
Birmingham City University	4
Buckinghamshire New University	1
City University	4
Coventry university	3
De Montfort University	2
GSM	3
Kingston University	12
Leeds Metropolitan University	1
Leeds University	1
London Metropolitan University	3
London South Bank University	9
Middlesex	9
Unknown – no evidence on UCAS that accepted elsewhere	85
Southampton Solent University	1
University of Bedfordshire	3
University of Chester	1
University of Chichester	1
University of Derby	1
University of East London	4
University of Greenwich	3
University of Hertfordshire	1

London South Bank University

University Placed	Number of Students
University of Northampton	1
University of Roehampton	4
University of Southampton	1
University of Westminster	11
The Manchester Metropolitan University	1
The University of West London	1
Anglia Ruskin University	1
St Marys University College	1

(Released Students_23.09.13)

Course	Number of Students Released
BA (Hons) Architecture	1
BA (Hons) Arts and Festival Management	2
BA (Hons) Business Administration	9
BA (Hons) Business Management	1
BA (Hons) Business Studies	4
BA (Hons) Creative Writing	2
BA (Hons) Digital Film and Video	3
BA (Hons) Digital Media Arts	2
BA (Hons) Digital Photography	1
BA (Hons) English and Media	1
BA (Hons) English with Creative Writing	2
BA (Hons) Film Studies	1
BA (Hons) Marketing	8
BA (Hons) Media and Cultural Studies	1
BA (Hons) Multimedia Journalism	1
BEng (Hons) Chemical and Process Engineering	1
BEng (Hons) Civil engineering	1
BEng (Hons) Electrical and Electronic Engineering	2
BEng (Hons) Mechanical Engineering	4
BEng (Hons) Petroleum Engineering	2
BSc (Hons) Accounting and Finance	13
BSc (Hons) Architectural Engineering	1
BSc (Hons) Biochemistry	5
BSc (Hons) Business Information Technology	2
BSc (Hons) Children's Nursing	6
BSc (Hons) Computing	1
BSc (Hons) Construction Management	1
BSc (Hons) Criminology	1
BSc (Hons) Criminology with Law	2
BSc (Hons) Criminology with Psychology	2
BSc (Hons) Diagnostic Radiography	4
BSc (Hons) Food Science	1
BSc (Hons) Human Biology	1
BSc (Hons) Human Nutrition	1
BSc (Hons) Information Technology	1
BSc (Hons) Multimedia Computing	1

London South Bank University

Course	Number of Students Released
BSc (Hons) Nutrition	1
BSc (Hons) Psychology	9
BSc (Hons) Sociology	6
BSc (Hons) Sociology with Criminology	3
BSc (Hons) Sport and Exercise Science	2
BSc (Hons) Sports coaching and Analysis	1
BSc (Hons) Therapeutic Radiography	1
Extended degree programme in built environment	3
Extended degree programme in engineering	7
Foundation in Accounting	5
Foundation in Baking Technology Management	1
HND Chemical Engineering	1
LLB (Hons) Criminal Law	2
LLB (Hons) Law	8
LLB (Hons) Law with Criminology	2
Midwifery Practice	2
BA Tourism, Leisure and Hospitality Management	2
LLb Law with Psychology	1
BEng (Hons) Mechanical Engineering Design	1
BSc (Hons) Psychology with Criminology	2
BSc (Hons) Electrical and Electronic Engineering Top Up	1
BSc (Hons) Social Work	2
BSc (Hons) Adult Nursing	2
BSc (Hons) Clinical Psychology	2
Foundation in enterprise and small business	1
Foundation degree in computing	1
BSc (Hons) Psychology Child development	1
BSc (Hons) Engineering Product Design	1
BSc (Hons) Learning disability nursing	1
HND Applied Biology	2
University Foundation Programme	2
BA (Hons) Politics	1
BA (Hons) Education top up	1
BEng (Hons) Mechatronics	1
BA (Hons) Computing	1

(Released Students_23.09.13)

	PAPER NO: PR.34(13)	
Board/Committee:	Policy and Resources Committee	
Date:	1 October 2013	
Paper title:	Intellectual Property Policy	
Author:	Tim Gebbels, Director of Enterprise	
Executive sponsor:	Bev Jullien, Pro Vice Chancellor (External)	
Recommendation by the Executive:	That the committee approves the intellectual property policy	
Aspect of the Corporate Plan to which this will help deliver?	London's Enterprising University	
Matter previously considered by:	SBUEL Board University Executive	On: 27 June 2013 9 July 2013
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	Will be shared with the wider University staff using the internal communications channels and placed on the key documents intranet page.	

Executive Summary

This paper proposes a new Intellectual Property (IP) policy for the University which updates the old policy to reflect, adopt and communicate best practice and to reflect experience and practice of actively managing IP at LSBU. The scope of the document has been widened to cover areas not previously covered (e.g. disputes between inventors) and the policy has been changed where experience indicates the previous policy was deficient (e.g. IP ownership on behalf of graduate entrepreneurs).

The IP policy and, more broadly, the protection, management and commercialisation of IP is overseen by the University's IP Steering Group.

Revisions to the University IP policy

The revised IP policy is attached to this paper as Appendix 1. The key changes are summarised in the following points (numbers in brackets are the corresponding section in the IP Policy):

- An expanded list of definitions and clearer explanation of each term. (4)
- Clarification of the situations in which IP may arise and need to be protected. For example, in the course of an honorary employment or in work commissioned by LSBU. (5)
- Explanation of the University's criteria for assessing any IP that is being considered for commercialisation. (9)
- Graduate Entrepreneurs will now own their IP rather than assigning to the University. The exception will be in circumstances where the graduate has collaborated with LSBU employee(s). (5.2 C)
- Changes to Net Revenue Sharing. As previously, net revenue sharing begins once revenue exceeds £20k but there is now a more even split between Inventor (30%), Faculty (35%) and SBUEL (35%) and there is only this single tier of revenue sharing (11). Previously there was a two tiered structure to revenue sharing: Between £20k and £70k the split was 50%, 10%, 40% while above £70k it was 30%, 10% and 60%. The principal effect of this change is to give Faculties a much greater interest in net revenue.
- Clarification of the University's position in situations of apportionment disputes between inventors, inventor's leaving the employment of the University etc. (11.2)
- Reimbursing the University – in situations where IP is assigned back to the inventor, and it is later successfully commercialised, the Policy makes clear that the University should be reimbursed the expenses it incurred protecting and developing the IP. (11.6)

**London South Bank University
&
South Bank University Enterprises Limited**

Intellectual Property Policy

Table of Contents

Executive Summary.....	3
1. Summary.....	4
2. Introduction.....	4
3. Policy Statement On Ownership of Intellectual Property.....	4
4. Definitions.....	4
5. Ownership of Intellectual Property.....	8
6. Intellectual Property Procedures.....	11
6.1 The Head of IP and his/her team	
6.2 Role of Inventor (s)	
7. Confidentiality.....	11
8. Invention/Creative Work Disclosure.....	12
9. Evaluation of Intellectual Property.....	12
10. Commercialisation of Intellectual Property.....	13
11. Finance.....	15
12. Review of Intellectual Property.....	16

Executive Summary

The creation of intellectual property and its protection is a core objective for London South Bank University as it is crucial to the development of academic scholarship, research, teaching and enterprise.

This policy provides a framework for assessment, management and commercial development of intellectual property arising at LSBU.

The policy states that intellectual property generated at LSBU is owned by LSBU except in particular identified circumstances. It describes when IP is likely to arise and how it can be commercialised.

The policy takes account of the need to publish research work and supports the academics in this process.

The policy covers situations involving students, honorary or visiting academics and externally sponsored work.

Finally the policy describes methods of IP commercialisation, through licensing and spin-out companies and states the revenue sharing scheme for when that commercialisation is successful.

1. Summary

London South Bank University's (LSBU) intellectual property (IP) policy provides a framework for assessment, management and value creation of IP generated by its staff.

2. Introduction

London South Bank University regards the creation of intellectual property a core objective which it sees as crucial to the development of knowledge-creation, academic scholarship and learning. The University maintains its duty to develop policies and support services which create the best possible environment for intellectual property to be transferred into practical use.

The protection and appropriate commercialisation of intellectual property at the University is in everyone's best interest. There is real potential to attract additional income for staff, students and the University by commercialising intellectual property.

The central features of this philosophy and responsibility are to create an effective, efficient and transparent process which can:

- evaluate and protect the intellectual property, and then decide on the most appropriate arrangements for its transfer into use; and
- arrange for sharing any commercial returns from commercialisation of Intellectual property which provide for rewards to the originators, the faculty and the University
- use an approach which is entirely compatible with publishing, collaborations and research in the pursuit of academic excellence.

3. Policy Statement On Ownership of Intellectual Property

London South Bank University owns 100% of the intellectual property (IP) created during the performance of the contracted duties of all employees, or assigned to London South Bank University by students or other individuals, except where otherwise defined within this policy. The Patents Act 1977 (as amended), the Copyright, Designs and Patents Act 1988, the Registered Designs Act 1949, Regulation on Community Designs (6/2002/EC) and the Copyright and Rights in Databases Regulations 1997 (SI 1997/3032) are several pieces of legislation that, together, also make it clear that IP generated by an employee during the course of his/her normal duties belongs to his/her employer. The University will undertake to protect commercially important IP and seek its commercial exploitation for the benefit of students, staff, the University and the local economy. Net proceeds from commercialisation will be distributed between the inventor(s) and the University on a fair and equitable basis as detailed in this policy.

4. Definitions

Certain terms are used in this document with specific meanings, as defined in this section. These definitions do not necessarily conform to customary usage.

University means London South Bank University

LSBU means London South Bank University

SBUEL (South Bank University Enterprises Limited) is the legal entity wholly owned by the University which has responsibility for the management of consultancy, investments, equity holdings and license agreements that relate to start-up businesses and technology transferral.

Head of Intellectual Property and his/her team has responsibility for identifying and protecting the University's intellectual assets and explores routes for commercialisation of intellectual property capital arising from the University's knowledge and technology base.

Business Development Manager (BDM) means a business focussed manager in University Enterprise who will be responsible for working with a particular faculty or business sector.

Intellectual Property (IP) means patents, rights to inventions, trade marks and service marks, trade names and domain names, rights in get-up, rights to goodwill and to sue for passing off and unfair competition, rights in designs, rights in computer software, database rights, rights in confidential information (including know-how and trade secrets), copyright and any other intellectual property rights, in each case whether registered or unregistered and including all applications (and rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist, now or in the future, in any part of the world.

Background IP refers to any information, techniques, know-how, software and materials (regardless of the form or medium in which they are disclosed or stored) that are already owned by a party when entering into an agreement with another party. This is especially applicable when entering into research or enterprise collaborations or contracts.

Foreground IP means all information, know-how, results, inventions, software and other Intellectual Property identified or first reduced to practice or writing in the course of a Project. This is especially applicable as a result of a research or enterprise collaboration or contract.

Intellectual Property Rights (IPR) refers to specific legal rights which protect the owners of IP from others using it without permission. They are divided into four main categories:

- Patents
 - Copyright
 - Design Rights
 - Trade Mark Rights
-
- **Patents** protect any new and inventive product, device, composition or process for up to 20 years from filing a complete patent application. To be patentable, the subject matter must be new, have an inventive step and be capable of use in industry. It must also have "technical character" meaning it

must solve a particular technical problem. In Europe and the UK, there are some exclusion from patentability such as ideas, theories, discoveries, thoughts, purely financial, commercial or mathematical methods, games, computer programs, ways of presenting information and methods of treatment, diagnosis or surgery.

- **Copyright** protects any original works such as original literary works (tables or compilations, computer software programs and databases), dramatic works (dance or mime), musical works (music exclusive of any words or actions) and artistic work (graphic works, photographs, sculptures, collages irrespective of artistic quality, works of architecture and works of artistic craftsmanship), sound recordings, films, broadcasts and typographical arrangements of published editions. Copyright arises automatically.
- **Design Rights** generally protect the appearance of a product resulting from the features such as the lines, contours, colours, shape, texture and/or materials of the product or its orientation. Under UK design law, design rights can be formally registered for up to 25 years, giving legal protection against copying the actual design or any design similar in appearance. The design must be new and have individual character. Some designs may also attract automatic design rights which do not require any formal registration. These designs must be original (i.e. not copied) and not common place. They generally protect 3-dimensional aspects of a design product only. These automatic rights can last for up to 10 years from the date of first marketing the design or 15 years from when the design is first recorded in a design document or an article is made to the design.
- **Trade Mark Rights** protect names, logos, jingles, slogans, shapes of goods or packaging. The mark must be capable of being graphically represented and of distinguishing your goods or services from others. Trade marks can be registered for an indefinite period of time. Long term use of unregistered trade marks may also be protected under the UK common law of "Passing off" which protects the goodwill and brand in a business and is used as an alternative remedy to trademark infringement.

Non-disclosure Agreement is a contract by which one or more parties agree not to disclose confidential information that they have shared with each other as a necessary part of doing business together.

Research Results means the results arising from an individual's or group's research including details of any IP, results, data or source code.

Scholarly Materials means textbooks, academic journal articles, conference papers and related presentations, theses and dissertations, popular non-fiction, novels and poems, but excludes any such materials or part of them which can be defined as Teaching Materials or University Materials and excludes computer programmes.

Teaching Materials means any materials created within the University or created on behalf of the University that are intended to be used or accessed by Students for the purposes of their course of study including course guides, hand-outs and presentation materials (including lecture notes, slides and other audio-visual materials), instruction manuals plus assessment and examination questions.

University Materials means any type of work produced for administrative purposes, including but not limited to promotion and marketing of University courses, student and staff recruitment, papers for any internal committee or similar body, material included in any University handbook for employees or Students or any other University purpose and any item created by an employee of the University whose job description specifically includes the creation of printed or electronic materials.

University Resources means any form of funds, facilities or resources, including equipment and consumables, use/supply of heat, light or power otherwise purchased or paid for by the University, SBUEL or other University subsidiary during that employee's contracted hours of work.

Commercialisation means any form of exploitation of IP including assignment, licensing or the disposal of any interest, whether in return for cash or payment in-kind or any other form of value.

Licence is the expressed permission from the owner of the IPR (**Licensor**) for the recipient (**Licensee**) to use the intellectual property.

Assignment means the transfer of Intellectual Property rights held by one party (the **Assignor**) to another party (the **Assignee**).

Externally-produced work means any commissioned design/research results produced by an external person or company for the University and/or SBUEL.

Spin-Out Company is a company established with a view to commercialising IP originating from the University. The University would normally have equity in the spin-out company.

Inventor(s) means any person or persons who create an item of IP. This includes patentable inventions, designs, computer coding, and reports.

Staff means all employees (including full-time and part-time) contracted by the University or any of its subsidiary companies.

Research Students means any full-time or part-time student undertaking a research degree regardless of whether the student receives financial support from the University, from outside sources or who is self-funded. Under the University's Regulations the research degree is defined as any of the following: MRes, MPhil, MD, PhD, PhD by Published Work, DLitt, DSc or any other doctoral thesis including Professional Doctorates.

Affiliate means any other individual who has formal links with the University including, a visiting or honorary academic, a visiting postgraduate student or an academic on sabbatical.

Enterprise Associate means an LSBU graduate entrepreneur who has gained a place on the Enterprise Associate Scheme (2004 to 2012) to develop their commercial idea or product.

Graduate Entrepreneur means an LSBU graduate who has gained a place on the Graduate Entrepreneur Scheme (from 2013) to develop their commercial idea or product.

5. Ownership of Intellectual Property

Intellectual property is a property right and can be transferred much like any other type of property, for example, by sale or assignation. It is important to realise that the owner of IP may not necessarily be the person who created it in the first place.

