

Meeting of the Board of Governors

4.00 pm on Thursday, 17 October 2019
in Technopark, SE1 6LN

Agenda

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11.	Additional space - Tabard Street	3 - 6	DP
16.	Board strategy day report	7 - 16	JC

Date of next meeting

4.00 pm on Thursday, 21 November 2019

Members: Jerry Cope (Chair), Douglas Denham St Pinnock (Vice-Chair), Duncan Brown, John Cole, Peter Fidler, Nelly Kibirige, Mark Lemmon, Hilary McCallion, Mee Ling Ng, Jeremy Parr, David Phoenix, Rashda Rana, Tony Roberts, Deepa Shah, Nazene Smout and Vinay Tanna

Apologies: Michael Cutbill

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

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	INTERNAL
Paper title:	Tabard Street
Board/Committee:	Board of Governors
Date of meeting:	17 October 2019
Author(s):	Carol Rose, Executive Director of EAE
Sponsor(s):	Prof Paul Ivey Deputy Vice-Chancellor & Chief Business Officer
Purpose:	For Approval
Recommendation:	That the Board of Governors confirms the decision of the MPIC to take a lease on Tabard Street, SE1.

Executive Summary

Educational premises have unexpectedly become available within a 10 minute walk of the Southwark Campus. A successful bid for the premises has been made by LSBU and this report provides costs and information about the premises to enable the Board of Governors to confirm the decision at MPIC that we proceed with the lease for a period of 3.75 years (November 2019 – July 2023).

The cost for this is c £900K p.a. and currently unbudgeted. Recruitment income for semester one is currently forecast to be £1M+ over target hence it is felt that the budget implication of progressing are manageable. Total unbudgeted revenue costs for 3.75 years are £3,373,564.

The Tabard Street site would:

- Provide extra space over the next few years until the London Road and Chapel Projects are completed and should give some headroom with respect to Semester 2 and sept. 2020 recruitment
- Enable us to test proof of concept for new income generating activities such as CPD and for which we currently have no obvious location
- Provide a facility for SBC to expand reach and provide income generating potential
- Could be used to create a new “Business School environment” for a subject such as Law, which may enhance recruitment.

Recommendation

That the Board of Governors approves LSBU to take a lease on Tabard Street, SE1 for the period November 2019 - July 2023 for the sum of £3.4m plus capital costs of £50,000 to create additional teaching facilities.

Tabard Street Lease

1. Background Information

The Tabard Street Building is a building previously occupied by the Greenwich School of Management Ltd (GSM). The School went into administration at the beginning of the summer which resulted in the lease for their Southwark base becoming available for 3.75 years. Strong recruitment in semester 1 means that teaching space on the Southwark campus is generating timetabling constraints which are impacting on student experience. Should recruitment continue to rise year on year, the teaching spaces on campus could be insufficient for demand before London Road and the Chapel are completed. Further modelling is required but there is clearly a risk that space requirements would restrict growth opportunities and/or impact on student experience. EAE were therefore asked to investigate the possibility of taking over the lease of Tabard Street for the remaining term to cope with both increased student numbers and to give the opportunity to consider other possibilities for use.

2. The premises

The premises under consideration consists of 12,656 sq ft of space arranged over three storeys, basement (with windows), ground and first floor. There are two further floors above which are private flats which have a separate dedicated entrance and do not form part of the proposal. A copy of the prospectus showing a photograph of the premises and internal details is attached.

3. The lease

The lease expires on 9th August 2023 with annual uplift reviewed to RPI. Interested parties were invited to bid by the administrators of GSM with a deadline of 30th September 2019 and LSBU submitted a bid based on advice from Granby Martin, who advise LSBU on premises matters. The bid submitted equated to an annualised cost of approximately £900,000 per annum. Four bids were received by the managing agent. Three were from private educational providers and although the bid from LSBU was not the highest, we were deemed to be the preferential bidder. A non-refundable deposit of £12,000 (including VAT) has been paid to secure the offer

4. Finances

Based on the size of the building and assuming Monday – Friday only usage 8am – 8pm the projected running costs are as follows:-

