

**Meeting of the Board of Governors**

**3.00pm on Thursday, 21 March 2013**  
**in 1B33, Technopark, London Road, London SE1**

**Agenda**

<i>No.</i>	<i>Item</i>	<i>Paper No.</i>	<i>Presenter</i>
1.	Welcome and apologies <ul style="list-style-type: none"> <li>• To welcome new governors</li> </ul>		Chair
2.	Declarations of Interest <i>Governors are required to declare any interest in any item of business at this meeting</i>		Chair
2.1	Conflict of Interest Declaration update	BG.00(13)	Chair
3.	<b>Chairman's Business</b>		
3.1	Minutes of previous meeting (for publication)	BG.01(13)	Chair
4.	Matters arising		Chair
5.	<b>Vice Chancellor</b>		
5.1	Appointment of new Vice Chancellor	BG.02(13)*	Chair
6.	<b>University Strategy</b>		
6.1	Student recruitment, 2013/14 (to note)	BG.03(13)	PVC(E)
6.2	HEFCE Grant settlement, 2013/14 (to note)	Verbal update	EDF
6.3	Revised five year financial forecasts (to approve)	BG.04(13)	EDF
6.4	OFFA Access Agreement, 2014/15 (to approve)	BG.05(13)	PVC(A)
6.5	Educational Character statement (to approve)	BG.06(13)	PVC(A)
7.	<b>University Performance</b>		
7.1	Vice Chancellor's Report (to note)	BG.07(13)^	VC

\* Late paper – final interviews by the Vice Chancellor Appointment Committee are taking place on Tuesday 19<sup>th</sup> March

^ Paper to follow

# London South Bank University

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|-----|--|-----------|------------------|
| 7.2 | Progress on External Reporting (to note)           | BG.08(13) | PVC(A)           |
| 7.3 | Management Accounts summary (to note)              | BG.09(13) | EDF              |
| 8.  | <b>Committee Business</b>                          |           |                  |
| 8.1 | Reports from committees (to note)                  | BG.10(13) | Committee chairs |
| 8.2 | Perry Library upgrade (to approve)                 | BG.11(13) | PVC(A)           |
| 8.3 | Grievance procedures (to approve)                  | BG.12(13) | VC               |
| 8.4 | National Pay Negotiations (to approve)             | BG.13(13) | VC               |
| 8.5 | Pensions auto enrolment policy (to approve)        | BG.14(13) | EDF              |
| 9.  | <b>Governance</b>                                  |           |                  |
| 9.1 | Risk Register (to note)                            | BG.15(13) | EDF              |
| 9.2 | Charitable Funds review (to approve)               | BG.16(13) | Sec              |
| 9.3 | Health and Safety annual report (to note)          | BG.17(13) | VC               |
| 10. | Date of next meeting: 4pm on Thursday 23 May 2013. |           |                  |

Please note that the annual meeting of the University Court will take place at 5.30pm in the Student Centre, following today's meeting.

Members: David Longbottom (Chair), Dame Sarah Mullally (Vice Chair), Martin Earwicker (Vice Chancellor), Anisa Ali, Barbara Ahland, Steve Balmont, Douglas Denham St Pinnock, Ken Dytor, Mee Ling Ng, Hilary McCallion, Sir David Melville, Anne Montgomery, Andrew Owen, Diana Parker, Shushma Patel, James Smith and Jon Warwick.

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

	PAPER NO: BG.00(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Conflict of Interest Declaration update	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsor:	David Longbottom, Chairman of the Board of Governors	
<b>Recommendation:</b>	That the Board authorise the declared interest	
Aspect of the Corporate Plan to which this will help deliver?	N/A - Compliance with Companies Act 2006	
Matter previously considered by:	Annually by the Board	Oct 2012
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	The Register of Interests is published on the University's website	

### **Executive summary**

1. Under the Companies Act 2006, governors have a duty to avoid a "situation" in which they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of LSBU, unless this has previously been authorised by the Board.
2. Douglas Denham St Pinnock has declared an interest as a supporter and subscriber to the Council for the Defence of British Universities.
3. The Board are requested to authorise the declared interest.

	PAPER NO: BG.01(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Minutes of the meeting of 22 November 2012	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsor:	David Longbottom, Chairman of the Board	
<b>Recommendation:</b>	That the Board approves the minutes of its last meeting and the redactions for publication	
Aspect of the Corporate Plan to which this will help deliver?		
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 university's website	

### **Executive Summary**

The Board are requested to approve the minutes of the meeting of 22 November 2012 and the proposed redactions for publication.

Minutes of a Meeting of the Board of Governors  
held at 4pm on Thursday, 22 November 2012  
in 1B33, Technopark, London SE1

**Present**

David Longbottom	Chairman
Prof Martin Earwicker	Vice Chancellor and Chief Executive
Barbara Ahland	
Steve Balmont	
Douglas Denham St Pinnock	
Ken Dytor	
Sir David Melville	
Anne Montgomery	
Diana Parker	
Prof Shushma Patel	
Prof Jon Warwick	

**External Auditor**                      David Barnes, Grant Thornton (*for minutes 29-42*)

**In attendance**

Dr Phil Cardew	Pro Vice Chancellor (Academic)
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 Dame Sarah Mullally, Anisa Ali, Janet Cattini, Andrew Owen and James Smith.
2. The Board welcomed Barbara Ahland, student governor elected by the Student Council and Professor Patel, staff governor nominated by the Academic Board to their first Board meeting.

**Declaration of Interests**

3. The staff governors and the Chairman, due to his marriage to an employee, declared an interest in the item in the Vice Chancellor's report on pay award (minute 18 below).

# **London South Bank**

## University

4. Richard Flatman and Beverley Jullien, as directors of South Bank University Enterprises Ltd (SBUEL), declared an interest in the proposed gift aid payment to LSBU from SBUEL which the Board would be asked to ratify when approving the accounts (minute 38 below).

### **Minutes of the previous meeting**

5. The Board approved the minutes of the meeting of 3 October 2012 and authorised their publication.

### **Re-election of Vice Chair**

6. The Board re-elected Sarah Mullally to serve as Vice Chair of the Board.

### **Vice Chancellor Appointment Committee update**

7. The Chairman updated the Board on the progress of the Vice Chancellor appointment committee. It was noted that Perrett Laver had been appointed as recruitment consultants to lead the search. Following consultation with governors and staff the job description had been agreed and an advert published.
8. The Board welcomed the news that Professor John Brooks, Vice Chancellor of Manchester Metropolitan University, had kindly agreed to act as the external advisor to the committee. The committee would meet on 20 December 2012 to review the long list of applications. After interviews by Perrett Laver, the committee will meet again on 24 January 2013 to select the final candidate list for final interviews to be held on 6 February 2013.

### **Update on Nominations for Independent Governors**

9. The Chairman updated the Board on progress of the Nomination Committee to identify three suitable candidates for the independent governor vacancies. They had been invited to meet the committee to discuss the role.

### **Resolution under Article 12(a)**

*Professor Patel left the meeting*

10. The Board noted that Professor Patel was married to an employee of the University and that under Article 12(a), the Board were required to consider whether she should continue to serve as a governor.

11. The Board noted the potential for a conflict of interest to arise in the future, particularly in relation to matters affecting staff and their terms of employment. This would be mitigated by requesting Prof Patel to leave the room for items for which the Board agreed she would be conflicted.
12. The Board passed the following resolution:

“That due to her marriage to an employee and in accordance with Article 12.(a), Professor Patel is authorised to serve as a Staff Governor.

That in the future, any potential conflict of interest relating to Professor Patel’s marriage to the employee will be handled by asking her to leave the meeting for that particular item of business”.

*Professor Patel returned to the meeting.*

### **Matters Arising**

13. All matters arising from the previous meeting were covered elsewhere on the agenda.

### **October Strategy Day**

14. The Board noted the summary of the board strategy day held on 18 October 2012 (paper **BG.84(12)**). As had been previously requested, the Executive were developing proposals for discussion at the next strategy day in April 2013.

### **Revised Financial Forecast**

15. The Board discussed in detail the revised financial forecast for 2012/13 with a reforecast surplus of £2.5m (originally budgeted at £7.2m) (paper **BG.85(12)**). The Board noted the revised financial forecast would form part of the annual accountability return submitted to HEFCE in December 2012.
16. The Board discussed the autumn 2012 phase of student recruitment and its impact on the financial position of the University. To date, the overall shortfall against budget was c.9% year on year. It was noted that it was unclear whether the decline in student numbers across the sector would continue in future years. The Executive were currently reviewing options for cost saving measures and the level of future tuition fees.

17. The Board approved the revised financial forecast.

### **Vice Chancellor's Report**

18. The Board noted the Vice Chancellor's report (paper **BG.86(12)**), which updated the Board on the opening of the Student Centre (planned for 26 November 2012), the national pay award of 1% and progress on the University Technical College and University Engineering Academy.  
*Secretary's Note: Under Vice Chair's action the pay award will be paid in the January 2013 payroll.*

### **Reports from Committees**

19. The Board noted the reports from committee meetings (paper **BG.87(12)**).
20. The Board noted an update on SBUEL since its recapitalisation in July 2012. There had been two meetings of the board, chaired by James Smith, independent governor. The two non-executive directors were being recruited. The CEO, Tim Gebbels, had been confirmed in post and had strengthened the enterprise team. The next meeting of the SBUEL board would consider business development. A full report on enterprise would come to the Board in May 2013.