London South Bank University owns 100% of the intellectual property (IP) created during the performance of the contracted duties of all employees, or assigned to London South Bank University by students or other individuals, except where otherwise defined within this policy.

Exceptions to this need to be considered when the IP is created during a collaborative project with other organisations and when external funding determines ownership of IP.

5.1 Staff

Pursuant to the terms of the staff member's contract of employment and as a matter of law, IP created by the University staff shall be owned by the University if the IP was created in the course of the staff member's contracted or specifically assigned duties.

A) Course Materials

The copyright in course materials whether written or electronic, including aids to teaching produced by staff in the course of their employment for the purposes of the curriculum of a course run by the University and produced, used or disseminated by the University belongs to the University. However the copyright in any material produced by staff for their personal use and reference shall belong to that member of staff.

B) Scholarly Materials

The University waives its rights on work as defined above as scholarly work by staff. These are books, contributions to books, articles and conference papers.

The University reserves the right to use any scholarly works for academic purposes such as teaching, research and general internal use if deemed appropriate, subject to the University's obligation to respect the moral rights of the staff member in relation to such scholarly works.

C) Materials arising from Research

Copyright in reports and other material arising from research will belong to the University or to a funding body depending on the terms of contract.

D) Financial & Administrative Materials

All records, documents and other papers (including copies and summaries thereof) which pertain to the finance and administration of the University and which are made by staff in the course of their employment are the property of the University and the copyright in all such original records, documents and papers shall at all times belong to the University.

5.2 Students (Undergraduates and Postgraduates) and Graduates

A) Postgraduate Research Students

As a precondition of registration for their research degree, all research students are required, prior to or at the time of enrolment, to sign agreements which will assign, or will oblige them in the future to assign, their rights in any IP arising from their studies to the University. Upon assignment, the University will own all IP developed by research students relating to their studies unless the University has entered into an agreement whereby all or a portion of the rights are owned by an external sponsor.

If the IP generated by research students is commercialised, the student inventor will be treated as a member of staff for the distribution of net income. Should the University not wish to exploit the IP generated during the course of the research degree, the IP shall be reassigned back to the research student at the end of his/her studies. This is subject to any obligations of confidentiality assumed by the University and/or if requested the research student in relation to the IP.

The copyright of the thesis will be held by the University but approval will be given for publication in books or articles. Should the content of this relate to any potentially commercial IP then publication of the thesis will be delayed until appropriate protection is in place.

The University reserves the right to be granted a non-exclusive royalty free licence by the student for use of his/her thesis for non-profit academic purposes such as teaching, research and general internal use if deemed appropriate subject to the University's obligation to respect the moral rights of the research student in relation to such copyright material.

B) Non-research students

Non-research students, including undergraduates and graduates on taught courses, own the IP that they create except under the following exceptions:

- i. Those students who create IP under a University project involving staff and
- ii. Those students working on a placement project or external project involving ideas and funding from an external party.

In these circumstances the student must assign their IP to the University. In cases in which the student who is working on a University project, makes significant contribution to the inventive process, the student will be granted the same rights as any employee inventor as set out in this policy.

C) Enterprise Associates and Graduate Entrepreneurs

Enterprise Associates (since 2012) and Graduate Entrepreneurs will own the IP they generate except in circumstance of collaboration with LSBU employees. In cases in which the Graduate Entrepreneur requests additional funding for IP protection or business development, the University will require assignment of IP and equity in the company. IP will be exclusively licensed to the company in return for a royalty. Such funding will only be considered if there is a business plan approved by the IPSPG, the University Executive and SBUEL.

5.3 Externally-produced work

When external individuals or entities, carry out projects commissioned by London South Bank University or SBUEL Foreground IP produced in the course of the project will be owned by London South Bank University or SBUEL. Commissioners of externally-produced projects and IP should ensure that consultants are aware of this IP policy. Contracts between external individual or entities and London South Bank University or SBUEL must contain specific references to the creation and ownership of IP.

5.4 Affiliates

Where it is anticipated that IP may arise during the course of activity undertaken by an affiliate of the University, an IP agreement must be executed by all parties prior to the commencement of any work. The agreements must confirm ownership of IP and rights of use and commercialisation. Such agreements are advised by SBUEL.

5.5 External or Student Work Funded By The University

Where the University provides funding/pays for particular projects, the University will own any IP arising from the activity.

5.6 Externally Sponsored Work

Where it is anticipated that IP may arise during the course of a collaborative or sponsored project with an external organisation such as industry, other universities, research organisations or government sponsored programmes, an IP agreement must be executed by all parties prior to the commencement of any work. The agreements must confirm ownership of IP and where appropriate, proposed routes of exploitation and a basis of compensation for the University. Such agreements are advised, assessed and ratified by the Head of IP and not by individual

members of staff or students, though individual staff members or students will have input to advising the LSBU Intellectual Property Team during negotiations.

5.7 Honorary Employees

Academics or researchers who have an honorary association with the University but are not employed by the University are required to transfer any IP they create in the course of their honorary activities to the University, subject to the terms and conditions of their honorary contract. Such individuals will be treated as if they were University employees for the purposes of sharing revenue. This includes visiting academics and individuals with honorary appointments in the University.

The University requires an IP agreement between the University and the Individual (or the External Body employing the Individual), before the individual's appointment at the University commences.

If you require an agreement to be put in place please contact the Head of IP.

Intellectual Property Procedures

6. Roles

6.1 The Head of IP

The Head of IP and team advise on the protection and commercialisation of the University's IP. Their key responsibilities include the protection of IP and to support the generation of income either through licensing and royalties involving existing or spin-out businesses or to support collaborative income generating work.

Intellectual Property generated by staff and research students will be protected where possible if there is a commercial opportunity for that IP.

The Head of IP, with University Enterprise, will also support any required additional commercial or technical development of the IP with the inventor(s) and engage and negotiate with potential commercial partners to ensure optimal further development and return for the University.

The Head of IP and team will endeavour to train and develop improved IP understanding amongst LSBU staff through staff inductions, seminars and departmental meetings.

6.2 Role of Inventor (s)

The inventor is the expert on the invention and the field of research and this knowledge is crucial to the success of IP generation, IP protection and IP commercialisation that the inventor is engaged in the process. When working with the

Head of IP and Team, the inventor may be required to complete documents to confirm the authenticity of their IP. Additional research and experimentation may be required to ensure that the IP can be appropriately protected and commercialised.

The benefits of the inventor working with the Head of IP and gaining insights into how IP is protected can greatly aid the generation and development of future IP for professional development.

7. Confidentiality

7.1 Professional Best Practice

Staff and students are expected to take all necessary steps to keep confidential any potentially exploitable IP and prevent public disclosure of any invention of creative work arising from their employment and/or academic duties until approved to do so by the IP Office. As academic research publications are important to both the researcher and the University, the IP Office shall make every endeavour not to delay publication more than is necessary to ensure protection of the IP.

7.2 Working with Third-Parties

Staff and students are expected to ensure that a confidentiality agreement (non-disclosure agreement – NDA) is in place and abide by the agreement terms when talking to any third party and/or external organisations. The University's standard NDA should be downloaded and used whenever possible. Please note that should any third party or external organisation supply a confidentiality/non-disclosure agreement it should be forwarded to the Head of IP for review before signing.

8. Invention Disclosure Process

8.1 Invention Disclosure

Staff and students must disclose new potentially exploitable IP prior to any public disclosure using an Invention/Creative work Disclosure Form (IDF) and submitting it to the Head of IP. This form can be downloaded from the Staff Gateway IP Pages. The Invention/Creation will be assessed for patentability or other protectable means with the inventor and initiate protection if appropriate. The inventor will be involved in decision which will be affected by publication needs and commercial potential. Please contact the Head of IP or your Faculty BDM should you need advice in relation to the form.

9. Evaluation of Intellectual Property

9.1 Criteria For Evaluating Intellectual Property

The Head of IP, with the inventor, and possibly the Faculty BDM, will review the Inventive/Creative work for commercial potential against a matrix of criteria including:

- Prior Art
- Strength of support for creative team
- Market for potential products , narrow or wide applications
- Market competition
- Cost of development for commercialisation
- Collaborative and licensing opportunities
- Exit strategy
- Benefits to the University – tangible and intangible

9.2 Funding Application

Where the disclosed IP is found to have some potential for commercialisation, whether at a commercial or pre-commercial stage, the inventor will be advised on further development of the IP through research, prototyping or collaboration.

The Line manager/Head of Department/ Faculty Dean will be involved in decisions on any further input from the inventor that uses time and resources in the Department.

10. Commercialisation of Intellectual Property

In the event that the decision of the IP Office is to commercialise all or any of the IP disclosed then the likely routes for commercialisation will be either by:

- **Licensing or sale of IP**
- **Establishment of a spin-out venture**

For any commercialisation plan, time input and departmental resources will be agreed between the Head of Department, Inventor and the Head of IP and/or Director of University Enterprise.

10.1 Licensing or Sale of IP

In the event that the decision is to seek to commercialise the IP via licensing/sale to an existing company then a commercialisation plan will be agreed within 3 months of the decision to commercialise. Such a plan will outline what tasks need to be undertaken , by whom and in specific timelines as part of a program towards reaching the goal of securing a licensing or sale agreement. The plan will be agreed by the inventor, the Head of Department/Dean of Faculty and the Head of IP in a written document signed off by the Department and Faculty.

The Head of IP will take the appropriate steps to protect the IP by patent application or other IP protection means, at the University's expense, and within the time table of the commercialisation plan.

Employees and students are expected to meet the requirements of this plan in a timely way.

The type of activities individuals are expected to commit include: supporting the patenting process (this can involve responses to 'written opinions' and further

experiments), developing prototypes and/or carrying out further experiments, provision of content for the preparation of marketing materials (both confidential and non-confidential); co-developing & delivering 'sales' presentations to potential licensees; participating in meetings (both at London and elsewhere including overseas) and positively supporting the negotiation of licences or other agreements where necessary.

In the event that an individual(s) fails to meet the commitments specified in the agreed plan and this is damaging to the progress of the commercialisation effort then IPSPG has the right to terminate the commercialisation via delivery of a written notification to the member of staff or student.

After licensing the inventor may be required to work with the licensee to fully 'transfer' the know-how in the IP. Whenever possible, this will be done on a consultancy contract.

A) Revenues from Licence Royalties

Where the IP is licensed to a third party, the Head of IP will be responsible for negotiating and securing the most profitable commercial arrangement available.

Net revenues (after patent and related costs, professional and legal advice, marketing costs, etc. have been covered) from licences/royalties will be distributed as described in 11.1.

10.2 Spin-out Routes

A) Spin-out Process

In some cases, the best route to commercialisation is for the Inventor to start a spin-out company. In this case, the Inventor will be required to submit a business plan which will be reviewed and the spin-out agreed by the IPSPG and Faculty/Department. Recommendations will be made to SBUEL which will approve the spin-out.

SBUEL will hold up to 19.9% equity in the spin-out company.

B) Licensing to spin-out

For most spin-out companies the University will seek to negotiate licence terms to provide the venture with access to the IP it needs to develop the business and raise finance. The licence will generally include royalty provisions and terms for assignment of the intellectual property based on the company meeting agreed milestones.

C) Directorships In Spin Out Companies

SBUEL and the University will be party to Shareholders Agreements from the spin-out company and will seek non-executive directorships in the venture. Staff and/or students may also participate as directors and SBUEL recommends each individual

considering this role gains legal advice on the responsibilities associated with limited private company directorship.

D) Secondments to Spin-Out Companies

In the event that an individual intends to work for the spin-out venture then secondment arrangements would need to be put in place by the Faculty/Department and Human Resources.

E) Use of University Resources By Spin-Out Companies

In the event that a spin-out company needs access to University facilities then this will require arrangement with the Department/Faculty, and the value of such access will be negotiated with SBUEL. Use of University resource may count as 'in-kind' investment into the spin-out company and will be considered as a repayable loan or an entitlement to share options.

11. Finance

11.1 Revenue Sharing Scheme

The successful commercialisation of University-generated IP will usually result in the University receiving a royalty income. This may be either as a lump sum or as a stream of royalty income over a period of time.

SBUEL has a standard scheme for the apportionment of its royalty income which reflects the involvement of the individuals concerned, the Faculty and SBUEL.

Where the IP is licensed to a third party, the Head of IP will be responsible for negotiating and securing the most profitable commercial arrangement available.

Net revenues (after patent and related costs, professional and legal advice, marketing costs, etc. have been covered) from licences / royalties will be distributed as follows for any licensable IP:

Net Revenues (Cumulative)	Inventor(s)	Faculty	SBUEL
First £20K	50%	25%	25%
All revenue above £20k	30%	35%	35%

Inventors will not receive a revenue share if the IP is licensed into a spin-out company of which they are directors.

11.2 Apportionment amongst individuals

In circumstances where more than one inventor is involved, responsibility for agreeing the division amongst the several inventors lies with those individuals. Advice can be sought from the Head of IP.

In the event of a dispute which cannot be resolved by mutual discussion amongst the inventors the protection and commercialisation will no longer be supported.

11.3 Leaving employment of the University

Cessation of employment by the University will not affect an inventor's right to receive a share of income. It is the responsibility of the inventor to inform the IP Office of their forwarding address and contact details.

11.4 Death

In the case of the death of an inventor, who is due revenue payments, such revenue payments will be payable to the estate of the deceased for that academic year (August to July).

11.5 Payment of Royalties

The inventor's share of income will be paid via electronic bank transfer (by preference) or cheque. It is the responsibility of the recipient to ensure that they notify their local tax office or HMRC.

11.6 Assignment to Inventor

Should SBUEL decide it does not wish to proceed with developing and commercialising the IP, and if requested by the inventor(s), SBUEL will assign ownership of the invention and the IP to the inventor(s). Once assignment to the inventor (s) is agreed and transacted, they will have sole responsibility any country specific assignments and for maintaining the IP protection. In such a scenario where IP is assigned back to the inventor which is then successfully commercialised, the inventor(s) will reimburse expenses previously incurred by the University, SBUEL and any other of the University's subsidiary companies for the IP protection and development, from the income generated by the inventor(s) or done on their behalf.

12. Review of Intellectual Property Policy

The London South Bank University IP Policy is reviewed every two years within the annual University Intellectual Property Office report. The next review is scheduled for June 2014.

London South Bank University

	PAPER NO: PR.35(13)	
Board/Committee:	Policy and Resources Committee	
Date:	1 October 2013	
Paper title:	Primary Responsibilities of the Board	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsor:	David Longbottom, Chairman of the Board	
Recommendation:	That the committee recommends the <i>Statement of Primary Responsibilities of the Board</i> to the Board for approval	
Aspect of the Corporate Plan to which this will help deliver?	Creating an environment in which excellence can thrive	
Matter previously considered by:	Policy and Resources Committee	On: Annually
Further approval required?	Board of Governors	On: 17 October 2013
Communications – who should be made aware of the decision?	Published on the University’s website and in the Annual Report	

Executive summary

The CUC Governance Code of Practice recommends that Boards should adopt a statement of primary responsibilities which should be published on the University’s webpage and in its annual report. It is good practice to review this statement annually. LSBU’s current statement conforms to the model statement as recommended by the CUC and as such no changes are recommended.

The committee is requested to recommend to the Board that the *Statement of Primary Responsibilities* remains unchanged.

Board of Governors – Statement of Primary Responsibilities

1. To approve the educational character, mission and strategic vision of the institution, together with its long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To delegate authority to the head of the institution, as chief executive, for the academic, corporate, financial, estate and personnel management of the institution, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution.
3. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
4. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
5. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself, and to carry out such reviews at appropriate intervals.
6. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
7. To safeguard and promote the good name and values of the institution.
8. To appoint the head of the institution as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
9. To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
10. To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.
11. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial

statements, and to have overall responsibility for the University's assets, property and estate.

12. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name.
13. To make such provision as it thinks fit for the general welfare of students.
14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution or its students.
15. To ensure that the institution's constitution is followed at all times and that appropriate advice to the Board is available to enable this to happen.

	PAPER NO: PR.36(13)	
Board/Committee:	Policy and Resources Committee	
Date:	1 October 2013	
Paper title:	Public Benefit Statement	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Executive sponsor:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Recommendation by the Executive:	That the committee recommends the public benefit statement to the Board for approval	
Aspect of the Corporate Plan to which this will help deliver?	N/A	
Matter previously considered by:	N/A	On: N/A
Further approval required?	Board of Governors	On: 17 October 2013
Communications – who should be made aware of the decision?	Published in the Annual Report	

Executive Summary

Why is the paper coming to the committee?

The Public Benefit Statement forms a mandatory part of the annual report of charities. The Financial Memorandum with HEFCE states that the following must be included in the audited financial statements:

- A statement that the charity has had regard to the Commission's guidance on public benefit
- A report on how the HEI has delivered its charitable purposes for the public benefit

London South Bank University

The committee is requested to review the statement and recommend approval to the Board.

What particular issues does the Board/committee need to give its attention?

The statement sets out the University's charitable objects as found in its Memorandum of Association and how these objects are applied for the public benefit. It sets out how the University advances education for the public benefit. The University's main beneficiaries are identified as its students but with a wider public benefit of the University's activities mainly through research and community work also recognised.

The committee is requested to recommend approval to the Board.

London South Bank University

Public Benefit statement

The University is an exempt charity within the meaning of the Charities Act 2011 and is regulated by HEFCE on behalf of the Charity Commission. The University's objects are charitable as required by section 3 of the Charities Act 2011. They are set out in the University's Memorandum of Association:

- To establish, carry on and conduct a University;
- To advance learning and knowledge in all their aspects and to provide industrial, commercial, scientific, technological, social, cultural and professional education and training;
- To provide courses of education both full time and part time;
- To provide opportunities and facilities for research and development of any kind including the publication of results, papers, reports, treatises, these or other material in connection with or arising out of such research; and
- To provide for the recreational and social needs and the health and welfare of students of the University.

The members of the Board of Governors are the charitable trustees of the University and they set the strategic direction of the University within these objects and having regard to the Charity Commission's guidance on public benefit. The University has no linked charities.

Benefits of Education

The University's objects are applied solely for the public benefit. The University advances education for the public benefit by:

- providing teaching to its students in the form of lectures, seminars, personal tuition and online resources;
- delivering many courses accredited by recognised professional bodies, both full and part time;
- setting and marking assessments and providing evidence of achievement by the awarding of degrees, diplomas and certificates.

The University provides support to students by:

- tutorial guidance, assessment and feedback;
- mentoring and coaching;
- providing student welfare and student accommodation;
- funding some individual students' education through bursaries and fee waivers;
- providing funds to London South Bank University Students' Union.

London South Bank University

The University also promotes knowledge and the raising of standards by:

- undertaking academic research and publishing the results;
- publishing articles in peer-reviewed journals;
- maintaining an academic library with access for academics and students;

Benefit to the public

The University's main beneficiaries are its students, which is appropriate to its aims. The main beneficiaries of the University are therefore a section of the public as required under principle 2 of the commission's General Guidance on Public Benefit. The trustees affirm that the opportunity to benefit is not unreasonably restricted. The benefits of learning at London South Bank University are open to anyone who the University believes has the potential to succeed, irrespective of background or ability to pay tuition fees.

From its beginnings as the Borough Polytechnic Institute, in 1892, to the present day, London South Bank University has stayed close to its founding mission of opening access to education. Schedule A of the 'Scheme of the Charity Commissioners' for the Borough Road Polytechnic Institute, of 23 June 1891 states that: 'The object of the Institute is the promotion of industrial skill, general knowledge, health and well-being of young men and women belonging to the poorer classes ...'. This is still reflected in our current mission statement: "Creating professional opportunity for all who can benefit". The University's overriding aim as set out in its Corporate Plan, 2011-14 is student success.

Our student body is diverse and reflects our outreach to the wider community: xx% [figure available from HESA towards end of year] 2011/12: 98.2%) of our students come from state schools. 54.5% (2011/12: 54.1%) of our students are non-white in origin and 80.8% (2011/12: 83.8%) are over the age of 21 on entry to the University. 34.2% (2011/12: 36.2%) study part-time. Xxxx [available Oct 2013] undergraduates (2011/12: 4553) and xxxx [available Oct 2013] taught postgraduate students (2011/12: 2033) graduated in 2012-13.

Our Schools and Colleges Liaison team has received a number of accolades for their work in widening participation and in particular were the winner of a Times Higher Education Award 2012 for Widening Participation Initiative of the Year. This innovative scheme provides care leavers with a first-hand taster of University life and demonstrates that a career in the City is an attainable goal. Overall, the team encourage under-represented groups, such as care leavers, people with disabilities and those from other minority groups, to consider higher education. Through a number of workshops, mentoring and careers advice, along with visits to City firms such as UBS, PriceWaterhouseCoopers and Lloyds of London, participants leave

London South Bank University

with a set of transferable skills to utilise throughout the remainder of their education, along with defined pathways to their desired objective.

We were awarded the Frank Buttle Trust Quality Mark in 2008 for our processes in support of care leavers, and we offer all care leavers a bursary of £750 at the beginning of each academic year, up to £1,000 travel allowance, a dedicated link person to deal with their local authority, help accessing all the University's support services and support in finding accommodation appropriate to their needs and preferences, including year-round accommodation available outside term time.

Like other universities, we must charge tuition fees. Maintenance grants are of course available to those with restricted means, especially students from families on low incomes. In addition, the University offers financial assistance in the form of scholarships, bursaries and charitable funds to students in need.

Our fee structure for part-time students reflects the bursary/scholarship paid to full-time students thus ensuring that they are not disadvantaged by studying part-time. We continue to benchmark our non-regulated fees against similar institutions and maintain close links with a number of local partner Further Education colleges through the validation and franchise of higher education courses taught by those partners.

The University's beneficiaries are not restricted to its students. There are also wider public benefits provided by higher education to which the University contributes. The University's portfolio is firmly rooted in professional courses that enhance employability and career success. The University continues to offer professional and vocational courses, supported by a high level of accreditation from professional, statutory and regulatory bodies.

A key role of universities is knowledge creation and transfer. Knowledge is transferred to our students through formal teaching programme and access to academic resources. The University's research activities also contribute to a wider public benefit through the publication of technological advances, scientific knowledge and innovation. The University has undertaken and published research in 2012-13 which will benefit the wider public, examples follow.

- In the field of health the University is working on a project funded by CLIC Sargent evaluating the impact of the nursing key worker support project on children with cancer and their families. It is examining the extent to which the nursing key worker support role improves patient and family experience; whether children and their families are better able to spend more time safely at home during treatment and identifying obstacles to providing care closer to home that may be overcome by the key worker role.

London South Bank University

- In the field of engineering, research for Sellafield has been undertaken into a range of issues relevant to nuclear decommissioning including mitigation of hydrogen hazard; the heat flow interaction of ground source heating and cooling with underground railways for London Underground; and improving refrigeration technologies along the European food cold chain.
- In social policy research is being undertaken into the issues affecting ageing and wellbeing of black, Asian and minority ethnic elders in Lewisham and Southwark and the factors that impact on their access and uptake of person centred planning; and how accounts of the formative impact of early experience on brain development are informing politics, key social policy legislation and early intervention initiatives, as well as the consequences for everyday practice among health care providers and early years educators
- In psychology, a research project is looking at 'Executive functioning in children with Developmental Coordination Disorder', increasing awareness of DCD as a disorder and the impact that motor difficulties may have on other areas of functioning.

In the area of enterprise, the University has expanded its student entrepreneurship package to assist more of its entrepreneurial students and former students to explore and develop the commercial potential of their ideas through its *Entrepreneurship in Action Scheme*, *Enterprise Associate Scheme* and *Entrepreneur and Enterprise Link Schemes*. The University has increased the level of expert mentorship, coaching and advice its student entrepreneurs can receive by doubling (to four) the number of established, successful entrepreneurs it retains as resident entrepreneurs. In addition, it has established a new network to facilitate better engagement of the University and its student entrepreneurs with the local business community. It is hoped that the Clarence Centre for Enterprise and Innovation, the University's new enterprise centre (opened in September 2013), will become the new focus at the heart of SE1 for the University's engagement with the business community locally, across London and throughout the South East of England. The Clarence Centre houses the University's student entrepreneurs and a number of new and growing businesses taking advantage of the business incubator space the building offers.

The University also serves the public benefit through its outreach and community work. Activities in this area include the Legal Advice Clinic and the public art gallery, which are informed by LSBU's educational programmes and the Confucius Institute for Traditional Chinese Medicine which helps inform aspects of LSBU's educational programmes.

The Legal Advice Clinic helps students enhance their professional legal skills whilst offering free help, support and legal advice for the local community.

London South Bank

University

Borough Road Gallery was financed by a grant from the Heritage Lottery Fund to renovate part of the Borough Road building, and to devise a two-year programme of exhibitions and events that explore 'A David Bomberg Legacy – The Sarah Rose Collection'. The collection includes over 150 works by members of the Borough Group including David Bomberg, Dennis Creffield, Cliff Holden, Edna Mann, Dorothy Mead, and Miles Richmond and was donated to the University by Sarah Rose. The gallery is open to the public during exhibitions and also runs an educational public programme. To date, this has included workshops with local secondary schools, a partnership with local adult educational specialist Morley College, and a series of talks and events for the general public.

The University's Confucius Institute for Traditional Chinese Medicine provides benefits to its students and the wider community. Through its Confucius Institute, the University is able to design and deliver Chinese curricula that are authentic and credible. The Institute also works with a network of 42 primary and secondary schools to raise aspirations to learn about another culture. The Institute acts as a facilitator between UK and China researchers to improve dialogue and helps the University ensure its students and communities are prepared for a global world; one in which China plays a greater role.

London South Bank University

	PAPER NO: PR.37(13)	
Board/Committee:	Policy and Resources Committee	
Date:	1 October 2013	
Paper title:	Matters Reserved to the Board	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Executive sponsor:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Recommendation by the Executive:	That the committee recommends the schedule of matters reserved to the Board for approval	
Aspect of the Corporate Plan to which this will help deliver?	Creating an environment in which excellence can thrive	
Matter previously considered by:	P&R	Annually
Further approval required?	Board	On: 17 October 2013
Communications – who should be made aware of the decision?	N/A	

Executive summary

Why is the paper coming to the committee?

The Schedule of Matters Reserved to the Board was revised last year to provide further clarity on the aspects of the University's business which is reserved for Board approval. It is good practice to review this Schedule annually.

What particular issues does the committee need to give its attention?

The schedule takes into account the Financial Memorandum with HEFCE, the University's Memorandum and Articles of Association, the University's financial regulations and relevant legislation. It sets out which matters are delegated by the

Board to committees for approval and which are not to be delegated. It encompasses all aspects of the University's activities which require Board approval.

One substantive amendment is recommended from last year. This is the approval of debt write off by the Audit Committee which was amended with the changes to the Financial Regulations in July 2013:

4.2	Authorisation of single debt write offs above £10,000 and annual debt write offs above £50,000. To receive a report on any debt written off below this threshold and approved by the Executive Director of Finance.	FR 4.27	Audit
-----	---	---------	-------

The approval of the annual staffing budget has been removed as this is considered as part of the budget as a whole.

Changes (in red) to the reference for a number of items are due to the changes in the financial regulations in July 2013.

The committee is requested to recommend approval to the Board.

Schedule of Matters Reserved to the Board of Governors

This Schedule of Matters Reserved to the Board sets out those aspects of University business whose approval is reserved to the Board of Governors. Often the Board delegates certain approvals to one or more of its committees: where this is the case it is listed in the third column. Where the Board is restricted by the Articles, the Financial Memorandum (FM) with HEFCE, legislation or the Financial Regulations (FR) from delegating decisions to a committee it is indicated by **. The relevant committee may make a recommendation to the Board. The Board as a whole takes the final decision.

1.	Mission and strategy	Reference	Delegation to a committee of the Board?
1.1	** The determination of the educational character and mission of the University	Art. 27	no delegation (P&R reviews mission; Educational Character monitors educational character)
1.2	Safeguarding and promoting the good name and values of LSBU		
1.3	Oversight of the University's activities including the exercise of degree awarding powers		
1.4	Review of performance of LSBU in the light of its strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.		(P&R reviews prior to board)
1.5	Approval and periodic review of the Key Performance Indicators.		(P&R reviews prior to board)
1.6	Extension of LSBU's undertaking into new activities or geographic areas.		(P&R reviews prior to board)
1.7	Any decision to cease to operate all or any material part of LSBU's undertaking.		(P&R reviews prior to board)

2.	Corporate structure		
2.1	Major changes to LSBU's corporate structure.		Sub-committee/s may review prior to board
2.2	Major changes to LSBU's management and control structure.		Sub-committee/s may review prior to board
3.	Financial reporting and controls		
3.1	** Approval of the annual report and accounts, including the corporate governance statement and remuneration report.	CA 2006 s.414(1) FR 4.16	P&R and Audit reviews draft. P&R reviews corporate governance statement Remco reviews remuneration report
3.2	** Approval of the annual estimates of income and expenditure (i.e. the annual budget and five year forecast) and capital expenditure budgets and any material changes to them.	Art. 27	no delegation (P&R reviews prior to board)
3.3	** Ensuring the solvency of LSBU and the safeguarding of its assets by: <ul style="list-style-type: none"> • competent and prudent management • sound planning • an adequate system of internal control • a formal and structured risk management process • adequate accounting and other records • compliance with statutory and regulatory obligations • sound systems for reporting student data • any other means of assurance as the Board sees fit. 	Art. 27	no delegation (Audit and P&R review aspects as set out in their terms of reference)

3.4	Ensuring that funds provided by the funding body are used in accordance with the terms and conditions of the financial memorandum.		Audit
3.5	Ensuring sound arrangements for: <ul style="list-style-type: none"> • risk management, • control and governance, and • for economy, efficiency and effectiveness (value for money), within the University 	FM Annex A 4	Audit monitors and reports to Board
3.6	Ensuring that the arrangements for the management and quality assurance of data submitted to HESA and HEFCE	FM Annex A 6	Audit monitors and reports to Board
3.7	** Approval of any significant changes in accounting policies or practices.	FR 4.7	no delegation (Audit reviews)
3.8	Approval of investment and treasury policies.	FR 11.1 FR 12.4	P&R
3.9	Approval of investment policies for charitable funds.		P&R
3.10	Acting as trustee for any property, legacy, endowment, bequest or gift in support of the work of LSBU and the welfare of its students.		
3.11	** Appointment of bankers, opening of accounts, authorisation of signatories and levels of authority.	FR 9.1 FR 10.4	no delegation (P&R reviews)
3.12	** Approval of capital finance	FR 9.5 FR 10.5	no delegation (P&R reviews)
3.13	** Approval of borrowing raised on the security of the University's assets	FR 9.5 FR 10.5	no delegation (P&R reviews)
3.14	** Approval of lease finance arrangements for items with a capital value greater than £250,000	FR 9.5 FR 10.5	no delegation (P&R reviews)
3.15	Approval of borrowings (by loan facility or overdraft) above £0.5 million.		no delegation (P&R reviews)