Heading	Annual Cost	Nov 19 - July 20 (9 mnths.)
Rent	£487,467	£365,600
Rates	£145,500	£109,125
Insurance	£8,800	£6,600
Service Charge	£42,000	£31,500
Electricity	£23,000	£17,250
Gas	£3,000	£2,250
Water	£1,350	£1,013
BT line rental	£3,500	£2,625
Cleaning/waste	£75,000	£56,250
Security 7.30am - 8.30pm	£59,000	£44,250
Reception 8am - 8pm	£51,000	£38,250
Total	£899,617	£674,713

All costs are inclusive of VAT. These are projected costs only and will be refined once more information is received should approval be gained. Telephone and ICT maintenance costs will also need to be taken into account. Total unbudgeted Revenue Costs for 3.75 years is £3,373.564.

5. Justification

Whilst there is evidence that additional space demand is required this is still being investigated based on space utilisation surveys and size of room requirements. The available space at Tabard Street are mainly small classroom sizes (i.e. 20 – 40 seats) but if larger teaching space is required then rooms can be reconfigured by removal of partitions.

However, Tabard Street does allow LSBU / SBC to:

- Provide extra space over the next few years until the London Road and Chapel Projects are completed and should help support Semester 2 and September 2020 recruitment
- A “test facility” for new income generating activities to offset the £900k per annum running costs
- Provide a facility for SBC to expand reach and provide income generating potential
- Create a new “Business School environment” for areas such as. Law, which may enhance recruitment

6. Furniture and Equipment

The premises are in a fair state of repair but will need some minor cosmetic updating to use the building as is. There is an opportunity to take down some of the stud partition walls to create larger spaces or to install partitions if smaller spaces required. The attached floor plans show the current layout. We are currently carrying out an audit of what furniture is left over from the London Road closure to see what can be re-used. There is sufficient office furniture for the space. Similarly ICT have been asked what AV equipment is available for re-use. There will, however, be a requirement for some capital outlay with the amount dependent on what the building will be used for.

Teaching facilities only :-- one off costs for AV installation, ICT installation/site to site VPN connection, site telephones, access control, move costs, whiteboards, cosmetic improvements approx. £50,000. Ongoing costs not included in the projection would be the rental of vending machines, photocopier(s), water coolers etc. approx. £3,500. **Conference/Training facilities:** should income generating conference facilities be proposed, a higher standard of decoration and appropriate furniture would be required. Additionally, there would be a requirement for on-site hospitality which would be in the form of small kitchen/café facilities in the basement space. There is sufficient equipment available due to the closure of the Campus Express café in London Road but there would be installation/running costs payable. The cost of this conference/training facilities option would be the subject of a separate costed business case to Executive. Due to the limited time available in which to submit the offer, it was not possible to gain access to the premises to carry out a full survey. The figures included in this report use a number of assumptions based on information supplied by the Administrators of the GSM and in this respect the approximate capital outlay indicated above may need to be revised.

7. Conclusion and Recommendation

Tabard Street affords a rare opportunity for the acquisition of additional space within easy reach of the Southwark Campus. It is a modern building close to Borough Station and a 10 minute walk from campus.

It is recommended, therefore, that the Board of Governors approves LSBU to take a lease on Tabard Street, SE1 for the period November 2019 - August 2023 for the sum of £3.4m plus capital costs of approximately £50,000 for the creation of teaching facilities only.

	CONFIDENTIAL
Paper title:	Board Strategy Day Report
Board/Committee:	Board of Governors
Date of meeting:	17 October 2019
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	James Stevenson, Group University Secretary
Purpose:	For Information
Recommendation:	The Board to note the Board strategy day report from the Away Day on 26 September 2019.

Executive Summary

The Board is requested to note the Board strategy day report from the event held on 26 September 2019 at etc venues, Avonmouth House.

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LSBU Joint Group Strategy Day notes – 26 September 2019

Avonmouth House, SE1

The Chair welcomed attendees to the meeting.