### **Draft Articles of Association**

21. The Board discussed a proposed complete revision of LSBU's Articles of Association (paper **BG.88(12)**), which had been reviewed by the Policy and Resources Committee. The draft revisions were noted.
22. The Board discussed in detail the proposed article on academic freedom. The Board requested that the duty to have regard to academic freedom should rest with the Board of Governors.
23. The Board discussed in detail a proposed enabling power to remunerate governors. The Board requested to consider the matter again at its meeting in March 2013 after consultation with the joint unions on this and all the proposed revisions.

### **Pensions Update**

24. The Board noted an update on the establishment of a defined contribution pension scheme (paper **BG.89(12)**). The Board requested the Human



Resources Committee to supervise the project and that the final decision regarding the scheme is brought to the Board for approval.

### **Risk Register**

25. The Board noted the risk register which had been reviewed and updated by the Executive following discussion at the Board meeting of 3 October 2012 (paper **BG.90(12)**). The Board requested the Executive to review the risk of reputational damage around accepting donations.

### **HEFCE Assessment of Institutional Risk**

26. The Board noted HEFCE's assessment of institutional risk of the University as "not at higher risk" (paper **BG.91(12)**).

### **University Engineering Academy**

27. The Board approved the proposal to set up a trust to establish the new University Engineering Academy in Trafalgar Street, Southwark and to invite the Sir John Cass Foundation to be co-sponsors of the Academy (paper **BG.92(12)**).

### **Policy and Resources Committee and Human Resources Committee Terms of Reference**

28. The Board approved revised terms of reference for the Policy and Resources Committee (P&R) and the Human Resources Committee (paper **BG.93(12)**).

*David Barnes of Grant Thornton entered the meeting*

### **Audit Committee Annual Report**

29. The Board discussed the Audit Committee annual report (paper **BG.94(12)**). The Board noted that the two key concerns of the committee were the in year payroll incident and student data quality.
30. It was noted that actions had been taken to address the failure of a number of controls leading to the overpayment to a member of staff in the March 2012 payroll.
31. Governors discussed the actions taken by the Executive over the previous three years which had included the appointment of a new Academic Registrar in November 2011. It was noted that the Audit Committee continued to

monitor progress on the action plan for data quality at each meeting. The Board requested an update on data quality at its next meeting.

### **Report from the Policy and Resources Committee on the Accounts**

32. The Board noted the report on the University's accounts and the Student Union's accounts from P&R (paper **BG.95(12)**).

### **Key Issues Memorandum**

33. The Board noted the key issues memorandum from Grant Thornton (paper **BG.96(12)**), which had been reviewed in detail by the Audit Committee.

### **Letter of Representation**

34. The Board approved the letter of representation by the Board to Grant Thornton and authorised the Chairman to sign it on behalf of the Board (paper **BG.97(12)**).

### **Annual Report and Financial Statements for year ended 31 July 2012**

35. The Board discussed the annual report and financial statements for the year ended 31 July 2012 (paper **BG.98(12)**), which had been reviewed in detail by the Audit Committee and P&R.
36. The Board noted that the £3m write down of stabilisation works on the terraces was now shown separately as impairment rather than depreciation.
37. The Board noted that the paragraph on going concern had been revised following the revised financial forecast but that the conclusion remained the same.
38. The Board ratified the gift aid payment of £648,240 from SBUEL to the University and authorised the situational interests of all the directors of the SBUEL Board, with regard to their roles within the University.
39. After careful consideration, the Board approved the annual report and financial statements for the year ended 31 July 2012 and authorised signature by the Chairman and Vice Chancellor on behalf of the Board.

### **Students' Union Annual Report and Financial Statements for year ended 31 July 2012**

# London South Bank University

40. The Board noted the Student Union's annual report and financial statements for the year ended 31 July 2012 (paper **BG.99(12)**), which had been reviewed by the Audit Committee and P&R and approved by the Students' Union trustee board.

## **HEFCE Reporting**

41. The Board approved the annual accountability return for submission to HEFCE (paper **BG.100(12)**).

## **Date of next meeting**

42. The next meeting will be held at 3pm on Thursday 21 March 2013, to be followed by the meeting of the University Court.

The Chairman closed the meeting. The forty-second annual general meeting then followed.

## **Confirmed as a true record:**

..... (Chairman)

**Board of Governors**

**22 November 2012**

**Action Sheet**

<b>Minute</b>	<b>Action</b>	<b>By whom</b>	<b>Status</b>
5.	Publish minutes	Sec	Completed
20.	Enterprise report to May Board	PVC(E)	On May Board agenda
22.	Consultation with joint unions on Articles	Sec	Ongoing
22.	Revised articles on March Board agenda	Sec	Will go to May 2013 Board
23.	Appointment of pension provider to Board for approval	EDF	On Board agenda
24.	Review of reputational damage around accepting donations for inclusion on the risk register	EDF	Completed – update in Risk Register paper
30.	Review progress and level of assurance on data quality to next Board meeting	PVC(A)	On Board agenda

	PAPER NO: BG.03(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Student Recruitment Update – 2012/13 outcome and progress 2013/14	
Author:	Lynn Grimes, Director of Marketing and Student Recruitment and Jenni Parsons, Director of Internationalisation	
Executive sponsor:	Bev Jullien, Pro Vice Chancellor (External)	
<b>Recommendation by the Executive:</b>	To note the outcomes of September 2012 recruitment nationally, and progress for 2013/14 intakes	
Aspect of the Corporate Plan to which this will help deliver?	Student choice	
Matter previously considered by:	Executive  Policy and Resources Committee	January 2013  12 March 2013
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	N/A	

### Executive Summary

#### Performance 12/13

- In England, according to UCAS, entry to HE Institutions was down by 51000, or 13% in 2012 relative to 2011. Low tariff institutions and mature students were most affected. Significantly fewer insurance offers were accepted this year, suggesting that first choice institutions chose to be more flexible in their acceptance criteria
- LSBU performed relatively well in this environment – with a decrease in accepted applicants of -4%, the lowest reduction amongst our London competitor group, relative to 2011/12

#### Performance 13/14

- Early signs are that applications for Home and EU are up on last year (+5%) with applications excluding Health up 7.1% which is ahead of the sector (+2.5%).
- A key focus is improving conversion from application to enrolment, with a range of new initiatives, including a programme of “taster” experiences and personal contact from students and tutors.

- Recruitment from partner schools and colleges and the EU is responding well to the targeted approach introduced last year – both of these programmes are being further extended.
- Marketing have introduced a tiered approach to course promotion – and there are signs of positive feedback from key targets, in particular the Law programme (where applications year to date have increased by 20%)
- Work is in progress assessing the performance of the portfolio across the University, and identifying both tactical and strategic responses
- Recruitment of new international students for 12/13 held relative to 2011/12. A programme of further targeted activities is in place for 2013/14 and early signs are that offers and firm acceptances are up.
- It is very early in the cycle, but so far acceptances are up by 58% for UG SNC, by 23% for postgraduate fulltime and by 36% for international students.
- Part-time for both undergraduate and postgraduate continues to be slow.

A verbal update will be given at the meeting with the latest figures.

The Board is requested to note the report.

## Student Recruitment Report to the P & R Committee, March 2013

### 2012/13 Home and EU Market performance

UCAS has now published their end of cycle review:

- In England, after adjustment for deferrals, entry to HE was down by 51k, or 13% compared to 2011. Low tariff institutions were the most affected. Over 21s were impacted significantly more than younger students
- Most students made 5 choices, and significantly more received 5 offers than in previous years, reducing conversion rates
- Insurance accepts were down by 25% - possibly indicating flexibility from the first choice institutions
- Although numbers were different, the shape of the curves for applications and offers was similar in 12 to 11 – so it is reasonable to use comparison with previous years in tracking 13/14
- There was a record acceptance of 18 year olds to higher tariff institutions (probably indicative of flexibility in grades accepted) – including students from disadvantaged backgrounds (up by 10%)
- Half of all entries were for fees (before discounts / waivers) of £9k. The average fee at lower tariff institutions was £7919 – no evidence that a low fee is a positive differentiator between similar institutions
- There was a drop in acceptance rate from EU students, and markedly from non-EU internationals
- Reasons for declining an offer, from both placed and unplaced students showed a very strong increase in academic reputation, and to a lesser extent employment prospects. The sharpest decrease was “unrealistic offers” (once again, suggesting increased flexibility from high tariff institutions). Scholarships and bursaries were relatively low as an influencing factor

### LSBU Relative Performance

It is not possible to compare final enrolment figures between institutions, but based on accepted offers, LSBU performed well compared to its competitors, with a reduction of accepted applicants of -4%. London Metropolitan was the weakest performer, with a reduction of 43% - although this was compared to a year in which they heavily over-recruited