4.	Internal controls		
4.1	<p>Ensuring maintenance of a sound system of internal control and risk management including:</p> <ul style="list-style-type: none"> • receiving reports on, and reviewing the effectiveness of, LSBU's risk and control processes to support its strategy and objectives; • undertaking an annual assessment of these processes; • approving an appropriate statement for inclusion in the annual report. 		(Audit reviews)
4.2	<p>Authorisation of single debt write offs above £10,000 and annual debt write offs above £50,000. To receive a report on any debt written off below this threshold and approved by the Executive Director of Finance.</p>	FR 4.27	Audit
5.	Auditors		
5.1	** Appointment, reappointment or removal of the internal or external auditor, following the recommendation of the audit committee.	FM Annex B 51	no delegation (Audit makes recommendation)
6.	Transactions and contracts		
6.1	<p>Investment in capital projects:</p> <ul style="list-style-type: none"> • if unfunded, above £0.5 million; • if funded, above £5 million. 	FR 8.6 FR 9.6	(P&R reviews)
6.2	Contracts which are material strategically or by reason of size, entered into by LSBU or any subsidiary <u>in the ordinary course of business</u> , and in any event budgeted expenditure above £2 million.	FR 8.6 FR 9.6	(P&R reviews)
6.3	** Contracts of LSBU or any subsidiary <u>not in the ordinary course of business</u> , and in any event unbudgeted expenditure above £0.5 million.	FR 8.6 FR 9.6	no delegation (P&R reviews)

6.4	** To authorise use of LSBU's seal	<u>Art. 89.</u> <u>FR</u> <u>13.1</u> <u>Art.</u> <u>89.</u> <u>FR 14.1</u>	no delegation
7.	Academic		
7.1	** The determination of the educational character of LSBU	Art. 27	no delegation
7.2	** Ensuring an effective framework – overseen by the Academic Board – to manage the quality of learning and teaching and to maintain academic standards	FM 18	no delegation (Educational Character reviews)
7.3	Ensuring that the academic portfolio meets future needs and is sustainable		Educational Character reviews
7.4	** Approval of tuition fees	Art. 81 <u>4.18</u> <u>FR</u> <u>5.2</u>	No delegation (P&R reviews)
8.	Human Resources		
8.1	Approval of annual staffing budget	FR 8.1	P&R reviews
8.2	Approval of HR framework to support academic strategy		
8.3	** Decision on whether to opt into national pay negotiations and decisions regarding pay awards	<u>FR 7.7</u> <u>FR</u> <u>8.10</u>	no delegation (HR committee reviews)
8.4	Approval of regulations governing the conditions of employment of University staff	<u>FR 7.3</u> <u>FR</u> <u>8.6</u>	(HR Committee reviews)
9.	Estates		
9.1	** Approval of Estates Strategy	<u>FR 8.8</u> <u>FR</u> <u>9.8</u>	no delegation (Property Committee advises)

9.2	** Disposal of land and buildings	FR 8.14 FR 9.14	no delegation (Property Committee advises. P&R reviews)
10.	Students' Union		
10.1	** Approval of amendments to or rescission of the constitution of the LSBU Students' Union	Art. 76	no delegation (P&R reviews)
11.	Board membership		
11.1	** Changes to the structure, size and composition of the board	Art. 5.4	no delegation
11.2	Ensuring adequate succession planning for the board and senior post-holders.		Nomination makes recommendation
11.3	Regulations for appointment of governors to the board.		Nomination reviews
11.4	** Selection of the Chairman of the board.	Art. 47	no delegation (Nomination makes recommendation) Process set out in regulations under 11.3
11.5	Membership and chairmanship of board committees.		Chairman of the Board recommends
11.6	Re-appointment of Governors at the end of their term of office.		Nominations Committee reviews Appointments Committee approves
11.7	** Removal of a Governor at any time		no delegation
12.	Chancellor		
12.1	** The appointment of a Chancellor and determination of their duties	Art. 14(f)	Chancellor Nomination

			Committee recommends
13.	Appointments of Senior Post Holders		
13.1	The appointment, assignment, appraisal, grading, suspension, dismissal and determination of pay and conditions of the Vice Chancellor, the Clerk to the Board and other senior post holders as determined by the Board	Art. 14	[For VC and Clerk Board shall delegate appraisal to Chairman – old arts]
14.	Remuneration		
14.1	Determining the remuneration policy for the senior post holders.		Remuneration Committee
14.2	Determining total individual remuneration packages for senior post holders		Remuneration Committee
14.3	The introduction of new incentive plans or major changes to existing plans.		Remuneration Committee
15.	Corporate Governance		
15.1	** Responsibility for the overall governance of LSBU and for its regular review.		no delegation
15.2	** Regularly, at appropriate intervals, undertaking a formal and rigorous review of its own performance, of its committees and individual governors.	CUC Code 15	no delegation
15.3	** The variation or revocation of LSBU's Memorandum and Articles of Association	Art. 27	no delegation (P&R reviews)
15.4	Approval and review of a statement of primary responsibilities of the Board	CUC Code 4	(P&R reviews)
15.5	** Authorising situational interests of governors	CA 2006 s.181(2)(b)	no delegation

16.	Delegation of Authority		
16.1	** The division of responsibilities between the chairman and the chief executive, which should be in writing.		no delegation
16.2	** Establishment and deletion of Board committees NB The Board must have an Audit Committee (FM Annex B 29 and Art. 25), HR Committee (Art. 24), Nominations Committee and Appointment Committee (Art. 26)		no delegation
16.3	** Approval of terms of reference of board committees.		no delegation
16.4	** Receiving reports from board committees on their activities.		no delegation
16.5	** This schedule of matters reserved for board decisions.		no delegation (P&R reviews)
17.	Subsidiary Companies		
17.1	Regulations for appointments of directors and the composition of boards of subsidiaries of LSBU and external bodies.		(P&R reviews)
17.2	Investments in subsidiary companies through share purchases.		(P&R reviews)
17.3	Schedule of Matters Reserved to subsidiary company boards.		(P&R reviews)
18.	Honorary Degrees		
18.1	Authority to decide recipients of awards		Honorary Awards Joint Committee (based on criteria as approved)

			by the Academic Board)
19.	Policies		
19.1	Approval of high level corporate policies. (The University Secretary will decide if a policy needs approval from the Board)		P&R
20.	Litigation		
20.1	Prosecution, defence or settlement of litigation involving above £0.5 million or being otherwise material to the interests of LSBU.		(P&R reviews)
21.	Insurance		
21.1	Approval of the overall levels of insurance for LSBU including directors' & officers' liability insurance and indemnification of Governors.		P&R
22.	Pensions		
22.1	** Where subject to the approval of LSBU, major changes to LSBU's pension schemes or changes of trustees or changes in the fund management arrangements.		no delegation (HR reviews)
23.	Communication		
23.1	Approval of press releases on any matters decided by the board.		Chair and/or VC

Note: If there is any conflict between this schedule of matters reserved and LSBU's Articles of Association, then the Articles shall prevail.

*** Matter not to be delegated to a committee of the Board. The relevant committee may make a recommendation to the Board. The Board as a whole takes the final decision.*

	PAPER NO: PR.38(13)	
Board/Committee:	Policy and Resources Committee	
Date:	1 October 2013	
Paper title:	Corporate Governance Statement	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Executive sponsor:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Recommendation by the Executive:	That the committee recommend the corporate governance statement of the annual report to the Board for approval	
Aspect of the Corporate Plan to which this will help deliver?	Annual Reporting	
Matter previously considered by:	N/A	N/A
Further approval required?	Board	On: 17 October 2013
Communications – who should be made aware of the decision?	Published in the annual report	

Executive Summary

Why is the paper coming to the Board/committee?

The committee is asked to review the Corporate Governance statement which forms part of the statutory accounts and to recommend approval to the Board. The aim of the statement is to inform users of the financial statements of the University's governance structures.

The statement is based on the *CUC Governance Code of Practice* which, although voluntary, is recommended as best practice for universities to follow.

What particular issues does the committee need to give its attention?

London South Bank University

The committee are asked to note the opinion that the University has complied with all aspects of the Code during the year under review. The statement aims to set out how the University has met each recommended standard.

The committee is requested to recommend approval to the Board.

London South Bank University

Corporate Governance Statement

The following statement is given to assist readers of the financial statements in obtaining an understanding of the governance and legal structure of the University.

The University's Board of Governors is committed to maintaining the highest standards of corporate governance. In carrying out its duties it has regard to:

- The CUC Governance Code of Practice
- The UK Corporate Governance Code (where applicable)
- The seven principles of behaviour in public life
- The HEFCE Financial Memorandum and the Audit Code of Practice
- The Directors' duties as set out in sections 170 – 177 of the Companies Act 2006
- The Charity Commission's Guidance on Public Benefit and its duties as charity trustees of compliance, prudence and care
- Other legislative requirements of corporate bodies
- The University's Memorandum and Articles of Association

In September 2011, the University received a positive outcome from HEFCE's five yearly assurance review, undertaken in July 2011, which examined how the University exercises accountability for the public funding it receives. The University's Internal Auditor's annual opinion on risk management, control and governance is that it is adequate and effective.

Governance and Legal Structure

London South Bank University is a company limited by guarantee and an exempt charity within the meaning of the Charities Act 2011. Its objects and powers are set out in its Memorandum and Articles of Association, which govern how the University is run.

The Articles set the governance framework of the University and set out the key responsibilities of the Board of Governors and its powers to delegate to committees, the Vice Chancellor and the Academic Board.

Compliance with CUC Governance Code of Practice

The Board has complied with all aspects of the CUC Governance Code of Practice during the year under review.

London South Bank University

Role of the Board of Governors

The University is headed by a Board of Governors which is collectively responsible for the strategic direction of the University, approval of major developments and creating an environment where the potential of all students is maximised. It takes the final decision on all matters of fundamental concern to the institution.

All governors, when appointed, agree to abide by the standards of behaviour in public life. As the University is also a company, its governors comply with the directors' duties as set out in sections 170 – 177 of the Companies Act 2006 and duties of charity trustees when making decisions. Governors are unremunerated but may claim back expenses properly incurred in the discharge of their duties. All members are expected to attend meetings and to contribute effectively to meetings. Attendance at meetings is recorded and monitored by the Chairman. In the year under review there was an 83% (2011/12: 83%) attendance rate at Board meetings.

The Board met five times during the year (five in 2011/12) and held two strategy days (two in 2011/12). The Board priorities strategic matters at its meetings. In addition the Board holds two strategy days per year allowing further time to discuss and debate longer-term strategic challenges for the University. One strategy day is forward looking and the other focusses on delivery of the strategic plan. Where necessary, governors receive presentations on a specific strategic matter before Board meetings to allow them to explore key issues in greater depth.

As recommended by the CUC Governance Code of Practice the Board has agreed a statement of primary responsibilities (on [page xx](#)), which is reviewed annually. It follows the model statement as recommended by the CUC and includes approval of the educational character, mission and strategic vision of the university and to ensure that these meet the needs of stakeholders.

The Board delegates day-to-day management of the University to the Vice Chancellor as Chief Executive and Chief Academic Officer. The Vice Chancellor's delegated authority is set out in the Instrument of Government and includes:

- making proposals to the Board about the educational character and mission of the University;
- the organisation, direction and management of the University and leadership of staff;
- the determination, after consultation with the Academic Board, of the University's academic activities, and for the determination of its other activities;
- preparing annual estimates of income and expenditure for consideration by the Board of Governors, and for the management of budget and resources, within the estimates approved by the Board of Governors;

London South Bank University

- for the maintenance of Student discipline and within the rules and procedures provided for within these Articles, for the suspension or expulsion of Students on disciplinary grounds and for implementing decisions to expel students for academic reasons.

The Vice Chancellor is the designated officer in respect of the use of Funding Council funds.

As Chief Academic Officer, the Vice Chancellor is the Chairman of the Academic Board. The Academic Board is responsible for all the academic affairs, subject to the overall responsibility of the Board of Governors, for determining the educational character and mission of the institution.

Governors are reminded of their duty to exercise their responsibilities in the interests of the University as whole during their induction and throughout their term of office. The University maintains a register of interests of members of the Board of Governors and the Executive which is published on the University's website. New governors are required to complete a declaration on appointment and to inform the Secretary of any amendments to their entry. The register is reviewed annually by the Board who decide whether to authorise the declared interests. During the year under review all declared interests were authorised by the Board, where necessary with conditions, for example not participating in the decision making process for the relevant matter. In accordance with the Companies Act 2006, governors are asked at the opening of each Board and committee meeting to declare whether they have any interests in any matters on the agenda.

The University Court is a body established to enhance the University's engagement with its key stakeholders. Although not a decision making body, the University Court plays an important advisory role in the development of the University through its large and varied membership of prominent and distinguished individuals. The University Court meets annually in the spring and helps the University build relationships with members and identify areas for collaboration for the benefit of students. The Court's annual meeting took place in the new Student Centre on 21st March 2013.

The University's Chancellor, Richard Farleigh, acts as the principal figurehead of the University and represents the University's interests. His role includes hosting the annual Court event and establishing relationships with the University's stakeholders.

Structure and Processes

The Board when fully complemented consists of 20 governors: 13 independent governors, the Vice Chancellor, two student governors, two academic staff members

London South Bank University

nominated by the Academic Board, an academic staff member elected by the academic staff and a support staff member elected by the support staff. Governors serving for the period are listed on page one. The Board determines the number and composition of the Board of Governors within parameters set by the University's Articles of Association.

As part of its revision of the University's articles of association (see below), the Board has decided, that in order to optimise its effectiveness and that of its committees, to reduce its membership to a maximum of 18 for the academic year 2013/14: 13 independent governors, the Vice Chancellor, two student governors and two academic staff members nominated by the Academic Board.

In accordance with the Articles of Association the Board consisted of a majority of independent governors throughout the year and at all Board and committee meetings. All "independent governors" are independent of the University.

The appointment of independent governors to the Board is determined by the Nomination Committee and Appointments Committee, both chaired by the Chairman of the Board. A written description of the role and capabilities required of governors has been agreed by the Nomination Committee. Candidates are judged against the capabilities required and the balance of skills and experience currently on the Board. The balance of skills and experience of independent governors is kept continually under review by the Nomination Committee.

Each new governor is given an appropriate induction and encouraged to attend relevant external training. New governors are appointed to at least one committee. At the University's expense, governors have the right to external, independent advice where necessary in order to fulfil their duties.

The Board of Governors is supported by the University Secretary and Clerk to the Board of Governors and his team. The Secretary provides independent advice on matters of governance to the Chairman. The Secretary ensures that governors receive information in a timely manner and of sufficient quality to allow the Board to fulfil its duties.

The University publishes minutes of Board and its sub-committee meetings on its external website. Minutes are redacted when the wider interests of the University as a whole demands it and in the spirit of the Freedom of Information Act 2000.

Effectiveness and Performance Reviews

The Board of Governors last reviewed its effectiveness in 2010 and plans to review of its own effectiveness during 2013/14. The effectiveness of the key Board

London South Bank University

committees was last reviewed in 2011/12 and will form part of the next Board effectiveness review.

Committees

The Board operates through a number of committees which report to the Board at each meeting. All committees are formally constituted with appropriate terms of reference which are reviewed annually. Terms of reference and membership of each committee are available on the governance pages of the University's website. All committees have a majority of independent governors, from whom its Chairman is drawn. The chairs of each committee are set out on **page xx**. The terms of reference of each committee complement the decision-making framework of the Matters Reserved to the Board, which the Board reviews annually.

Matters specifically reserved to the Board as a whole for decision include:

- The determination of the educational character and mission of the University;
- The approval of the University's long-term mission and strategic vision;
- The approval of the annual budget and five year forecasts;
- Investment in capital projects above agreed levels;
- Election of the Chairman of the Board;
- Appointment of the Vice Chancellor and the Clerk to the Board; and
- The variation of the University's Memorandum and Articles of Association.