Morning session: LSBU, SBC and SBA Boards, and key Group colleagues

Highlights and Challenges

SBA (Dan Cundy)

The meeting noted the highlights and challenges for SBA including:

- Challenges:
 - Improving outcomes – destinations, progress
 - Local competition
 - Demographic change
 - Funding
 - Nationwide and local staffing shortages
 - Curriculum changes
 - Political landscape including recent Labour policy announcement to abolish MATs
- Highlights:
 - Conduct, relationships, climate for learning
 - Social and cultural capital development
 - Employability
 - Engagements
 - Innovation in pedagogy
 - Destinations
 - LSBU academic input

SBC (Fiona Morey)

The meeting noted the highlights and challenges for SBC including:

- Challenges:
 - Establishing sector-specific career pathways for young people and adults across the group
 - Establishing education framework aligned to the new strategic plan
 - Health and Safety
 - Group strategy for apprenticeships
- Highlights:

- Recent positive Ofsted inspection – grade 3 but Ofsted recognised improvements
- Improvements in 16 – 18 year olds' achievement
- 26% increase in students progressing to LSBU
- New staff benefits offer in place
- New Centre for Professional Development of Teaching & Learning opened

LSBU (Pat Bailey)

The meeting noted the highlights and challenges for SBC including:

- Challenges:
 - Still some areas where student satisfaction below benchmark. The aim is to be 'the London 90% NSS University'
 - Better progression, particularly focusing on attainment gap issues
 - Immediate priority is specific actions to improve our REF2021 submission which is linked to increase in our research and enterprise income
- Achievements:
 - NSS: up around 4.5%
 - Mock REF: 175 staff at GPA 2.75
 - League tables: 86th in Times/ST (up 21 places)
 - Finances: £3M surplus (after in-year investments)
 - Recruitment of new students: beat challenging target

Finance context (Group Chief Financial Officer)

The Group CFO presented on the current financial context for LSBU and SBC, including 2018/19 financial performance and consolidated financial forecasts. The meeting noted and discussed:

- That LSBU expected to deliver a £3m surplus for 2018/19;
- That following acquisition of Lambeth College mid-way through the financial year, SBC had begun the turnaround and its financial performance was due to better than originally forecast for 2018/19;
- That SBA expected to meet its income and surplus target for 2018/19;
- Challenges for the future including income growth, improving the surplus and cashflow and project delivery management.

The meeting noted the need for consolidated income to reach £200m - £250m for the Group to continue to be sustainable.

The meeting noted the need for borrowing and investment to meet the financial challenges and that the Board would scrutinise all borrowing and investment proposals carefully.

Ambitions and environment – digital development and student experience (PwC)

The meeting discussed a presentation on the LEAP project. The vision for the LEAP project is to make LSBU group distinctive and to be recognised as a digital leader in the UK for student experience. The project was embedded in 6 of the 12 sub strategies and relevant for the other 6.

Key themes from the discussion:

- Personalised approach for all students and potential students - recognising the diversity of the LSBU audience
- Need to fix the fundamentals (process and policy)
- Missing so far - the Education Strategy, Education delivery, and the digitally enhanced learning
- Need to identify if LSBU is catching up or advancing
- Focus on research and business - broader engagement
- Don't want to be known as the 'Education Dinosaur'
- 100% sign up - all or nothing
- Cultural shift - staff, digital literacy and new ways of working
- Are devices available? - recognising the role of technology
- Share process with business partners e.g. NHS to help them enhance the experience they provide
- Consider different pathways to study
- Costs, savings and technology need to be considered
- Value of interactive student support metrics (experience personalised)
- Digital and online learning - student must find learning valuable to invest the time
- Need to consider regulatory and ethical requirements
- Big opportunity for LSBU
- Focus on the end-to-end experience
- Need to help colleagues evolve ways of working
- Automation enables staff to 'value add' rather than focus on administration
- Need a forward thinking approach
- Not a "fix all"

Ambitions and Environment – political environment and measuring success of LSBU Group (David Phoenix)

The meeting discussed what makes the LSBU Group distinctive and agreed the following:

- Diversity;
- Location (sense of place);
- Employability;
- Social mobility;
- Student experience;
- Technical and professional focus; and
- Insight (research and enterprise).