Institution	Applications (Choices) 2012	Accepted Applicants 2012	Applications (Choices) 2011	Accepted Applicants 2011	Applications (choices) annual change	Applications (choices) %	Accepted Applicants annual change	Accepted Applicants %
University of East London	18,707	4,385	22,634	5,510	-3927	-17%	-1125	-20%
University of Greenwich	31,345	4,034	35,425	5,223	-4080	-12%	-1189	-23%
Kingston University	39,341	6,210	46,540	6,809	-7199	-15%	-599	-9%
London Metropolitan University	21,446	4,079	25,467	7,209	-4021	-16%	-3130	-43%
London South Bank University	22,093	3,740	24,410	3,893	-2317	-9%	-153	-4%
Middlesex University	30,307	4,139	31,314	4,619	-1007	-3%	-480	-10%
Roehampton University	7,836	2,254	10,498	2,455	-2662	-25%	-201	-8%
The University of West London	16,581	2,394	15,872	2,742	709	4%	-348	-13%
University of Westminster	24,950	4,503	27,395	5,088	-2445	-9%	-585	-11%

### LSBU performance in Schools and Colleges

Enrolments from the top 20 target institutions have been analysed, and compared with applications over the last 3 cycles (see appendix 1). Enrolments increased by 50% since 2010, to a total of 790 (including Health students). Conversion ranges from 6% to over 20% between institutions, with an average of 14.5%. In 2013/14, the number of partner institutions has been increased to 40, and engagement increased, to improve conversion

### Feedback from decliners

The results of the LSBU decliner survey show that the main reasons are fit with course requirements and location. The top 3 institutions which students chose to go to instead were Westminster, Middlesex and Greenwich

A top priority for this year and beyond is to improve conversion, and position LSBU as institution of choice

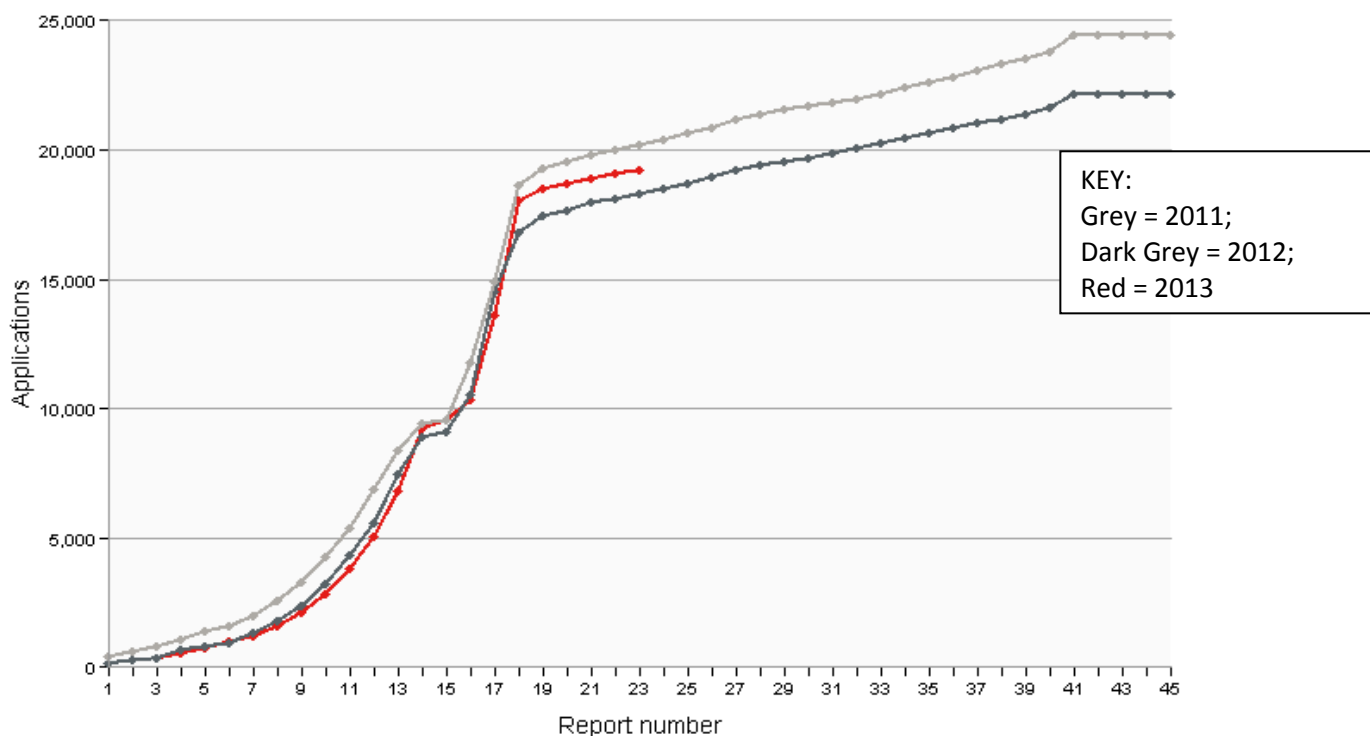
## Undergraduate Full time Recruitment: 2013/14

LSBU is tracking ahead of 2012/13 and ahead of the national trend and the competitive group, although recruitment to the sector and LSBU remains down compared to 2011/12.

	2011	2012	2013	% Change 2011/2013	% Change 2012/2013
LSBU Applications	20,183	18,306	19,225	-4.75%	5.02%
UCAS Applications (Nationally)	2,638,369	2,455,830	2,517,239	-4.59%	2.50%
Competitor Applications	149,736	135,605	129,720	-13.37%	-4.34%

UCAS Application Tracker for 2013/14 as at 27.02.13

## Application Chart (from UCAS Application Tracker)





Within subject areas, there has been a significant improvement in Law, up 20% from last year and close to 2011/12 performance. This may be due to a targeted marketing campaign, and the launch of differentiated programme titles. Psychology, applied science and allied health are also tracking ahead of 2011 as well as 2012. Of concern are Arts and media, Social Science, Business studies, the Built Environment, Urban engineering and Social Care, which are tracking below both cycles

Faculties - Applications	LAST YEAR TO DATE (LYTD)			2013 Apps	% - (2012/2013)
	2011 Apps	2012 Apps	% - (2011/2012)		
Arts and Media	747	624	-16.47%	540	-13.46%
Culture, Writing and Performance	1074	912	-15.08%	1032	13.16%
Education	82	82	0.00%	73	-10.98%
Law	757	625	-17.44%	751	20.16%
Psychology	819	721	-11.97%	851	18.03%
Social Science	811	633	-21.95%	602	-4.90%
Urban, Environment and Leisure Studies	249	241	-3.21%	286	18.67%
<b>Faculty AHS Total</b>	<b>4539</b>	<b>3838</b>	<b>-15.44%</b>	<b>4135</b>	<b>7.74%</b>
Accounting and Finance	630	527	-16.35%	625	18.60%
Business Studies	1496	1059	-29.21%	991	-6.42%
Informatics	574	487	-15.16%	514	5.54%
National Bakery School	20	36	80.00%	57	58.33%
<b>Faculty BUS Total</b>	<b>2720</b>	<b>2109</b>	<b>-22.46%</b>	<b>2187</b>	<b>3.70%</b>
Applied Science	891	823	-7.63%	1031	25.27%
The Built Environment	804	660	-17.91%	642	-2.73%
Engineering and Design	720	560	-22.22%	622	11.07%
Urban Engineering	294	299	1.70%	263	-12.04%
<b>Faculty ESBE Total</b>	<b>2709</b>	<b>2342</b>	<b>-13.55%</b>	<b>2558</b>	<b>9.22%</b>
Adult Nursing and Midwifery	4086	4704	15.12%	4936	4.93%
Allied Health Professionals	1513	1539	1.72%	1742	13.19%
Childrens Nursing	1910	1231	-35.55%	1397	13.48%
Mental Health and Learning Disabilities	1332	1046	-21.47%	1072	2.49%
Primary and Social Care	2040	1509	-26.03%	1198	-20.61%
<b>Faculty HSC Total</b>	<b>10881</b>	<b>10029</b>	<b>-7.83%</b>	<b>10345</b>	<b>3.15%</b>
<b>University</b>	<b>20849</b>	<b>18318</b>	<b>-12.14%</b>	<b>19225</b>	<b>4.95%</b>
<b>University (excluding HSC)</b>	<b>9968</b>	<b>8289</b>	<b>-16.84%</b>	<b>8880</b>	<b>7.13%</b>

UCAS Application Tracker for 2013/14 as at 25.02.13

## Domicile Break Down

It is encouraging to note the strong improvement in EU applications, albeit from a small base. This follows the decision to actively promote in the EU from April, 2012

	2011	2012	2013	% Change 2011/2013	% Change 2012/2013
UK Applicants	18,796	17,138	17,766	-5.48%	3.66%
EU Applicants	861	673	898	4.30%	33.43%

**Offers and Acceptances All Programme Areas: Performance to date, Semester 1 (2013/14) as at 25<sup>th</sup> February 2013 Home and the EU**

It is very early in the cycle, but so far there is a good increase in firm acceptances in all areas apart from Post graduate part-time.