Current committees of the Board are:

- Policy and Resources Committee
- Audit Committee
- Educational Character Committee
- Human Resources Committee
- Property Committee
- Nominations Committee
- Appointments Committee
- Remuneration Committee

The Policy and Resources Committee advises the Board of Governors on the solvency and the use and safeguarding of its resources and assets, and recommends to the Board of Governors the University's annual revenue and capital budgets and monitors performance in relation to those budgets. It reviews high level corporate policy of the University. Throughout the year under review it met on five occasions.

London South Bank University

The Audit Committee is responsible for meeting the external auditors and internal auditors of the University and reviewing their work. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control and management's response and implementation plans. It provides oversight of the risk management process and receives regular risk reports from management. It also scrutinises the University's relationship with HEFCE and monitors adherence with its regulatory requirements. It reviews the University's annual financial statements together with the accounting policies. Whilst members of the Executive attend meetings of the Audit Committee, they are not members of the Committee. The Chairman of the Board is not a member of the Committee and does not attend its meetings. The committee met four times during the year under review.

The Educational Character Committee is relatively new and had its first meeting in September 2011. It helps the Board gain a greater insight and understanding of the educational and academic work of the institution. It considers issues such as student retention and progression, student satisfaction and reports from the Academic Board. The committee met three times in the year under review.

The Human Resources Committee is responsible for setting the framework for the determination and implementation of policies and procedures relating to the employment of staff. It also sets the framework for collective salary and conditions of service negotiations and advises the Vice Chancellor as HEFCE's Accounting Officer of best practice on human resource issues. The Committee considers the broad financial implications of the University's staffing needs. Staff and Student Governors are prohibited by the articles of association from serving on the Committee. With the Chair's permission, one of the staff governors attends as an observer. The committee met three times during the year under review.

The Property Committee advises the Board of Governors on property and estates matters. It considers all major estates projects before recommending their approval to the Policy and Resources Committee and the Board of Governors. The Property Committee monitors the execution of these projects. It met twice during the year under review.

The Nomination Committee meets as necessary to consider candidates for independent governor vacancies on the Board of Governors. Independent Governors are appointed for a term of four years by the Appointments Committee. Renewal for an additional term can be considered, but is not automatic. The Nominations Committee met twice during the year and recommended two new independent governors for appointment.

London South Bank University

The Remuneration Committee determines the annual remuneration of senior post holders. It meets annually.

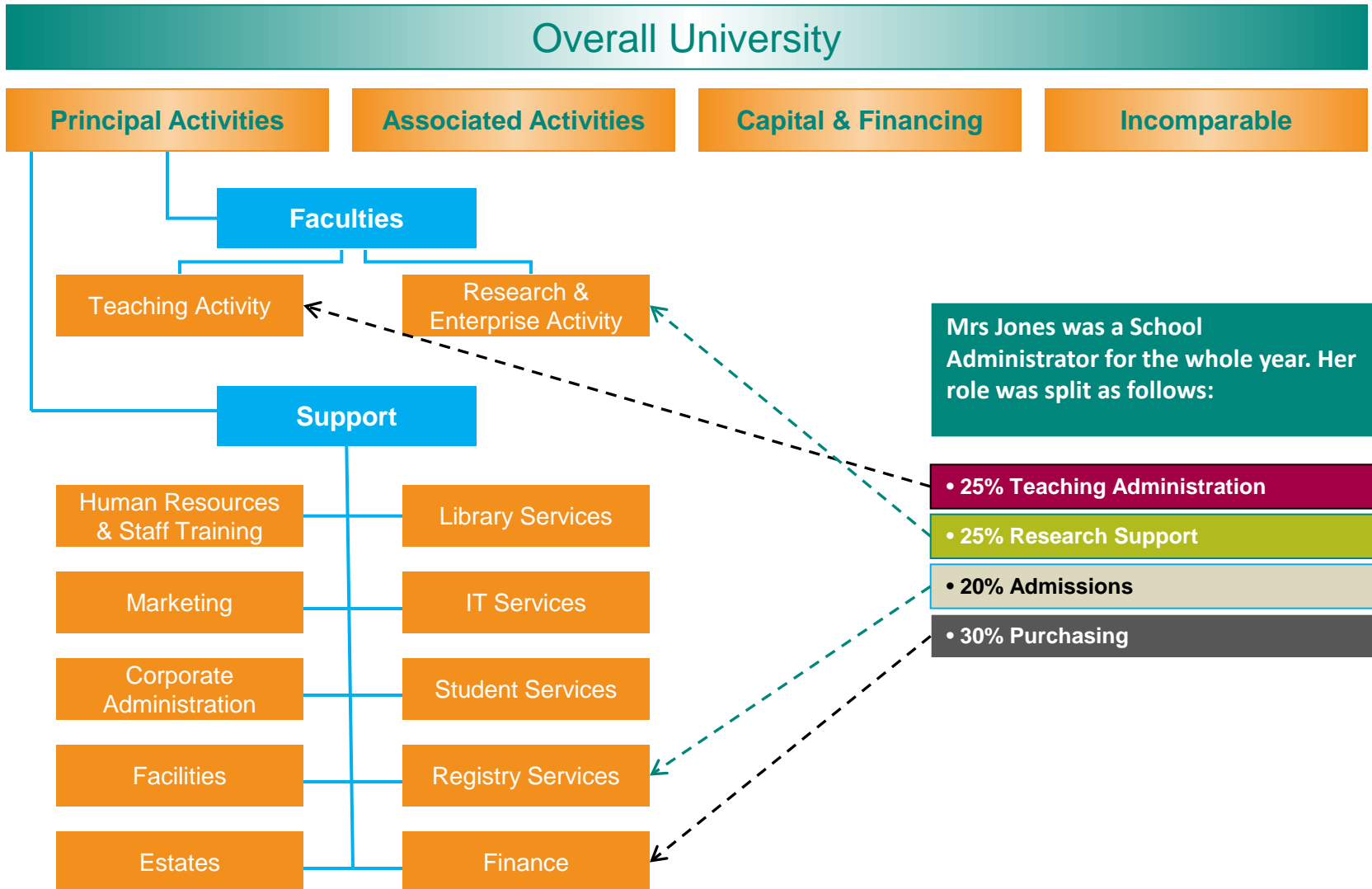
Modernisation of the Articles

During the year, to ensure compliance with legislation, the Board has reviewed the University's constitution. A proposed new set of Articles has been presented to the Privy Council for approval during autumn 2013.

London South Bank University

Financial Benchmarking Project 2011/12

Brief Overview



- London Group

Kingston, Met, Middlesex, Arts, Birkbeck, West London, East London, Westminster

- Wider Group

Anglia Ruskin, Aston, Bath Spa, Canterbury, Coventry, DMU, Keele, Sheffield Hallam, Gloucestershire, Solent, Salford, Sussex, Reading, Bradford, Chester, Exeter, Plymouth, Surrey, Wolverhampton

- LSBU 2007/08 - Inflated to 2011/12 price and cost levels.

Your £7.3 m surplus

Your Incomparable

Net Cost £6.1m

Incomparable includes, for example, sale of assets, restructuring costs, FRS17 pensions, etc.

Your net surplus £13.4 m

Benchmark net surplus - £9.1m

Your Principal Activities

Contribution £17.0 m

Your Associated Activities

Contribution £3.1m

Your Capital & Financing

Net Cost £6.7m

Benchmark Principal Activities

Contribution £8.1m

Benchmark Associated Activities

Contribution £4.7m

Benchmark Capital & Financing

Net Cost £3.7m

A higher contribution

A lower contribution

A higher cost

This includes £3.3m higher teaching income, £0.7m higher teaching costs, £1.5m lower research / enterprise subsidy and £2.7m lower support costs. Below this high level summary Tribal analyse each area of principal activity relative to its own individual output i.e. Registry costs per student headcount, estates costs per sqm etc

Associated Activities income was £5.0m lower and includes less franchising / licensing and less "other" activities income and higher levels of catering and residences income. Costs were £3.5m lower overall hence overall contribution was £1.5m lower.

Income Includes a lower level of capital grant releases, no inherited liabilities and a similar level of interest income. Costs include a marginally higher level of debt servicing charges, a higher level of depreciation and a lower level of bad debts.

Overall Teaching Contribution - £ per Weighted FTE Student

	£/Weighted FTE Student					Variance from London Grp (£000s)			
	Your Actual £000s	Your Ratio	London Grp	Wider Group	LSBU 0708				
Teaching Contribution							-10,000	0	10,000
1. Teaching Income	112,765	6,364	6,179	5,801	6,028	3,283	• • • • •	█	• • • • •
2. Pay Costs	40,500	2,286	2,246	2,092	2,406	-710	• • • • •	█	• • • • •
3. Non-Pay Costs	2,656	150	149	200	164	-21	• • • • •	█	• • • • •
4. Total Costs	43,156	2,436	2,394	2,292	2,570	-731	• • • • •	█	• • • • •
5. Contribution	69,609	3,928	3,784	3,509	3,458	2,552	• • • • •	█	• • • • •
Supporting Data							-20%	0	20%
6. Teaching Income per Delivery Staff FTE (£000s)	112,765	179	182	175	158	-1.9 %	• • • • •	█	• • • • •
7. Overall Student Weighting Factor		1.27	1.22	1.27	1.25				
8. Overall Non-Weighted FTE Student / Staff Ratio	13,915	22.1	24.2	23.8	21.0	-8.8 %	• • • • •	█	• • • • •
9. Overall Weighted FTE Student / Staff Ratio	17,719	28.1	29.7	30.1	26.2	-5.2 %	• • • • •	█	• • • • •

Compared to Benchmark:

- Income - £3.3m higher overall; within this overseas student fees were a significantly lower (£10m lower) proportion and health contract income was significantly higher (£21m higher) proportion;
- Overall Pay costs - £0.7m higher, Delivery staff were £2.5m higher and included 25 FTE staff higher, Support staff were £1.8m lower and included 55 fewer FTE staff;
- Non-pay Costs – in line;
- Contribution - £2.6m higher.

For each Faculty a benchmark has been chosen from Tribal's database that best matches each faculties mix of students. The benchmark performance has been calculated for your volume of weighted FTE students i.e. based on, for example, their cost per weighted FTE Student. X your weighted FTE students etc

	HSC	Benchmark (HSC)	ESBE	Benchmark (ESBE)	Business	Benchmark (BUS)	AHS	Benchmark (AHS)
Teaching Income	£35.1m	£31.7m	£29.8m	£31.2m	£22.6m	£24.4m	£25.4m	£28.0m
Teaching Costs	£14.4m	£12.4M	£9.5m	£12.1M	£9.4m	£7.2m	£9.2m	£8.6m
Delivery FTE	204	176	127	156	149	104	144	155
Support FTE	41	51	43	59	17	26	26	35
Student/Staff ratio (FTE students per Delivery staff FTE)	17.8	20.7	27.5	24.1	21.4	32.6	24.9	24.7
Income per Delivery FTE	£172,000	£183,000	£235,000	£203,000	£151,000	£238,000	£176,000	£186,000

	Your Actual £000s	% Income				Variance from London Grp (£000s)			
		Your Ratio	London Grp	Wider Group	LSBU 0708				
Total Research & Enterprise Income							-12,500	0	12,500
1. Research & Enterprise Income (% of Total Principal Income)	7,340	6.1 %	9.6 %	16.3 %	7.8 %	-4,229	• • • • •	•	• • • • •
Research & Enterprise Income							-12,500	0	12,500
2. Publicly Funded Research	3,553	3.0 %	6.3 %	11.1 %	3.8 %	-3,963	• • • • •	•	• • • • •
3. Non-Publicly Funded Research	1,509	1.3 %	1.2 %	1.9 %	1.3 %	117	• • • • •	•	• • • • •
4. Enterprise Activity	2,279	1.9 %	2.2 %	3.3 %	2.7 %	-383	• • • • •	•	• • • • •
5. Total	7,340	6.1 %	9.6 %	16.3 %	7.8 %	-4,229	• • • • •	•	• • • • •
Contribution Analysis							-1,750	0	1,750
6. Income	7,340	100.0 %	100.0 %	100.0 %	100.0 %	0	• • • • •	•	• • • • •
7. Pay Costs	7,436	101.3 %	114.7 %	96.2 %	92.0 %	984	• • • • •	•	• • • • •
8. Non-Pay Costs	1,715	23.4 %	30.5 %	27.2 %	24.8 %	527	• • • • •	•	• • • • •
9. Total	9,151	124.7 %	145.2 %	123.4 %	116.8 %	1,511	• • • • •	•	• • • • •
10. Contribution	-1,810	-24.7 %	-45.2 %	-23.4 %	-16.8 %	1,511	• • • • •	•	• • • • •
Supporting Data									
11. Research & Enterprise Income / Direct Staff FTE (£000's) *	7,340	67	74	76	67	-758			

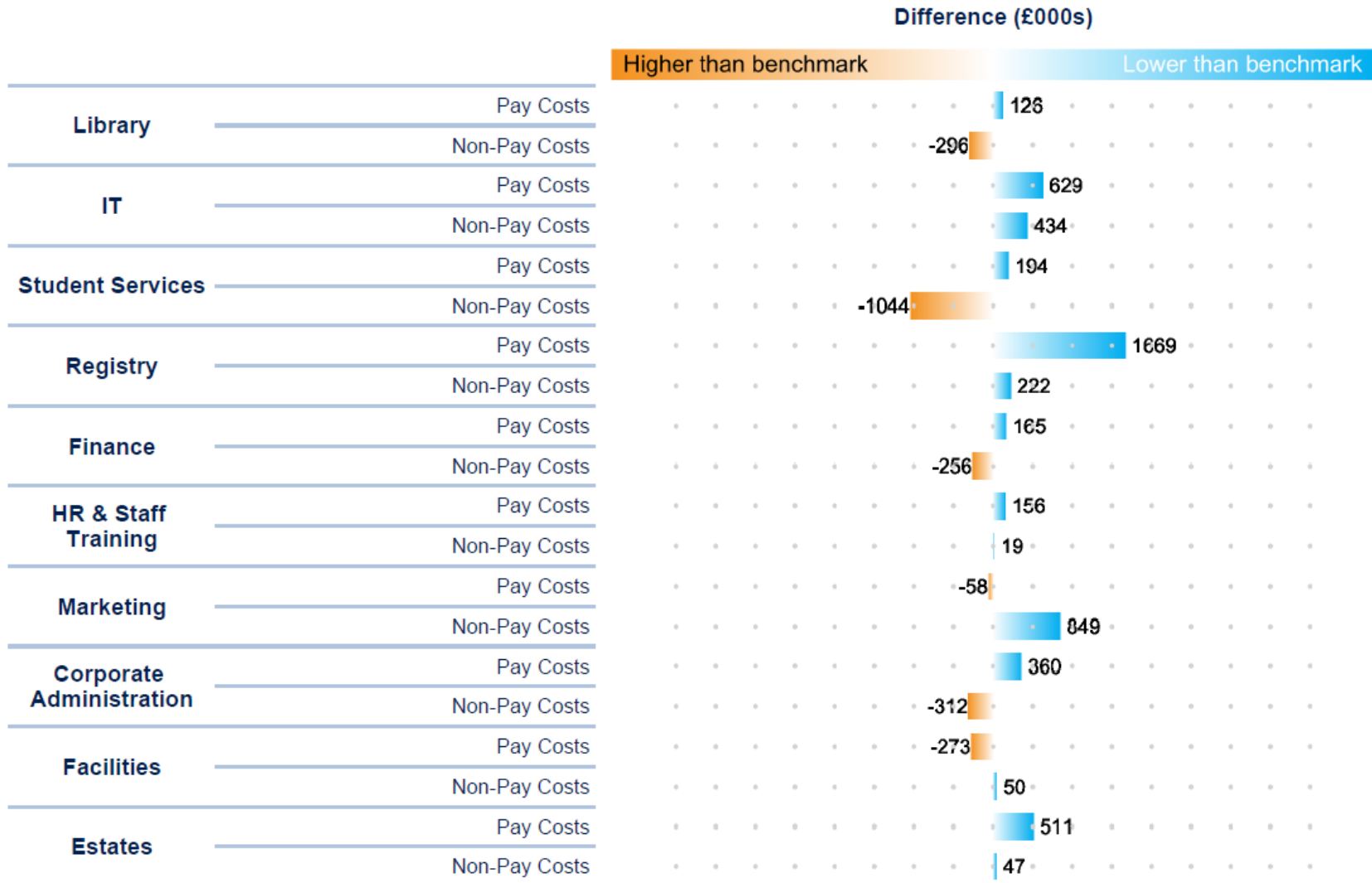
Compared to Benchmark:

- Mix of Income - £4.2m lower;

Contribution Analysis

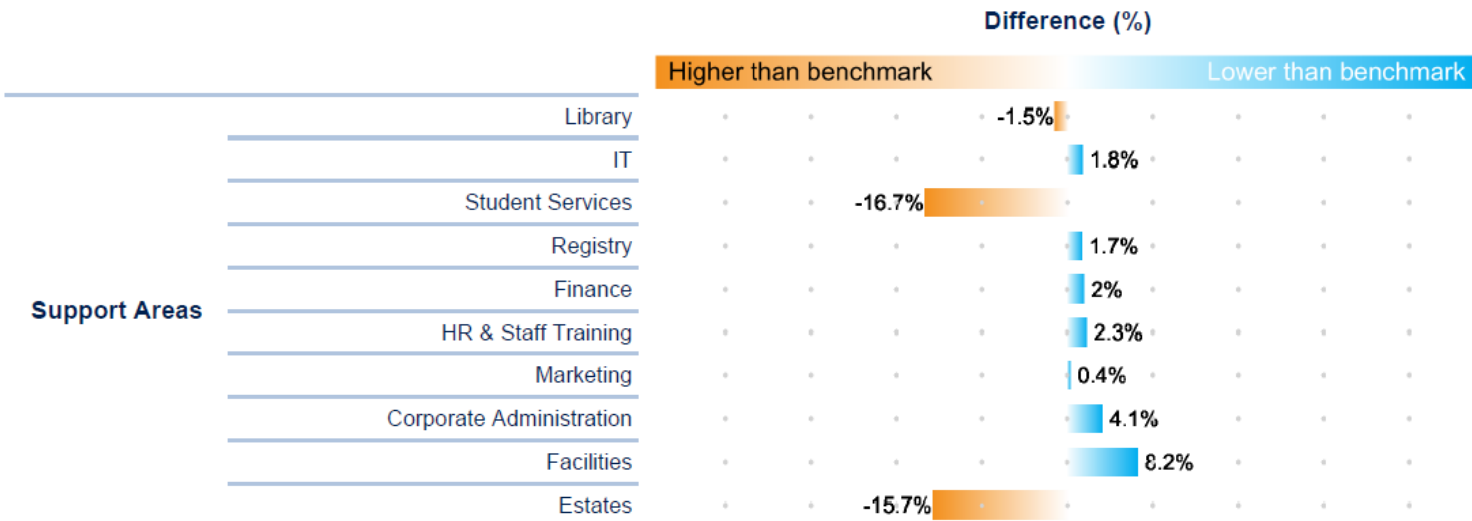
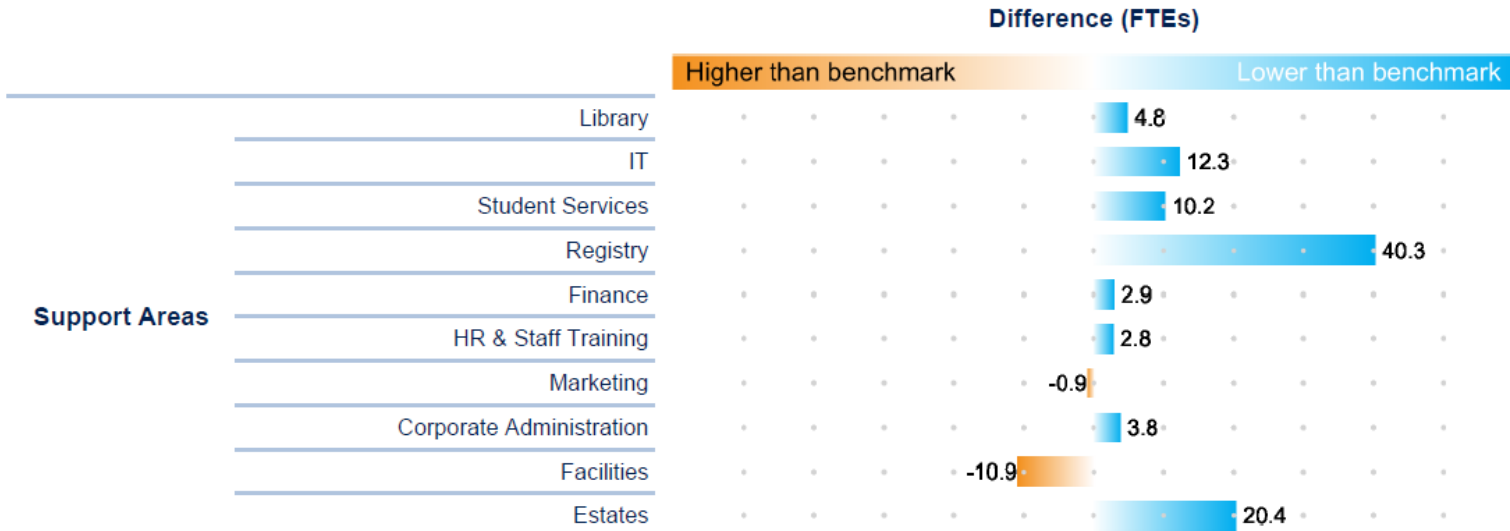
- Pay Costs - £1.0m lower, the product of 13 fewer FTE staff and a lower average pay level.
- Non-pay costs - £0.5m lower
- Hence subsidy - £1.5m lower.

Support costs variance vs London Group

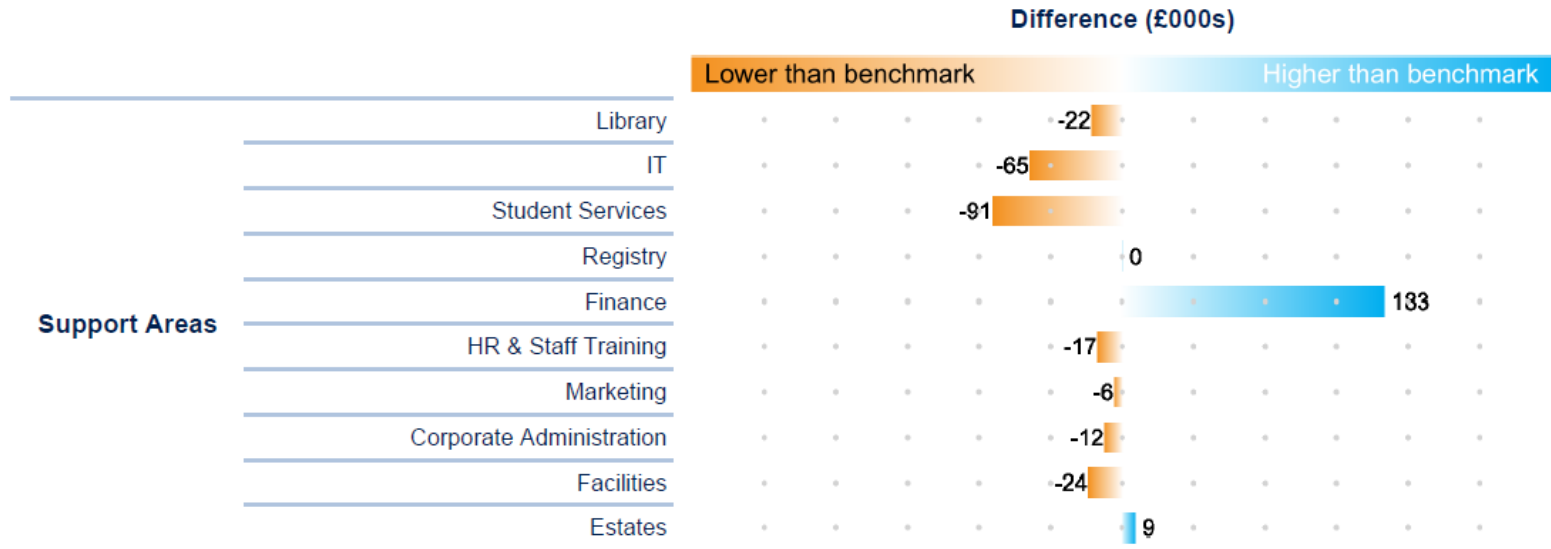


The Estates costs shown above only refer to the variation of your Estates costs per m² compared to the benchmark. In addition the analysis has shown you have 8,000 m² more than benchmark and hence your overall Estates costs when judged per Staff & Student FTE are in line with the benchmark.

Support FTE & Average Pay Level variance vs London Group



Support misc income variance vs London Group



Teaching

- Overall Teaching Income - £3.3m higher;
- Overall Pay Costs - £0.7m higher;
- Non-pay Costs – in line.

Research & Enterprise

- Overall Income - £4.2m lower;
- Pay costs - £1.0m lower;
- Non-pay costs – £0.5m lower
- £1.5m lower subsidy

Associated Activities

- Overall Income - £5.0m lower;
- Overall Costs - £3.5m lower;
- Overall Contribution - £1.5m lower.

Capital & Financing

- £3.0m higher net cost

Support Areas

- Library - £0.2m higher;
- IT Services - £1.1m lower;
- Student Services - £0.9m higher;
- Registry - £1.9m lower;
- Finance – £0.1m lower;
- HR & Staff Training – £0.2m lower;
- Marketing - £0.8m lower;
- Corporate Admin – in line;
- Facilities - £0.3m higher;
- Estates – in line .

Incomparable Items

- £2.7m higher net cost

London South Bank University

	PAPER NO: PR.39(13)	
Board/Committee:	Policy & Resources	
Date:	1 October 2013	
Paper title:	Tribal benchmarking analysis	
Author:	Ralph Sanders, Financial Planning Manager	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
Recommendation by the Executive:	The Committee is requested to note the benchmarking analysis.	
Aspect of the Corporate Plan to which this will help deliver?	Financial Performance	
Matter previously considered by:	N/A	
Further approval required?	N/A	
Communications – who should be made aware of the decision?		

Executive summary

This paper provides an update on both the HEFCE Benchmarking of key financial indicators for 2011 – 12 and the more detailed benchmarking analysis performed for the University recently by the Tribal group.

Much of the detailed analysis that follows focuses on staff costs and has recently been reported to HR Committee. The analysis suggests that we are falling behind sector norms in terms of staff cost management and shows that there are some quite distinct issues in terms of the balance between academic and support staff and in terms of total investment in staff at individual faculty level – with higher than benchmark investment in HSC and BUS and under investment in ESBE.

The analysis also suggests that our staff cost disparity is not driven by significantly higher pay levels than the London average. Rather it is driven by the mix in terms of the seniority of our teaching staff. This skill mix issue begins to explain why as a % of income we are trending behind our comparator group in terms of staff cost %.

Other key messages from the Tribal analysis include:

- Higher teaching income compared to benchmark although this is largely driven by health contract income
- Significantly lower income from overseas students fees than benchmark
- Higher capital and financing cost
- A lower subsidy of research and enterprise than the benchmark.

The analysis has been supplemented to show recent investments made by LSBU in both 2012/13 and in the 2013/14 budget although this takes no account of changes made by the benchmark group.

Attachment:

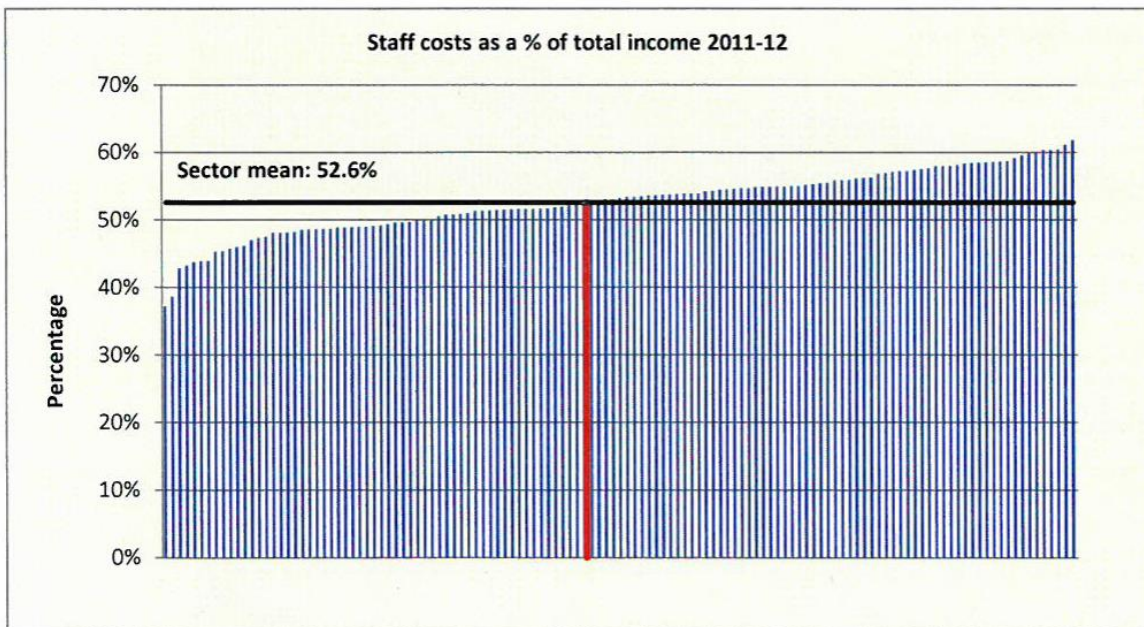
Tribal benchmarking overview 2011/12

Introduction

1. In order to protect the financial sustainability of the institution, the University has set a maximum staff cost target at 55% of income.
2. HEFCE have just released the results of their annual benchmarking analysis and that highlights our relative performance in terms of staff costs against both the wider sector and a specific set of London comparators.
3. The University has also recently engaged Tribal to undertake more detailed benchmarking analysis which we can use to determine if staff numbers/cost is appropriate for an organisation of our size and if within that cap we have an appropriate mix of academic and professional staff.
4. It should be noted that the analysis relates to the 2011 / 12 academic year.

HEFCE Analysis

5. The analysis is compiled from the 2011/12 financial results and 2012/13 forecasts as submitted to HEFCE in December 2012



LSBU is marked in red in the HEFCE analysis above.

6. Detailed analysis of the HEFCE data suggests that until the current year we have been in line with the overall sector mean. However, the latest forecast for 2012/13 suggests that we are falling behind sector norms in terms of staff cost management.

Staff Costs as a % of income	2010 / 11 Actual	2011 / 12 Actual	2012 / 13 Forecast
LSBU	53.5%	52.6%	56.2%
Overall Sector Mean	53.0%	52.6%	54.1%
1 st Quartile	49.0%	49.2%	51.3%
Median value	53.5%	53.1%	54.7%
3 rd Quartile	56.1%	55.9%	57.5%

*It should be noted that the final 2012/13 Management Accounts show a staff cost % of 55.9%. The budget for 2013/14 contains a staffing forecast of 55.5%. Although there is a slight reduction on our submitted forecast this is still above the mean and median values.