The meeting discussed how to measure the success of the LSBU group and the proposal to have three 'pillar' KPIs to cover the three academic pillars of the Corporate Strategy, 2020-25, measuring social, personal and economic impact of the Group.

The meeting supported the direction of travel and commented as follows:

- need more focus on destinations of students and an output measure of student success;
- how is the success of the parts of the group working together measured?;
- how is performance around diversity measured?
- is the target on research and enterprise ambitious enough?

Afternoon session: LSBU Board, SBA Chair and Group Executive

Key challenges, threats and opportunities (David Phoenix)

The Board discussed the key challenges, threats and opportunities for LSBU. The two key areas of focus for the University are:

- Distinctiveness; and
- Quality and impact.

Discussed the position of LSBU in the HE sector. The University is investing in, and raising its, research profile and expects to improve its performance in the REF in 2021. It has risen rapidly in the league tables while maintaining its entry tariffs and a surplus.

The Board discussed how to address challenges with meeting the 2025 group consolidated income target of £250m, including:

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- Continued improvements in progression;
- Acquisitions of academies to grow SBA to achieve “critical mass”, although this is not profitable income growth;
- Investing in international student recruitment; and
- Reviewing opportunities to offer distance learning.

The Board noted the need to invest in ‘enablers’ to address past underinvestment but that this alone would not enable achievement of the 2025 income target. The Board agreed that prioritised investment in the strategic growth areas was key.

*LSBU Governance team
October 2019*

Attendance

Board of Governors: Jerry Cope (Chair), Douglas Denham St Pinnock (Vice-Chair), David Phoenix (Vice Chancellor & CEO), Duncan Brown, John Cole, Michael Cutbill, Peter Fidler, Nelly Kibirige, Hilary McCallion, Mee Ling Ng, Jeremy Parr, Rashda Rana, Tony Roberts, Deepa Shah and Vinay Tanna

Additional Members of South Bank Academies Board: Hitesh Tailor (Chair)

Members of the Executive: Pat Bailey, Provost
Richard Flatman, Group Chief Financial Officer
Paul Ivey, Chief Business Officer
Nicole Louis, Chief Customer Officer
Fiona Morey, Executive Principal of Lambeth College & PVC (Compulsory & FE)
James Stevenson, Group Secretary & Clerk to the Board of Governors

Key Group colleagues: Stuart Bannerman, Director of International
Asa Barber, Dean of Engineering

Steven Brabenec, Director of Marketing and Recruitment

Patrick Callaghan, Dean of Applied Sciences

Alison Chojna, Acting Director of Academic Related Resources
Kirsteen Coupar, Director of Student Support and Employability
Sarah Cowley, Interim Director of Organisational Development
Dan Cundy, Executive Principal of South Bank Academies

Philip Cunniffe, Assistant Principal of Lambeth College

Natalie Ferer, Group Financial Controller

Janet Jones, Dean of Arts and Creative Industries

Marc Griffiths, Interim Director of Academic Quality and Enhancement

Monica Marongiu, Assistant Principal of Lambeth College

Kath Mills, Director of Brand and Communications

Sarah Moore-Williams, Dean of Business

Marcelle Moncrieffe-Johnson, Executive Director of People and Organisation

George Ofori, Dean of Built Environment and Architecture

Richard Poulson, Deputy Director of Estates and Academic Environment for Carol Rose, Director of Estates

Hassan Rizvi, Deputy Principal of Lambeth College

Ralph Sanders, Director of Finance and Management Information

Mike Simmons, Director of Corporate Affairs

Warren Turner, Dean of Health and Social Care

Michael Webb, Chief Financial Officer of Lambeth College

With: Michael Broadway, Deputy University Secretary

Apologies: Steve Balmont, SBC director

Craig Barker, Dean of Law and Social Sciences

Jennifer Brathwaite, SBC director

Richard Duke, Director of Strategy and Planning

Tony Giddings, SBA director

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Ruth Farwell, Chair of SBC Board

Mark Lemmon, LSBU governor

Chris Mallaband, SBA director

Lesley Morrison, SBA director

Adesewa Ogunyomi, SBC director

Andrew Owen, SBC director

Nazene Smout, LSBU governor