Level	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 - SNC Only)	290	183	58.47 %	6,113	5,442	12.33 %	9,330	8,587	8.65%
UNDERGRADUATE (PART-TIME)	40	33	21.21 %	38	54	- 29.63 %	186	193	-3.63%
POSTGRADUATE (FULL-TIME)	174	141	23.40 %	128	102	25.49 %	2,146	1,483	44.71%
POSTGRADUATE (PART-TIME)	55	62	- 11.29 %	14	22	- 36.36 %	150	157	-4.46%

**Ongoing Action plan – all programmes**

Conversion is a top priority, and a major programme is ongoing:

- “head start” events for undergraduate applicants to come and visit the university
- Student contact centre live from February, to engage personally with those with offers
- Personalised approach for all post graduate offer holders, including dedicated resource in the business faculty to build a rapport with individuals

In addition:

- Focused campaign work on specific programmes that the faculties have identified as areas of importance – this is across the full advertising mix
- The EU programme is on-going following the first agent event conducted late in 2012. Market focus includes France, Germany, Italy, Spain, Sweden, Denmark, Romania, Bulgaria, Cyprus and Greece
- Employer sponsor contact and follow up is being conducted systematically by the Faculty and / or central team, focusing on part-time students. A university-wide strategy is being prepared to ensure a fully coordinated approach is maintained and supported
- The “keep warm” programme is ongoing, and includes telephone contact with all students potentially eligible for the scholarship programme
- There is a special breakfast meeting with college principals focusing on Access students
- A Clearing Steering Group has been created and lead by the Marketing and Student Recruitment team, to ensure that early preparation for this significant recruitment period is exploited
- A project group is working to introduce a new suite of programmes for Semester 2 entry, which will also serve international students
- 2014/15 application pool development has started

## International: All Programme Areas: Performance to date, Semester 1 (2013/14) (as at 27 February 2012)

It is very early in the cycle, but results from acceptances are up 36% with a particularly strong performance in Postgraduates and offers by 39%. Total applications have increased from 1353 to 1828 (+35%).

Level	Firms (CYTD)	Firms (LYTD)	% change	Offers (UO & CO) CYTD	Offers (UO & CO) LYTD	% change
<b>LSBU Total</b>	<b>290</b>	<b>214</b>	<b>36</b>	<b>705</b>	<b>509</b>	<b>39</b>
UG	28	28	<b>0</b>	438	298	<b>47</b>
PG	258	185	<b>39</b>	267	210	<b>27</b>

In addition to the extensive visit plan to market in the next few months to support current feeders and agents, and on-going marketing campaign, the following actions are being undertaken:

- Dedicated marketing officer in place for international , with particular focus on social media
- New markets have opened up and are being exploited for sponsored students in Qatar and Brazil.
- More market presence in both China and India from Q1
- Expanding the agent network to increase avenues of application generation from Q1.
- Expansion of engagement with North America
- Increased offering for Semester 2
- Further tailoring of portfolio to match market feedback
- Increased personal engagement with students who have offers, both in market and online, to improve conversion
- LSBU has also just received excellent feedback from the international students satisfaction survey (“I Grad”). This survey was conducted before the Student Centre was opened but following implementation of a cross-university improvement plan. LSBU is first for the overall arrival experience and top 20% for satisfaction with applications to offer. 90% of students are satisfied overall with LSBU (91% postgraduate and 88% undergraduate). There is a substantial improvement across almost all parameters compared to last year, although still below benchmark on active recommendation to apply.
- The team is working to further improve areas of relative weakness such as opening a bank account and accommodation condition and it is expected that the weak performance of the Students Union (bottom in all competitive groups) will improve following the recent changes in governance

## Actual Students by Tier One Colleges - 3 Year Application to Enrolment Comparison

Borough	School or College	# 16-18 yo	Applications to LSBU				Actual Enrolments to LSBU				Conversion of Application to Enrolments			
			2009/10	2010/11	2011/12	2012/13	2009/10	2010/11	2011/12	2012/13	2009/10	2010/11	2011/12	2012/13
Wandsworth	South Thames College	-	186	177	256	492	14	38	16	62	7.53%	21.47%	6.25%	12.60%
Islington	City & Islington sixth form	3954	87	74	82	280	9	22	25	44	10.34%	29.73%	30.49%	15.71%
Lambeth	Lambeth College	1787	161	236	294	284	27	38	36	44	16.77%	16.10%	12.24%	15.49%
Barking and Dagenham	Barking and Dagenham College	2794	-	-	124	246	5	12	28	42	-	-	22.58%	17.07%
Croydon	Croydon College	2653	207	171	258	361	27	36	22	40	13.04%	21.05%	8.53%	11.08%
Newham	Newham Sixth Form College (New Vic)	2599	217	289	325	311	9	13	13	40	4.15%	4.50%	4.00%	12.86%
Newham	Newham College of Further Education	1215	262	306	308	270	7	24	20	37	2.67%	7.84%	6.49%	13.70%
Westminster	City of Westminster College	2254	114	145	110	118	3	28	31	33	2.63%	19.31%	28.18%	27.97%
Richmond upon Thames	Richmond upon Thames College	4172	111	100	101	106	9	20	8	33	8.11%	20.00%	7.92%	31.13%
Waltham Forest	Waltham Forest College	1496	188	166	186	211	12	18	10	31	6.38%	10.84%	5.38%	14.69%
Waltham Forest	Leyton VI Form College, London	1882	111	94	93	113	5	19	10	30	4.50%	20.21%	10.75%	26.55%
Southwark	Southwark College	914	187	162	183	216	24	30	16	28	12.83%	18.52%	8.74%	12.96%
Tower Hamlets	Tower Hamlets College	1796	127	103	221	229	9	21	11	28	7.09%	20.39%	4.98%	12.23%
Westminster	Westminster Kingsway College, London	2053	197	195	199	225	5	29	17	28	2.54%	14.87%	8.54%	12.44%
Greenwich	Greenwich Community College	-	181	195	190	225	5	11	10	27	2.76%	5.64%	5.26%	12.00%
Bromley	Bromley College of Further & Higher Education	1816	107	167	109	182	4	23	16	26	3.74%	13.77%	14.68%	14.29%
Redbridge	Redbridge College	1374	68	88	104	132	5	3	4	25	7.35%	3.41%	3.85%	18.94%
Bexley	Bexley College	969	80	139	144	230	2	13	5	23	2.50%	9.35%	3.47%	10.00%
Lewisham	Lewisham College	2229	178	163	111	155	11	13	20	23	6.18%	7.98%	18.02%	14.84%
Hackney	BSix Brooke House Sixth Form College	1186	58	70	81	116	2	15	6	22	3.45%	21.43%	7.41%	18.97%
Lambeth	Morley College	-	61	74	64	104	1	0	3	19	1.64%	0.00%	4.69%	18.27%
Croydon	Coulsdon College	1198	48	42	46	55	1	13	3	18	2.08%	30.95%	6.52%	32.73%
Hackney	Hackney Community College	1253	154	116	96	106	11	13	18	16	7.14%	11.21%	18.75%	15.09%
Havering	Havering VI Form College	2346	65	69	59	68	1	7	13	16	1.54%	10.14%	22.03%	23.53%
Kensington and Chelsea	Kensington and Chelsea College	-	68	94	113	112	5	9	2	14	7.35%	9.57%	1.77%	12.50%
Kingston upon Thames	Kingston College	3016	109	107	131	180	10	15	7	11	9.17%	14.02%	5.34%	6.11%
Havering	Havering College of Further & Higher Education	3267	64	78	97	111	2	11	17	9	3.13%	14.10%	17.53%	8.11%
Lewisham	Christ the King Sixth Form College	1960	54	43	69	66	2	8	6	6	3.70%	18.60%	8.70%	9.09%
Croydon	Harris Academy 6th Form Consortium	650	5	13	27	65	0	6	1	6	0.00%	46.15%	3.70%	9.23%
Wandsworth	St Francis Xavier 6th Form College	1319	31	22	37	32	6	11	4	6	19.35%	50.00%	10.81%	18.75%
Lewisham	Crossways Academy	599	-	-	24	31	3	7	3	3	-	-	12.50%	9.68%
			<b>3486</b>	<b>3698</b>	<b>4242</b>	<b>5432</b>	<b>236</b>	<b>526</b>	<b>401</b>	<b>790</b>	<b>6.77%</b>	<b>14.22%</b>	<b>9.45%</b>	<b>14.54%</b>
Percentage Increase Year on Year				5.73%	12.82%	21.91%		55.13%	-31.17%	49.24%		52.40%	-50.47%	35.00%

	PAPER NO: BG.04(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Five Year forecasts	
Author:	Richard Flatman, Executive Director of Finance	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
<b>Recommendation by the Executive:</b>	The Executive recommends that Policy and Resources Committee note the position as reported and recommend approval to the Board.	
Aspect of the Corporate Plan to which this will help deliver?	Financial sustainability.	
Matter previously considered by:	Annually  Executive  Policy and Resources Committee	By P&R/Board  14 February 2013  12 March 2013
Further approval required?	N/A	
Communications – who should be made aware of the decision?	HEFCE  All staff	

### **Executive summary**

See attached forecasts.

For long term financial sustainability the target level annual surplus should continue to be 5%. The “target case” demonstrates a clear path to financial sustainability for LSBU and assumes;

- growth in SNC to 2,750 compared with the reduced level of 2,500 in 2012/13

- year 1 progression rising from 61% to 65% over the planning cycle
- £1m cost saving in 2013/14
- a move to a fee of £9,000 in 2014/15 with fee inflation from 2015/16 onward
- additional contribution from new income rising to £3.2m pa by 2017/18 based on contribution of 20% on new income of £16m
- 5 year capex investment of £110m.

A range of surplus and cashflow scenarios over the 5 years are included in the forecasts. The resulting forecast surplus in 2017/18 in the target case would be £5.7m (3.4%) and the cash balances are forecast not to fall below the previously agreed minimum level of £20m throughout the planning cycle. Furthermore, LSBU's loan facilities are not planned to increase.