7. Our staff cost as a % of income also look high compared with our peer group, with the exception of London Metropolitan University and the University of Westminster.
8. Two factors which may impact this staff cost % include the high staff numbers required by the Faculty of Health and Social Care due to constraints in terms of NHS led contracts and our inability to generate sector average overseas income.

Institution	Net Income		Staff Costs		Staff Costs %	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
London South Bank University	£144,900	£138,300	£77,600	£72,700	53.5%	52.6%
University of East London	£166,500	£154,000	£78,400	£71,000	47.1%	46.1%
University of Greenwich	£197,300	£187,800	£89,200	£93,200	45.2%	49.6%
Kingston University	£210,100	£203,300	£105,500	£105,500	50.2%	51.9%
London Metropolitan University	£157,800	£155,700	£97,300	£89,400	61.7%	57.5%
Middlesex University	£179,300	£174,400	£94,900	£89,900	52.9%	51.6%
University of West London	£82,500	£76,400	£41,900	£37,100	50.8%	48.6%
University of Westminster	£164,600	£165,400	£97,100	£88,800	59.0%	53.7%

9. All of our comparators have been reducing in real terms the amount that they invest in staff apart from the University of Greenwich which has increased expenditure by almost £4m (although they still have one of the lowest staff cost percentages of the group)

Tribal Benchmarking Analysis

10. We have used the more detailed Tribal benchmarking analysis to investigate the disparity between our institution and our comparators and specifically to look at the mix between Academics and Professional staff and to compare Faculty profiles.

Teaching Analysis:

11. Compared to our London Benchmark institutions, the Tribal analysis indicated that our total teaching staff costs were £0.7m higher than would be expected for an institution of our size (based on weighted FTS student numbers). But in total we have 30 fewer staff than the London benchmark group at this higher cost of £700k.

12. In terms of detail, the cost of Teaching Delivery staff (academic staff) was £2.5m higher and 25 FTE staff more than the London benchmark. This was offset by reduced spend on support staff (including support staff in faculties and central support departments) which was £1.8m lower than benchmark and included 55 fewer FTE staff.

13. This would suggest that other institutions are using non Academic staff for activities that we use Academic staff for.

14. This analysis also indicated that our staff student ratios as an institution were also diverging from benchmark.

Staff Student Ratio	LSBU	London Group	Wider
Overall Non Weighted FTE Student / Staff Ratio	22.1	24.2	23.8
Overall Weighted FTE Student / Staff Ratio	28.1	29.7	26.2

Note the weighting for student FTEs is using HESA bands

15. The analysis at a University level was also performed at a Faculty level. For each Faculty a benchmark was chosen from Tribal's database that best matches each faculty's mix of students. The benchmark performance was then calculated for our volume of weighted FTE students.

2011 / 12 analysis	HSC	B'mark HSC	ESBE	B'mark ESBE	BUS	B'mark BUS	AHS	B'mark AHS
Teaching Income	£35.1m	£31.7m	£29.8m	£31.2m	£22.6m	£24.4m	£25.4m	£28.0
Teaching Pay Costs	£14.4m	£12.4m	£9.5m	£12.1m	£9.4m	£7.2m	£9.2m	£8.6m
Teaching Pay Cost %	41%	40%	31.9%	38.8%	41.6%	29.5%	36.2%	30.7%
Delivery FTE	204	176	127	156	149	104	144	155
Support FTE	41	51	43	59	17	26	26	35
Student / Delivery Staff ratio (FTE)	17.8	20.7	27.5	24.1	21.4	32.6	24.9	24.7
Income per delivery FTE	£172,000	£183,000	£235,000	£203,000	£151,000	£238,000	£176,000	£186,000

The analysis would suggest that there are some quite distinct issues per faculty including both over investment in HSC and BUS and under investment in ESBE.

16. As well as total staff cost, Tribal also analysed the mix of Academics that we had within each faculty and their average pay levels. The key findings are highlighted below;

Teaching Average Pay levels	LSBU	London Group	Wider Group
Heads / Deans/ Asst's Deans	£86,536	£85,335	£81,728
Professors	£84,920	£77,910	£79,274
Principal Lecturers / Readers	£68,240	£67,710	£65,403
Senior Lecturers	£56,296	£57,474	£57,226
Lecturers	£44,402	£47,851	£44,653
Hourly Paid Lecturers	£36,359	£34,097	£31,729

This analysis would suggest that our staff cost is not driven by significantly higher pay levels than the London average (although professors would appear to be out of line)

17. However, the Tribal analysis would suggest that as well as above benchmark numbers of Academic staff FTE, (+25 FTE), we also have a mix that differs from benchmark in terms of the seniority of teaching staff. This skill mix issue begins to explain why as a % of income we are trending behind our comparator group in terms of staff cost %.

Teaching Delivery Staff Mix	11/12 FTEs	LSBU	London Group	Wider Group	FTE Impact
Heads / Deans/ Asst's Deans	35.2	5.6%	5.9%	5.7%	1.9
Professors	15	2.4%	3.2%	4.2%	5.0
Principal Lecturers / Readers	71.5	11.3%	14.0%	8.8%	16.6
Senior Lecturers	373.2	59.2%	39.5%	39.6%	-124.0
Lecturers	10.9	1.7%	12.1%	22.5%	65.6
Hourly Paid Lecturers	118.3	18.8%	22.0%	15.3%	20.1
Instructors	6.1	1.0%	3.3%	3.8%	14.8
Total	630.3	100%	100.0%	100.0%	0.0

Professional Services

18. In terms of Professional Services the Tribal analysis would suggest that we have less staff than the benchmark for our size and typically we pay them below the London average.

Professional Staff	LSBU FTEs	London Benchmark FTEs	FTE Impact	LSBU Average pay	London Benchmark Avg Pay
Library & Learning	60.9	65.7	-4.8	£37,834	£37,283
IT Services	72.1	84.4	-12.3	£47,667	£48,534
Student Services	34.0	44.2	-10.2	£46,906	£40,190
Registry	102.7	143.0	-40.3	£38,440	£39,118
Finance	52.5	55.4	-2.9	£43,633	£44,514
Human Resources	27.0	29.8	-2.8	£47,838	£48,950
Marketing	61.8	62.7	-0.9	£41,556	£41,714
Corporate Admin	24.7	28.5	-3.8	£79,445	£82,783
Facilities	30.4	19.5	10.9	£29,141	£31,332
Estates	37.5	57.9	-20.4	£46,247	£39,958
Total	503.6	591.1	-87.5		

2013/14 Budget Impact

19. The Tribal Analysis referenced the University in terms of our cost base in 2011/12. Since that time we have invested in terms of the actual expenditure in 2012 /13 and through the 2013 / 14 budget.

Academic variance vs London Group

2011 / 12 analysis	HSC	B'mark HSC	ESBE	B'mark ESBE	BUS	B'mark BUS	AHS	B'mark AHS
Teaching Income	£35.1m	£31.7m	£29.8m	£31.2m	£22.6m	£24.4m	£25.4m	£28.0
Teaching Pay Costs	£14.4m	£12.4m	£9.5m	£12.1m	£9.4m	£7.2m	£9.2m	£8.6m
Teaching Pay Cost %	41%	40%	31.9%	38.8%	41.6%	29.5%	36.2%	30.7%

2012 / 13 analysis	HSC	B'mark HSC	ESBE	B'mark ESBE	BUS	B'mark BUS	AHS	B'mark AHS
Change In Income	-£1.8m		£0.9m		-£0.7m		£0.6m	
Change in Academic Costs	£0.3m		-£0.2m		-£0.5m		-£0.2m	
Teaching Pay Cost %	44.1%		30.3%		40.6%		34.6%	

2013 / 14 Budget	HSC	B'mark HSC	ESBE	B'mark ESBE	BUS	B'mark BUS	AHS	B'mark AHS
Change In Income	-£1.5m		-£0.1m		£0.3m		-£0.7m	
Change in Academic Costs	£0.1m		£0.7m		-0.1m		£0.1m	
Teaching Pay Cost %	46.5%	40%	32.7%	38.8%	39.6%	29.5%	36.0%	30.7%

20. The analysis would suggest that after the investments in the 2013/14 budget, we are continuing to diverge from our comparator groups.

21. The faculty of Health and Social Care would appear to be significantly ahead of benchmark whereas ESBE continues to be behind our comparators. AHS and Business whilst moving closer to benchmark are still both more expensive to run than our comparators.

Professional Services variance vs London Group

22. In terms of pay costs, the investments in the support departments have reduced the gap to benchmark by approximately £1M a year. We continue to vary from the benchmark but the result is much more mixed with underspends in areas such as Registry and above average investments in Marketing and Student Services reflecting the character of this university.

Pay Costs (£,000)	2011 / 12 variance	2012/ 13 Actual Investment	2013/14 Budget Investment	New Total
Library & Learning	-126k	+40k	+265k	+176K
IT Services	-629k	+290k	+143k	-196K
Student Services	-194k	+204k	+276k	+286k
Registry	-1,669k	+113k	+138k	-1,418k
Finance	-165k	+123k	-86k	-128k
Human Resources	-156k	-25k	+143k	-38k
Marketing	+58k	+353k	+104k	+515k
Corporate Admin	-360k	+20K	-2k	-342k
Estates & Facilities	-238k	+70k	+117k	-51k
Total	-£3,479	+1,188k	+1,098k	-1,196

23. In terms of our Non Pay costs we were slightly ahead of our benchmark group particularly with regard to investments in Student Services and Library and Learning Resources but were investing significantly behind our comparators in the areas of ICT and Marketing.

24. However in 2012 / 13 we invested an additional £1M to strengthen our support departments and so have begun to close the perceived underspend gap in IT and the Registry. Compared to our London group, however, we continue to have a different investment profile with regard to Library and Student Services where we continue to invest at an above average rate.

25. Compared to our comparator group we also have a different marketing profile to our comparators. In this area, our above average pay spend is compensated for by a below average non pay spend. It should be noted that this Marketing spend could be impacted by the lower than average Overseas Agents Fees paid due to the smaller than sector average International Income

Non Pay Costs	2011 / 12 variance	2012/ 13 Actual Investment	2013/14 Budget Investment	New Total
Library & Learning	+296k	+426k	-288k	+434k
IT Services	-434k	+527k	-110K	-17k
Student Services	+1,044k	+285k	-314k	1,015k
Registry	-222k	+150k	+50k	-22k
Finance	+256	-110K	-100k	+46k
Human Resources	-19k	+30k	+9K	+20k
Marketing	-849k	+212k	-43k	-680k
Corporate Admin	+312k	+225k	-38K	499k
Estates & Facilities	-97k	-515k	+743k	131k
Total	+287k	1,230k	-91k	1,426k

CONFIDENTIAL

London South Bank University

	PAPER NO: PR.40(13)	
Board/Committee:	Policy & Resources Committee	
Date:	1 October 2013	
Paper title:	Corporate Key Performance Indicators (KPI) report	
Author:	John Baker, Corporate & Business Planning Manager	
Executive sponsor:	Martin Earwicker, Vice Chancellor & Chief Executive	
Recommendation by the Executive:	The Executive recommends that the Policy and Resources Committee note the report.	
Aspect of Corporate Plan this will help deliver?	The corporate KPIs are directly aligned with the Corporate Plan and allow for the monitoring of targets for the university that have been set in the Corporate Plan.	
Matter previously considered by:	P&R Committee	On: 2nd July 2013
Further approval required?	n/a	On:
Communications – who should be made aware of the decision?	n/a	

Executive summary

Since the July P&R Committee meeting, the report has been updated to reflect the latest KPI information in the 12/13 reporting cycle.

The 'Finance' section has been updated with anticipated year-end figures from the management accounts, subject to external audit approval.

The 'Student Experience' section has been updated with 4 indicators:

For student satisfaction, the NSS score has increased by 2% to 82%, whilst the Post graduate overall satisfaction has fallen by 2% to 76%.

The DLHE EPI performance has fallen slightly to 77.4%, and spend per student on services & facilities has increased to £1,110.

The 'Brand Profile' section has been updated with the Times league table, which has now been published in a new version, combined with the Sunday Times, in a format that most closely matches the former Times publication, and we have fallen slightly to 118 of 121, 7/9 of our competitor group.

P&R is requested to please note the Key Performance Indicator report.

Attachment: *Corporate Key Performance Indicators Report*

LSBU Corporate Key Performance Indicators (2010/11 - 2012/13)

Report date: 18/09/2013

Financial Sustainability						
KPI	2010/11 Actual	2011/12 Actual	2012/13 (Target)	Current Performance (RAG)	YoY up down	
Student Numbers & Contracts						
1	Recruitment against HEFCE contract	Within tolerance	Within tolerance	Within tolerance band	Within tolerance <i>(prediction)</i>	➔
2	Recruitment against NHS contract	Within 5%	On target	+/-5%	On target	➔
3	International student income	£10.2m	£9.6m <i>(year end result)</i>	£9.2m	£8.8m <i>(year end result)</i>	⬇
Income						
4	Total Income (£)	£144.0m	£138.3m <i>(year end result)</i>	£136.4m	£138.0 <i>(year end forecast)</i>	⬇
5	Research (non-HEFCE) income (£)	£3.4m	£2.4m <i>(year end result)</i>	£2.0m	£2.1m <i>(year end forecast)</i>	⬇
6	Enterprise income (£)	£8.5m	£10.0m <i>(year end result)</i>	£8.3m	£8.4m <i>(year end forecast)</i>	⬇
Surplus						
7	Total Surplus (% of income)	7.0%	4.7% <i>(year end result)</i>	1.8%	4.5% <i>(year end forecast)</i>	⬇
Other Financial Indicators						
8	Cash Balance (£)	£62.6m	£69.1m <i>(Year end result)</i>	£59.1m	£59.9 m <i>(year end forecast)</i>	⬇
9	Gearing Ratio	0.34	0.31 <i>(Year end result)</i>	0.37	0.27 <i>(year end forecast)</i>	⬆
10	Days liquidity	179	203 <i>(Year end result)</i>	137	176 <i>(year end forecast)</i>	⬇
The Student Experience						
KPI	2010/11 (Actual)	2011/12 (Actual)	2012/13 (Target)	Current Performance (RAG)	YoY	
Student Satisfaction						
11	Overall Student Satisfaction - UG (NSS) *	77%	80% <i>(2011/12)</i>	90%	82%	⬆
12	Overall Student Satisfaction - PG	75%	78% <i>(2011/12)</i>	90%	76%	⬇
Student Retention & Progression						
13	FTUG Year 1 Progression (%)	60%	63% <i>(2011/12)</i>	70%	*due Nov	
14	Graduating in intended period (FTUG 3/4yrs) (%)	53%	52% <i>(2011/12)</i>	65%	*due Nov	
Value Added						
15	Employment of graduates (DLHE return)* (Employed, or studying, or both)	82.4%	78.1% <i>(2010/11 cohort)</i>	90%	77.4%	⬇
16	No. of first degree students obtaining 1st or Upper 2nd class degrees *	52%	56% <i>(2011/12)</i>	60%	*due Nov	
17	No. of first degree students obtaining 1st or 2nd class degrees	89%	90% <i>(2011/12)</i>	80%	*due Nov	
Resource Measures						
18	Spend per student (£) * (Academic Services)	£841	£940 <i>(Complete UG 2013)</i>	£1,000	£900 <i>(CUG 2014)</i>	⬇
19	Spend per student (£) * (Services & Facilities)	£1,021	£1,062 <i>(Times GUG 2012/13)</i>	£1,000	£1,110 <i>(SundayTimes/Times GUG)</i>	⬆
20	Staff:student ratio *	23.3:1	22.4:1 <i>(2011 HESA)</i>	21:1	23.7:1%	⬇
Brand Profile						
KPI	2010/11 (Actual)	2011/12 (Actual)	2012/13 (Target)	Current Performance (RAG)	YoY	
League Table Ranking						
21	The Sunday Times	120 (of 121)	118 (of 122) <i>(2012 Table)</i>	Out of bottom 5	114 (of 122) <i>(2013 Table)</i>	⬆
22	The Guardian	100 (of 119)	104 (of 120) <i>(2013 Table)</i>	Out of bottom 5	113 (of 119) <i>(2014 Guide - June 13)</i>	⬇
23	The Complete University Guide	116 (of 116)	109 (of 116) <i>(2013 Table)</i>	Out of bottom 5	119 (of 124) <i>(2014 Table - April 13)</i>	⬇
24	The Sunday Times / Times	113 (of 116)	111 (of 116) <i>(2012/13 Table)</i>	Out of bottom 5	118 (of 120) <i>(2014 Table)</i>	⬇
Subject League Tables (The Guardian)						
25	No. of subjects in top 75% nationally	5 (of 18)	5 (of 17) <i>(2012/13 Tables)</i>	5 (of 15)	3 (of 21)	⬇
26	No. of subjects in top 50% of post-1992	4 (of 18)	3 (of 17) <i>(2012/13 Tables)</i>	5 (of 15)	2 (of 21)	⬇
27	No. of subjects in top 50% of post-1992, London	6 (of 18)	3 (of 17) <i>(2012/13 Tables)</i>	5 (of 15)	4 (of 21)	⬆
Student Perceptions						
28	Early : late applications (% of FTUG enrolments arising from early/late applications)	75:25	74:26 (2011/12)	80:20	*due Nov	
29	Financial support from donors (cash received, £)	£2.5m	£1.5m (2011/12)	£1.6m	£1.35m <i>(2012/13 forecast)</i>	⬇
Staff Perceptions						
30	Staff Satisfaction survey participation	NEW	62%	70%	52%	⬇