The assumptions have been reviewed and approved as realistic/achievable by the Executive although it should be noted that achieving the forecasts requires delivering agreed targets as set out in the assumptions underpinning the model. As noted in the presentation, there are risks associated with these. However, the financial model assumes increased investment which therefore provides some flexibility in terms of delivery and our ability to manage our way through what is a period of continued financial uncertainty.

The Board is asked to approve the attached forecasts.

Attached: 5YR forecast presentation



**London South Bank**  
University

# 5 Year Financial Forecast

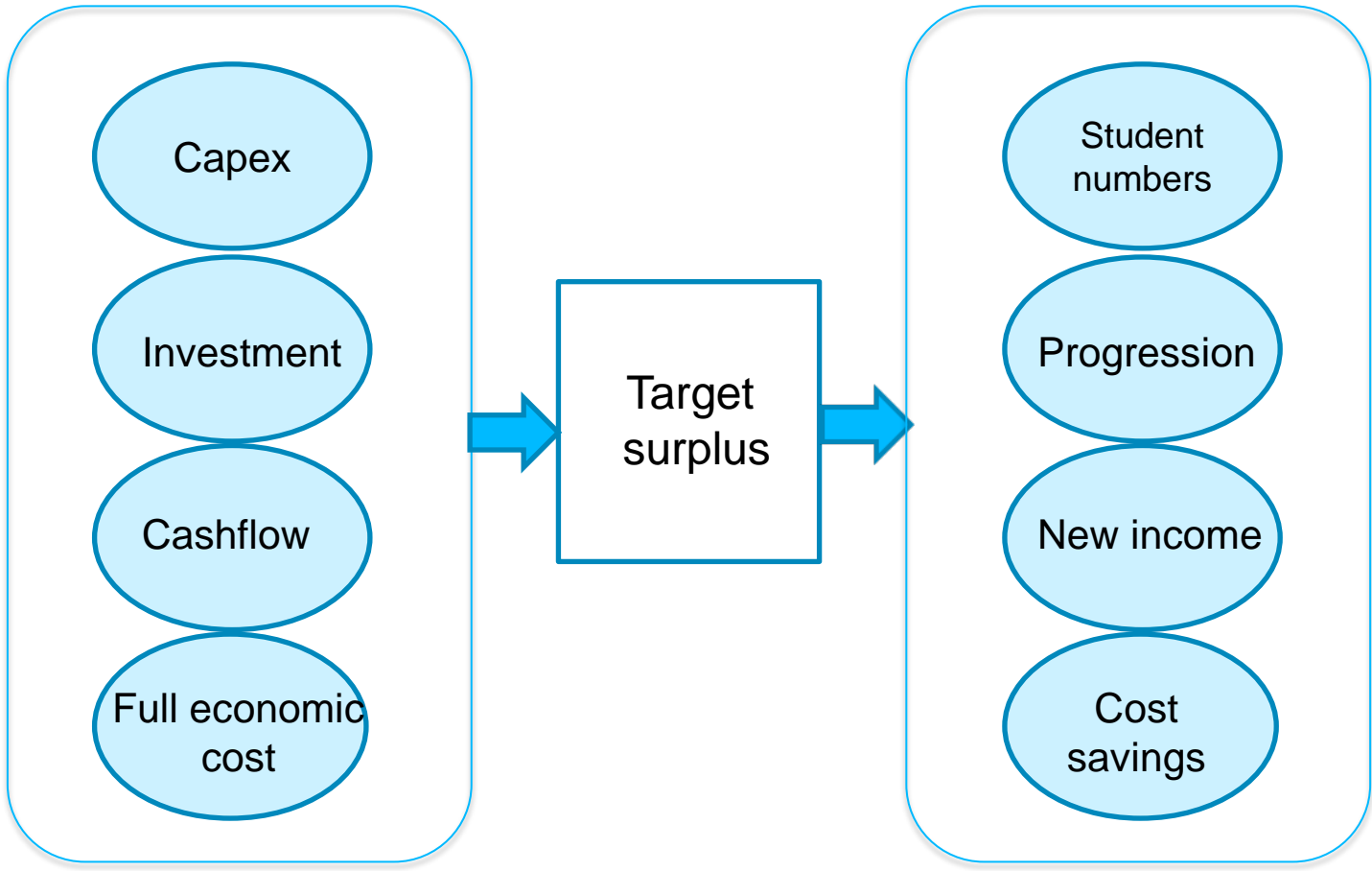
March 2013



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# Key considerations



## Full economic cost

		2010/11	2011/12
		£m	£m
Income		144.9	138.2
Expenditure		135.0	131.7
Surplus		9.9	6.5
Impairment		0.0	2.9
Adjusted surplus		9.9	9.4
Target return			
Assets		3.7	4.0
Expenditure		3.8	3.8
		7.5	7.8
Infrastructure adjustment		3.3	3.1
Total expected return		10.8	10.9
Sustainability gap		0.9	1.5
Target %		7.45%	7.89%

- Surplus in past 2 years 7%
- FEC methodology indicates surplus target of 7%+ for sustainability
- FEC requirement broadly consistent with cash generation requirement (6.3%) for sustainable investment/liquidity

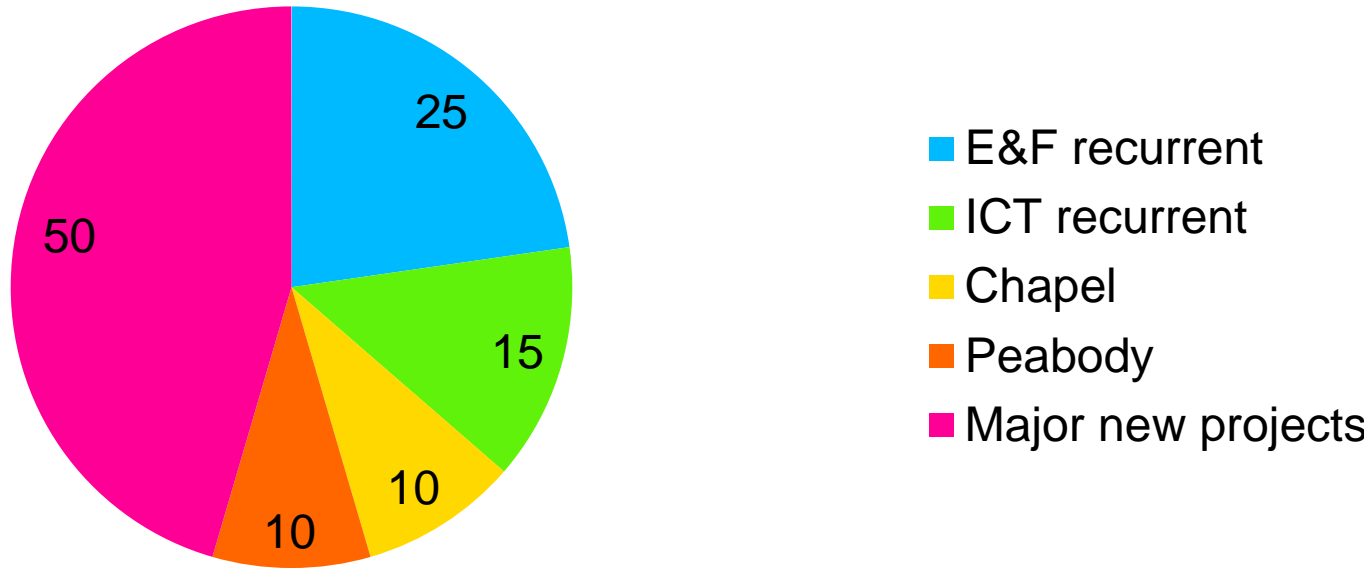
## Historical cost surplus

		2012/13	2011/12	2010/11	2009/10
		forecast	actual	actual	actual
		%	%	%	%
Sector		1.4	4.3	5.7	3.6
LSBU		2.5	7.4*	7.4	4.9

\* Before impairment £3m

# Potential capex over planning period

**Capital expenditure (£m)**

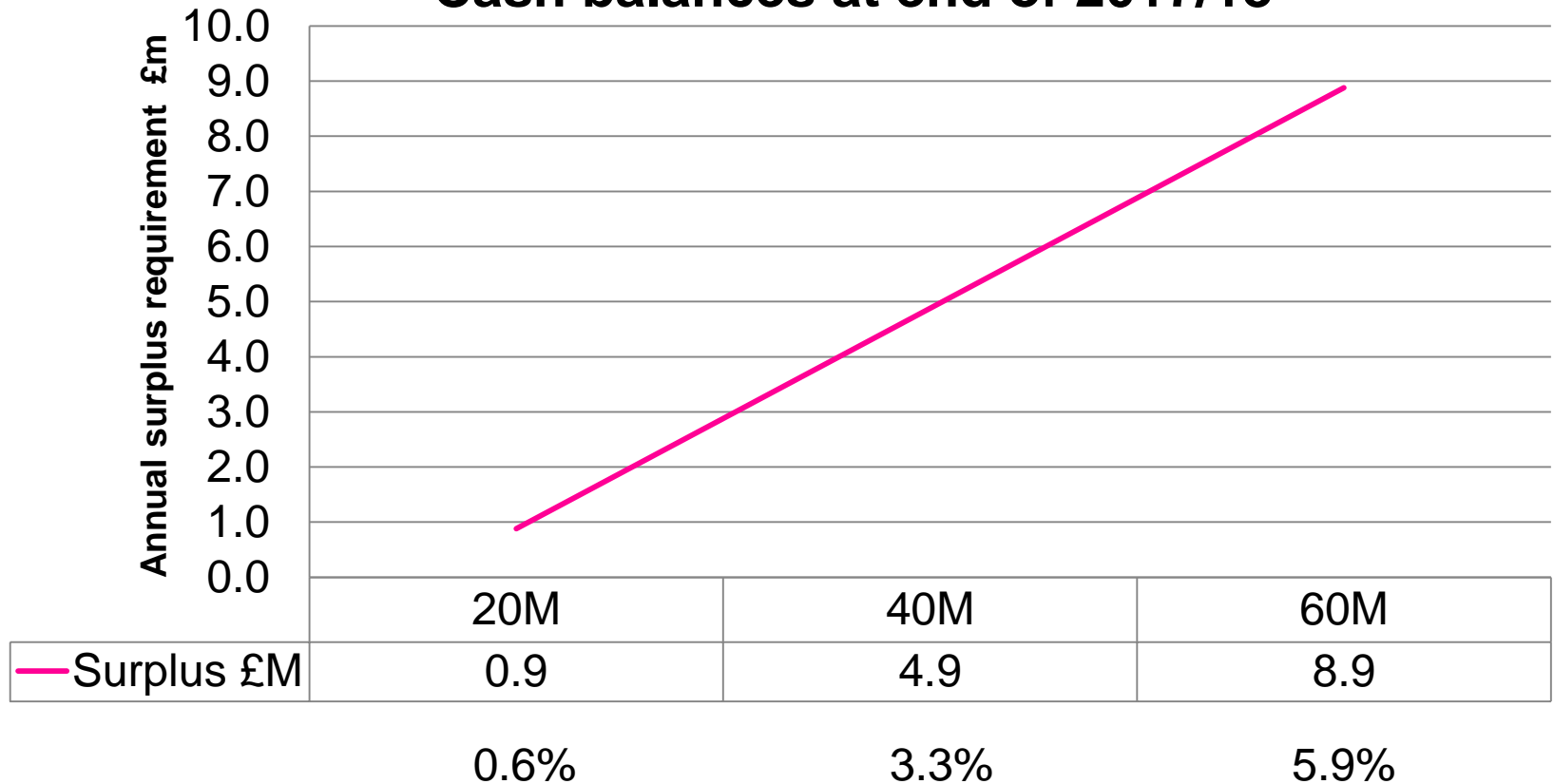


Target investment £110m over 5 year planning cycle compared with average annual spend of £16.8m over last 5 years

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Surplus required to fund £110m investment

**Cash balances at end of 2017/18**

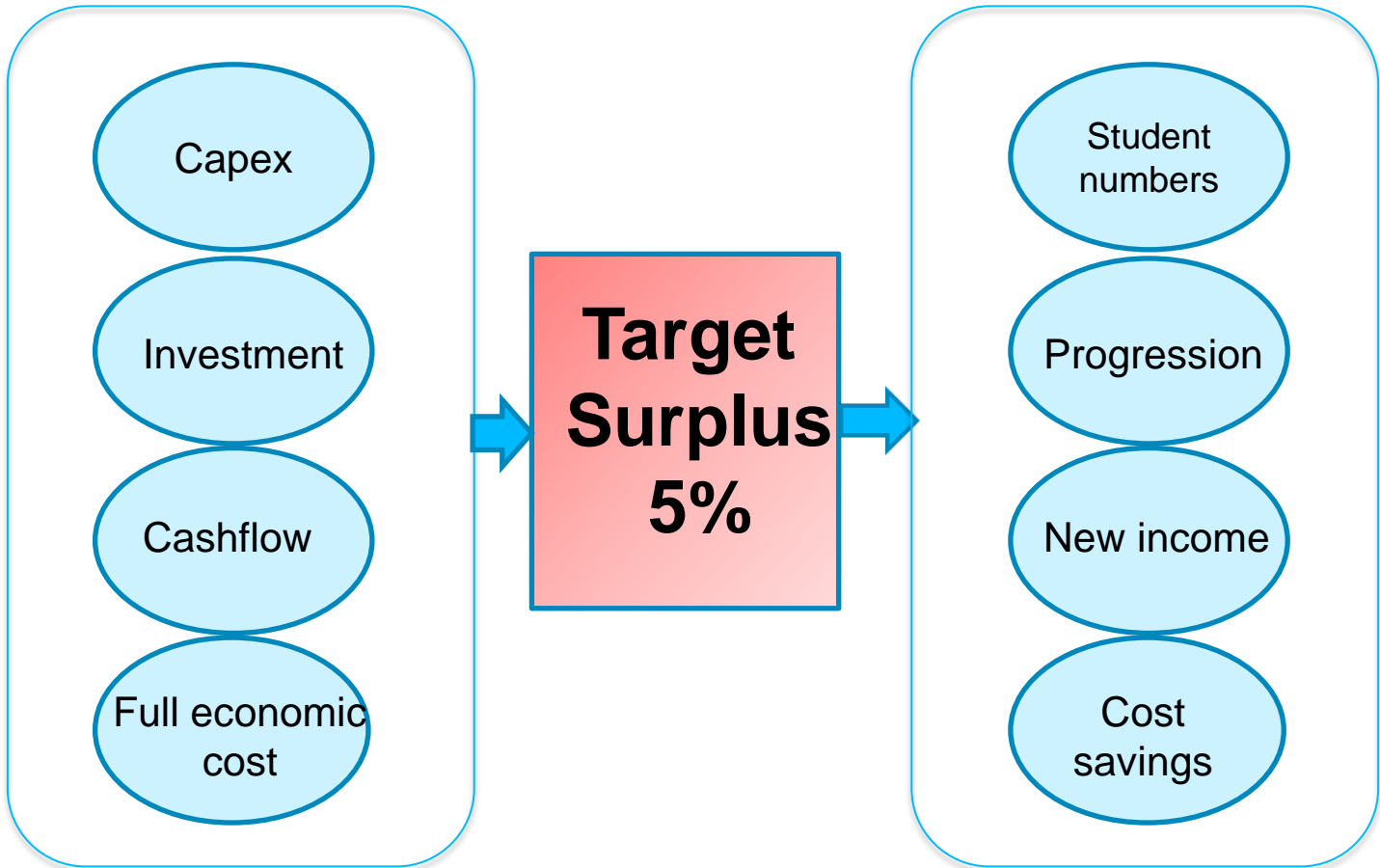


Assuming investment of £110m over 5 years to 31 July 2018  
and opening 2013/14 balance of £63M and £63M non cash charges over 5 years.