* Key league table measure

KPI Notes: Measure Overview	Data date & Source	Notes
1-10 Financial performance	Nov to Sep: LSBU Management Accounts	Forecast data updated after each month end period Final figure provided after audit & year end in Sep.
Student Satisfaction		
11 Overall Student Satisfaction - UG (NSS)	Oct/Nov: Ipsos Mori National Student Survey	An improvement of 2% on last year's score
12 Overall Student Satisfaction - PG	Oct/Nov: LSBU PG Taught Survey	A fall of 2% on last year's score
13 FTUG Year 1 Progression (%)	Oct/Nov: LSBU Cognos PAT Reports	<i>awaited - due November</i>
14 % Graduating in intended period (FTUG 3/4yrs)	Oct/Nov: LSBU Registry Analysis	<i>awaited - due November</i>
Value Added		
15 Employment of graduates (% Employed, Studying, or both)	July: Hefce DLHE survey	LSBU has fallen by just over half a percentage point, to 77.4% of graduates in work or study
16 No. of first degree students obtaining 1st or Upper 2nd class degrees *	Oct/Nov: LSBU Registry Analysis	<i>awaited - due November</i>
17 No. of first degree students obtaining 1st or 2nd class degrees	Oct/Nov: LSBU Registry Analysis	<i>awaited - due November</i>
Resource Measures		
18 Spend per student (£) * (Academic Services)	April/May: 'Complete University Guide'	£1,110 as reported in new Sunday Times/Times Good University Guide on 22nd September 2013
19 Spend per student (£) * (Services & Facilities)	June/July: Times 'Good University Guide'	
20 Staff:student ratio *	June/July: HESA data publication	23.7 as reported in new Sunday Times/Times Good University Guide on 22nd September 2013
League Table Ranking		
21 The Sunday Times	September: The Sunday Times Newspaper	LSBU has moved down to 113 in the 2014 table & the total number of universities is now back to 119. Released 4 June 2013.
22 The Guardian	June: The Guardian Newspaper	
23 The Complete University Guide (formerly The Independent)	April: Complete University Guide website	LSBU is still outside the bottom 5, but # of institutions included has increased to 124 in the 2014 guide, released in April 13.
24 The Times	Sep: The Times Newspaper	Guide now merged with Sunday Times to form 1 annual publication each September.
Subject League Tables (The Guardian)		
25 No. of subjects in top 75% nationally	June: The Guardian Newspaper	Top 75% in 'Nursing & Paramedical Studies', 'Social Work' and 'Sports Science'
26 No. of subjects in top 50% of post-1992	June: The Guardian Newspaper	Top 50% of post-1992 in 'Nursing & Paramedical Studies' & 'Sports Science'
27 No. of subjects in top 50% of post-1992, London	June: The Guardian Newspaper	Top 50% of post-1992, London in 'Architecture' 'Social Work' & 'Sports Science' & 'Nursing & Paramedical Studies'
Student Perceptions		
28 Early : late applications (% of FTUG enrolments arising from early/late applications)	Oct/Nov, Registry Analysis	
29 Financial support from donors (cash received, £)	Oct/Nov, Development Office	
Staff Perceptions		
30 Staff Satisfaction	Survey: May 2013 3rd Party	Result indicates the percentage of staff that took part in the survey

Monthly summary of closing bank balances and deposits
as at 31 August 2013

Bank / Title	Type of Account	Agresso Account	31 August 2013		31 May 2013		
			Balance Currency	Balance Sterling	Balance Currency	Balance Sterling	
			€	£	€	£	
NatWest [LSBU's Main Trading Account]	Business Current Account	7160		17,501		11,251	
	Special Interest Bearing Account	7160		4,057,283		18,491,508	
	Euro Currency Account	7163	€ 1,315,074	1,122,416	€ 1,585,167	1,357,363	
NatWest [Charitable Funds]	Business Current Account	7161		0		40	
	Special Interest Bearing Account	7161		2,433,013		2,426,688	
HSBC	Business Current Account	7100		6,558		6,582	
	Euro Currency Account	7111	€ 801,296	683,906	€ 801,296	686,142	
	Euro Liquidity Fund Class A	7115	€ 77	66	€ 77	66	
Lloyds TSB	Corporate Special Account			437		238	
	Treasury Deposit [3Mth F/Dep.] 0.81%	7166		10,392,718		10,373,875	
Bank of Scotland	Corporate Deposit Account			5,523,957		5,518,421	
	Treasury Deposit [3Mth F/Dep.] 0.75%	7165		5,215,809		5,205,968	
	Corporate Instant Access	7164		196,739		196,491	
Prime Rate	Sterling Liquidity Cash Plus [T1 Inst Access]			5,137,439		5,130,393	
	Sterling Liquidity Fund [Inst Access]	7105		1,820		1,818	
Barclays	Business Account	7116		4,044		94,048	
	FIBCA / Platinum Account	7116		8,277,723		8,220,183	
Scottish Widows Bank Plc	Deposit Account No Notice	7104		5,058,463		5,049,117	
	Deposit Account 7 Day Notice	7114		5,203,442		5,191,997	
Total LSBU Funds at Bank				€ 2,116,447	53,333,335	€ 2,386,540	67,962,189
NatWest [Access Fund Account]	Business Current Account	7162		0		0	
	Special Interest Bearing Account			484,784		504,814	
NatWest [SBU Enterprises Ltd]	Business Current Account	7160[SBUEL]		3,511		0	
	Special Interest Bearing Account			1,009,322		1,307,458	
Total Access & Enterprises Funds				0	1,497,617	0	1,812,272
Total Funds at Bank				€ 2,116,447	54,830,952	€ 2,386,540	69,774,461
Difference Between Financial Periods				-270,093.04	-14,943,509.69		

London South Bank University

	PAPER NO: PR.41(13)	
Board/Committee:	Policy And Resources	
Date:	1 October 2013	
Paper title:	Treasury Management Report	
Author:	Brian Wiltshire, Treasury Manager	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
Recommendation by the Executive:	<p>The Executive recommends that the committee:</p> <ul style="list-style-type: none"> • Note the contents of this report; and • Recommend approval to the Board to open a new RBS bank account and setup a BACS/BACSTEL-IP Service User Number for the Sports Centre. • Recommend approval to the Board to remove Professor Martin Earwicker from the University's bank mandate and add Professor David Phoenix, with both changes effective 2nd January 2014. 	
Aspect of the Corporate Plan to which this will help deliver?	Financial Management /Sustainability	
Matter previously considered by:	Policy & Resources Committee	On: Each Meeting
Further approval required?	Board	On: 17 th October 2013
Communications – who should be made aware of the decision?	N/A	

Executive summary

1. The University's total bank balances were £54.8m at 31 August 2013. This compares to £69.7m at 31 May 2013 and £66.4m at 31 August 2012. Interest earned for 3 months from 1 June 2013 - 31 August 2013 was £142k. Treasury Management during the period has been in compliance with agreed treasury policy.

2. Appendix A shows the monthly summary of closing bank balances and deposits as at 31 August 2013.

Balances at 31 August 2013

3. The total bank account balance at 31 August 2013 was £54.8m compared to £69.7m at 31 May 2013. The cash outflow has been funded by withdrawing funds from deposits held with Nat West. A detailed breakdown showing the individual accounts held is shown in Appendix A.

Cash Balances and term deposits

4. The table below shows interest received in the 3 months to 31 August 2013 compared to budget and prior year.

<i>Period</i>	<i>Actual to 31 August 13 £'000</i>	<i>Budget to 31 August 13 £'000</i>	<i>Actual to 31 August 12 £'000</i>
Amount	142	94	280

5. Interest received in the 3 months to 31 August 2013 is £48k above budget and £138k lower than the same period last year. The variances are largely due to:

Budget 31 August 13: Anniversary bonus of £53k earned on the Barclays FiBCA which was not factored into the budget.

Actual 31 August 2012: A significant fall in the rates of return over the past year as the table below illustrates

<i>Banks</i>	<i>31 August 2013</i>			<i>31 August 2012</i>		
	<i>6 Mth FTD¹</i>	<i>3 Mth FTD</i>	<i>Instant Access</i>	<i>6 Mth FTD</i>	<i>3 Mth FTD</i>	<i>Instant Access</i>
Lloyds		.81%		2.00%		
Bank of Scotland		.75%			1.40%	
Scottish Widows 7 Day Notice			.75%			1.85%
Scottish Widows Inst. Access			.75%			1.50%

¹ Fixed Term Deposit

Although the rates of returns have fallen as demonstrated in the table, the rates currently being received by the University are good compared to other accounts and deposits

available; and are reflective of our approved treasury management policy and procedures.

6. The interest of £142k received in the 3 months to 31 August 2013 is broken down by account below:

Bank	Account Type	Current Interest rate	Interest Received this quarter £'000	Calendar YTD Interest Received £'000	Balance held £'000
Bank of Scotland	Inst. Access	0.40%	5.8	23.1	5,721
	Fixed Deposit	0.75%	9.8	53.1	5,216
Lloyds TSB	Inst. Access	0.50%	0.0	0.0	-
	Fixed Deposit	0.81%	19.0	117.9	10,393
Barclays	Inst. Access	0.60%	57.5	76.2	8,282
NatWest	Inst. Access	0.55%	19.8	98.8	6,508
NatWest Euro	Inst. Access	0.00%	0.0	0.0	1,122
HSBC Deposit	Inst. Access	0.05%	0.0	0.0	6
HSBC €Liq.	Inst. Access	0.00%	0.0	0.0	684
HSB C Euro	Inst. Access	0.30%	0.0	0.0	-
Prime Rate £ Liq.	Inst. Access	1.02%	7.0	48.3	5,139
Scottish Widows	7 Day Notice	0.75%	11.4	74.8	5,058
	Inst. Access	0.75%	9.3	50.1	5,203
NatWest (Access fund account)	Inst. Access	0.55%	0.6	2.5	485
NatWest (SBUJEL)	Inst. Access	0.55%	1.8	9.7	1,013
Total			142.0	554.5	54,830

Rollover of term Deposits

7. Since the last treasury management report, two fixed term deposit with a value of £15.6m placed with the Lloyds Banking Group matured and was reinvested inclusive of interest for 3 months at the following rates of return:
- LloydsTSB £10.4m at .81%.
 - Bank of Scotland £5.2m at .75%.

Risk

8. Risk continues to be managed by the continued application of the treasury management procedures agreed by the Board of Governors. These procedures require that our cash deposits are diversified only across UK banks, and that cash is only placed on immediate access, short & medium term deposit. Subject to normal Board approval

processes, exceptions are made as considered appropriate as in the case of Federated Prime Rate where £5m has been placed in a sterling liquidity funds since January 2011.

Loans

9. The University's Loan Balance at 31 August 2013 is £30.6m split between AIB and Barclays Bank Plc. The next loan repayments are scheduled for the 30 September 2013. The table below shows the balances and repayable period per loan at 31 August 2013.

Bank	Balance 31 August 13 £'000	Repayable Period	Interest rate	Annual Interest Paid (2012/13) £'000
AIB				
Dante Road	5,377	26.5 yrs to 2027	6.67%	373
Barclays Bank*				
David Bomberg House	5,752	25 yrs to 2032	5.68%	336
K2 Loan 3	5,000	20 yrs to 2029	5.03%	250
K2 Loan 4	8,917	23.25 yrs to 2032	5.32%	482
K2 Loan 5	5,568	23 yrs to 2032	0.735%	50
Total	30,614			1,490

*Total Loan Balance with Barclays is £25.2m

10. The majority of these loans are at fixed rates for varying terms and penalties apply for early repayment. The exception is the variable rate K2 loan 5 where the current balance outstanding is £5.6m. However, the interest rate on this loan is such that we should not consider early repayment at present.

Bank Mandates

11. Treasury Management will be submitting new bank mandates to the Board of Governors for their approval, to have Professor David Phoenix (The Vice Chancellor designate) added as an authorised signatory to all University bank accounts and to remove Professor Martin Earwicker. The banks will be instructed to make these changes effective from 2 January 2014.

Online Banking

12. At the last Board of Governors meeting held 18 July 2013 the Board approved the setup of Online banking with Bank of Scotland Plc. A Board resolution was required by the bank to meet its stipulation to initiate setup. As at the 31 August 2013 Bank of Scotland

was still processing our application for online. Treasury Management will report on the progress of online banking with the Bank of Scotland in the next report to the committee.

New Bank Account

13. The committee is asked to recommend to the Board for their approval two RBS application forms to:
- Open a new bank account and
 - Acquire a BACS/BACSTEL-IP Service User Number (**SUN**) for the Sports Centre.

The Sport Centre plans to offer its clients the option of remitting membership fees by Direct Debit. To facilitate their plans, it is recommended by Treasury management that the University apply for a new BACS Service User Number and open a new bank account for the Sport Centre. The new **SUN** will be exclusively assigned to the new bank account, ensuring that all sports fees collected via direct debit/SUN are deposited in the dedicated Sport Centre bank account. This will create greater transparency in managing and reporting these transactions.

RBS/NatWest Bank Plc.; and in line with University Financial Regulations, require Board approval to set up a new bank account and process a new BACS Service User Number application.

14. It is recommended that the Committee:
- Note the contents of this report
 - Recommend approval to the Board to open a new RBS bank account and setup a BACS/BACSTEL-IP Service User Number for the Sports Centre.
 - Recommend approval to the Board to remove Martin Earwicker from the University's bank mandate and add Professor David Phoenix, with both changes effective 2nd January 2014.

Brian Wiltshire
Treasury Manager
wiltshbl@lsbu.ac.uk
Telephone: 020 7815 6310