**To be cash neutral an average of 6.3% is required**

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# Key considerations



## Base Case - Key assumptions

	Key assumption																																																	
Surplus as % of income	5%																																																	
Funding Council Grant	<ul style="list-style-type: none"> <li>❑ <b>SNC (including AAB+ and margin places) remains stable at current level of 2,500</b></li> <li>❑ HEFCE funding has decreased to £29m in 12/13 and is projected to decrease further to £13.3m by 15/16; a decrease of 69% compared to 10/11.</li> <li>❑ The Core HEFCE Teaching grant decreases by 92% to £3.3m by 15/16 as previously reported;</li> <li>❑ Other HEFCE Teaching grants are projected to increase from £8.4m in 11/12 to £9.9 in 17/18 mainly due to the London Allocation.</li> <li>❑ HEFCE QR and HEIF funding remains relatively stable at £1.8m and £0.8m respectively,</li> <li>❑ Teaching Agency grants decrease from £2m in 11/12 to £0.5m in 17/18; partly offset by std fees at £9k p/a p/std</li> <li>❑ Capital grant funding decreases by £0.5m to £1m p/a in 17/18</li> </ul>																																																	
Academic Fee income	<p>❑ Fees for cohorts starting in 12/13 and 13/14 have been held at £8,450 and assume no inflation increase during the life of the course. Fees for new cohorts have been set at £9,000 from 2014/15. Inflation has been applied post 2015/16. The table below sets out the assumed fee per student by cohort per year :</p> <table border="1"> <thead> <tr> <th>FEE / Student in £</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> </tr> </thead> <tbody> <tr> <td>2012 Cohort</td> <td>£8,450</td> <td>£8,450</td> <td>£8,450</td> <td>£8,450</td> <td></td> <td></td> </tr> <tr> <td>2013 Cohort</td> <td></td> <td>£8,450</td> <td>£8,450</td> <td>£8,450</td> <td>£8,450</td> <td></td> </tr> <tr> <td>2014 Cohort</td> <td></td> <td></td> <td>£9,000</td> <td>£9,000</td> <td>£9,000</td> <td>£9,000</td> </tr> <tr> <td>2015 Cohort</td> <td></td> <td></td> <td></td> <td>£9,270</td> <td>£9,270</td> <td>£9,270</td> </tr> <tr> <td>2016 Cohort</td> <td></td> <td></td> <td></td> <td></td> <td>£9,550</td> <td>£9,550</td> </tr> <tr> <td>2017 Cohort</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>£9,840</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>❑ Income projections have been shown net of fee waivers and bursary costs are modelled to phase out as current cohorts complete their studies.</li> <li>❑ Fee waivers have been modelled to achieve a net UGFT student fee &lt;£7,500 for 2012 Cohort. The average fee increases to £9,000 for the 2014 Cohort and discretionary fee waivers are stopped.</li> <li>❑ NHS Contract income increases by £0.3m to £27.6m in 12/13, but then falls to a new normal of £24.2m by 14/15 in line with forecasts provided by the faculty.</li> <li>❑ No growth in PG or UGPT for 13/14. It has been assumed that income increases by 3% per year thereafter.</li> <li>❑ International income target for 2013/14 is £9.2m compared to £8.9m in 12/13 FYF. It has been assumed that income increases by 3% per year thereafter.</li> <li>❑ Student Progression 1st year to 2<sup>nd</sup> year is modelled at 59%, year 2 onwards at 80%</li> </ul>	FEE / Student in £	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012 Cohort	£8,450	£8,450	£8,450	£8,450			2013 Cohort		£8,450	£8,450	£8,450	£8,450		2014 Cohort			£9,000	£9,000	£9,000	£9,000	2015 Cohort				£9,270	£9,270	£9,270	2016 Cohort					£9,550	£9,550	2017 Cohort						£9,840
FEE / Student in £	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18																																												
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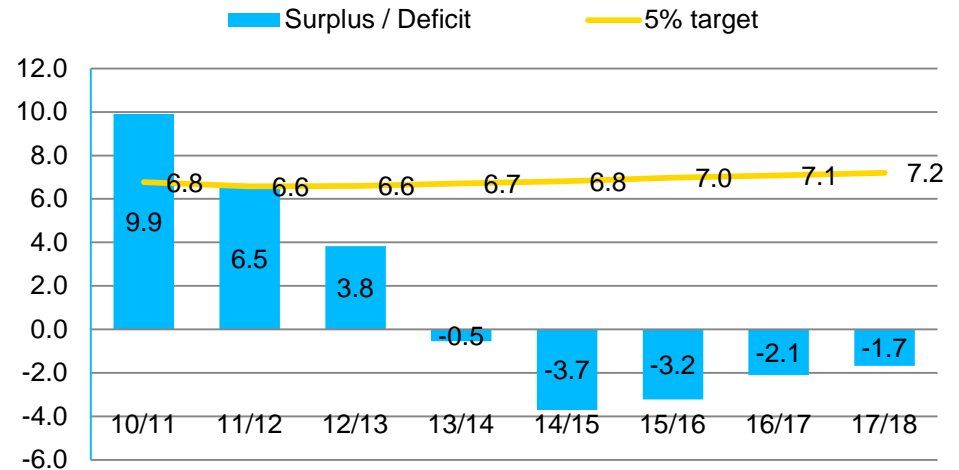
## Base Case - Key assumptions

	Key assumption
Costs	<ul style="list-style-type: none"><li>❑ Staff costs increase year-on-year by 2.5%: 1.5% for increments and 1% pay award</li><li>❑ Bursary costs and Fee Waivers peak at £3.8M in 2013 / 14 and fall to a new normal of 2.3M per year</li><li>❑ Inflation on OPEX 3%</li><li>❑ Estate costs have increased mainly as a result of the new Student centre £0.5m in 12/13, Enterprise centre £0.7m in 13/14 partly offset by savings related to the termination of the Eileen house lease £0.9m.</li><li>❑ Depreciation reduces from £8.2m in 12/13 to £7.9m in 17/18; being the net impact of depreciation of both new investments and existing assets phasing out.</li><li>❑ Investment fund in 12/13 is £2.0m but normalises to £1.5m from 14/15 onward. This includes £0.5m specifically aimed at improving retention.</li><li>❑ Provisions for restructuring reduce from £2.3m in 11/12 to £1.5m going forward.</li><li>❑ Interest decreases from £5.0m in 12/13 to £4.6m in 17/18 as a result of the change in pension interest from RPI to CPI</li><li>❑ No other cost efficiencies have been assumed in the base case</li><li>❑ Total CapEx for the period at £29M based on historic recurrent spend.</li></ul>



## Base case summary

Feb 2013: Projected Surplus with 2,500 SNC @ 59%



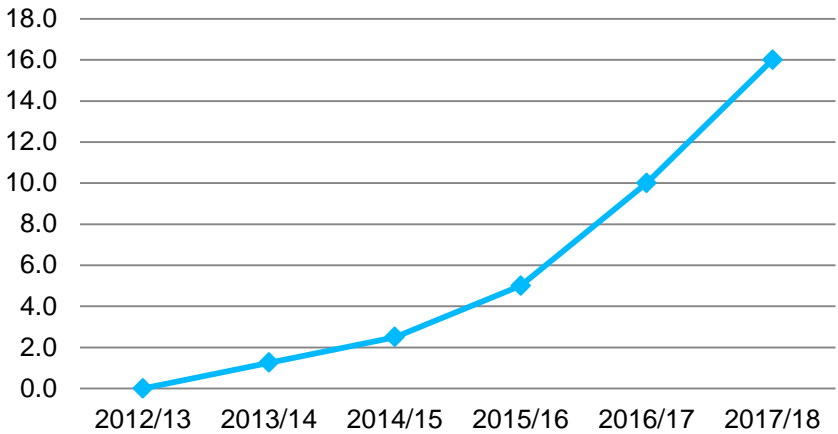
- The previous base case 5 Year forecast, as reported to the Board of Governors in May 2012 assumed an ongoing UG intake target of 3,100 SNC and a projected surplus of £6.6M in 2012/13 and £6.8M in 2013/14.
- 2012/13 UG recruitment was lower than target at 2,500 SNC. The result is a deterioration in profitability of £2.8M in 2012/13 with a reforecast surplus of £3.8M.
- The further £4.0M deterioration in 2013/14 is due to £6.5M grant reduction offset by £4.7 increased UG fees, a £1.7M HSC income reduction offset by increased £1.5M in other activity and a cost increase of £2.0M
- If we assume that 2,500 is the new normal UG intake recruitment, LSBU would deliver an average deficit of £2.2M over the life of the forecast with a reduced Cap Ex spend of £29M but assuming no further action (and assuming progression from Year 1 to Year 2 continues at an average rate of 59%)
- The gap between target profitability of 5% and forecast surplus is approximately £46M over the life of this forecast or £9.2M per year.

## Key Areas of Focus

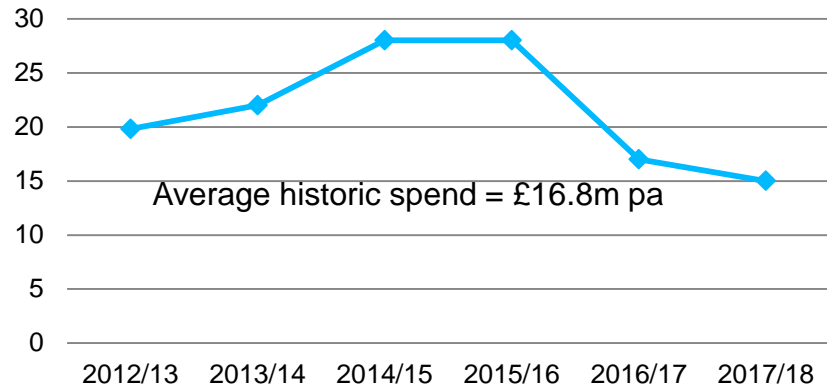
- Short term alignment of LSBU cost base with reduced student numbers
- Improving Progression
- Developing a clear plan for growth in student numbers
- Invest as necessary to deliver required outcomes
- Increasing Overseas Student Income
- Generating profitable Enterprise activities

## Target case assumptions

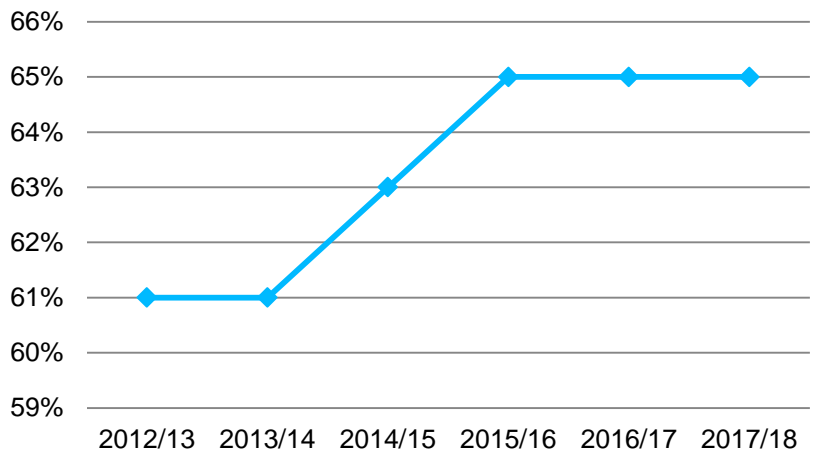
Scenario A new Income £m



Capital Investment £m

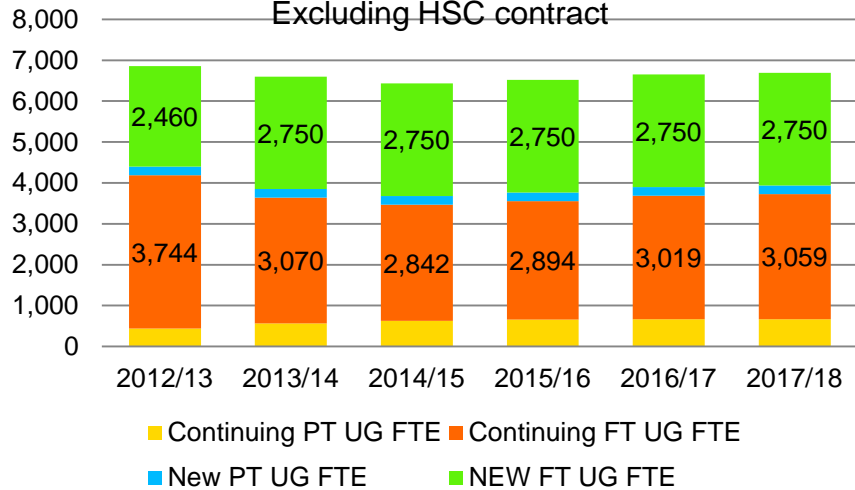


UG Progression



Undergraduate FTE

Excluding HSC contract



# Student numbers

- SNC allocation 2,895
- Base case and current SNC numbers 2,500
- Steady state target 2,750
- SNC unlikely to be removed but could be more liberalisation. Anything below BBB is akin to full liberalisation
- BIS financial model assumes higher student numbers but reducing unit cost
- Focus likely to be on maintenance grants – converting grants to loans
- Acceptance that little price sensitivity
- Continued focus on postgraduate

# Progression

Full Time Undergraduate 1<sup>st</sup> year 2012 to 2<sup>nd</sup> year 2013 progression is estimated at

- AHS @ 67%
- BUS @ 61%
- ESBE @ 55%
- HSC @ 58%
- LSBU Average @ 61%

## Income scenarios and impact on contribution:

Income	Additional income £m in 17/18			
	Frctst 12/13	Scenario A	Scenario B	Scenario C
Home/EU PG	£5.1m	4.0	5.0	6.0
International income	£8.9m	6.0	8.0	10.0
Enterprise income	£7.6m	6.0	8.0	10.0
<b>Total additional income</b>		<b>16.0</b>	<b>21.0</b>	<b>26.0</b>

Contribution*	Additional contribution £m in 17/18			
	Contribution %	Scenario A	Scenario B	Scenario C
Home/EU PG	40%	1.6	2.0	2.4
International income	35%	2.1	2.8	3.5
Enterprise income	20%	1.2	1.6	2.0
<b>Total additional contribution</b>		<b>4.9</b>	<b>6.4</b>	<b>7.9</b>

Surplus	Assumed additional surplus @20%			
		Scenario A	Scenario B	Scenario C
on all activity after allowing for overhead		3.2	4.2	5.2

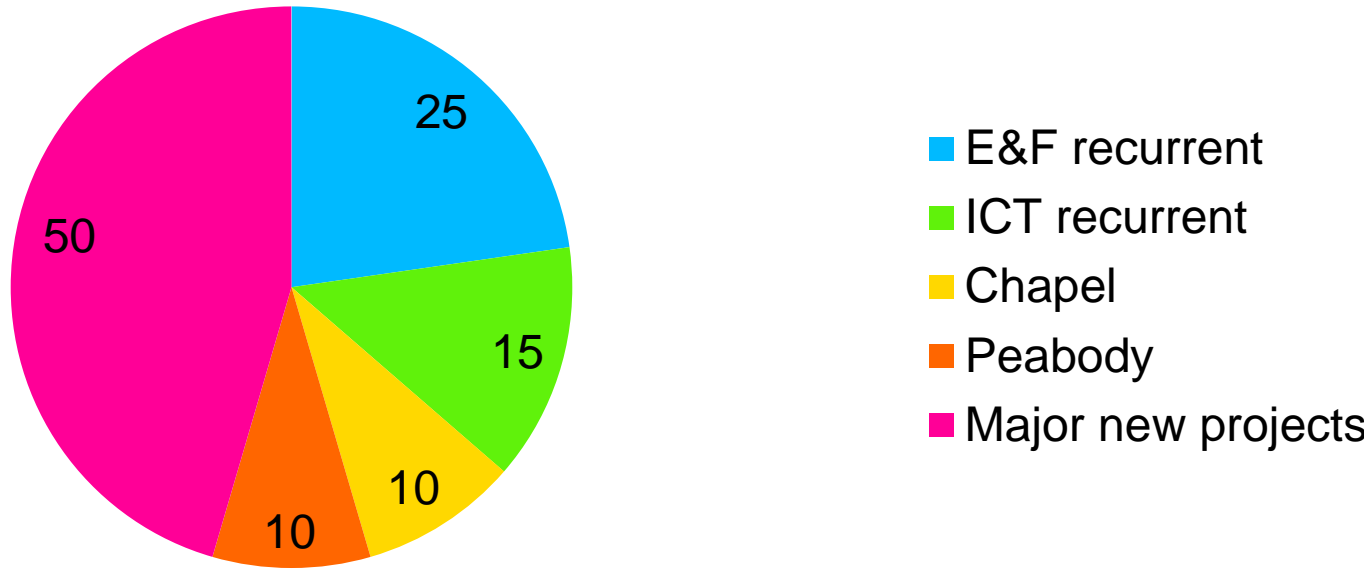
	Revised forecast if income targets achieved			
		Scenario A	Scenario B	Scenario C
1) Base case = 2,500 SNC, 59% progression, £29M Cap Ex		1.5	2.5	3.5
2) Base Stretch = 2,500 SNC, up to 65% progression, £29M Cap Ex		3.7	4.7	5.7
3) Possible case = 2,750 SNC, 59% progression, £29M Cap Ex		6.9	7.9	8.9
4) Target = 2,750 SNC rising to 65% progression, £110M Cap Ex, £1m cost savings		5.7	6.7	7.7
5) Cautious Target = 2,750 SNC rising to 65% progression, £84M Cap Ex, £1m cost savings		7.5	8.5	9.5

Surplus as % of income				
		Scenario A	Scenario B	Scenario C
1) Base case = 2,500 SNC, 59% progression, £29M Cap Ex		1.0%	1.5%	2.1%
2) Base Stretch = 2,500 SNC, up to 65% progression, £29M Cap Ex		2.4%	2.9%	3.4%
3) Possible case = 2,750 SNC, 59% progression, £29M Cap Ex		4.2%	4.7%	5.1%
4) Target = 2,750 SNC rising to 65% progression, £110M Cap Ex, £1m cost savings		3.5%	3.9%	4.4%
5) Cautious Target = 2,750 SNC rising to 65% progression, £84M Cap Ex, £1m cost savings		4.5%	5.0%	5.4%

\*Contribution % are a best estimate

# Potential capex over planning period

**Capital expenditure (£m)**

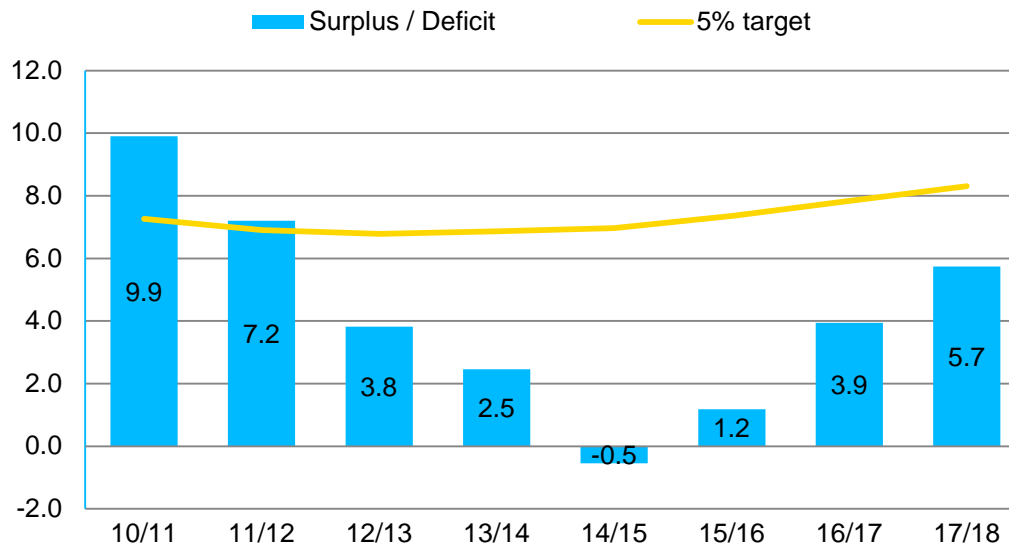


Target investment £110m over 5 year planning cycle compared with average annual spend of £16.8m over last 5 years

the **brighter** choice

# Target case

Projected Surplus for target case



In the target case:

- LSBU will deliver an average annual surplus of £2.6M, (1.5%)
- 2017/18 surplus is £5.7m (3.4%)

## Key differences to the base case

SNC growth to 2,750 (base case = 2,500)

• Progression rises to 65% (base case = 59%)

• Cap Ex = £110M (base case = £29M), Dep'n = £52M (base case = £41M)

• Income as Scenario A, phased over 5 year period with 20% contribution (base case no additional income)

• **Cost savings of £1M in 13/14 (assumed structural and roll forward)**

• **Increased Bursaries of £1M pa from 14/15**

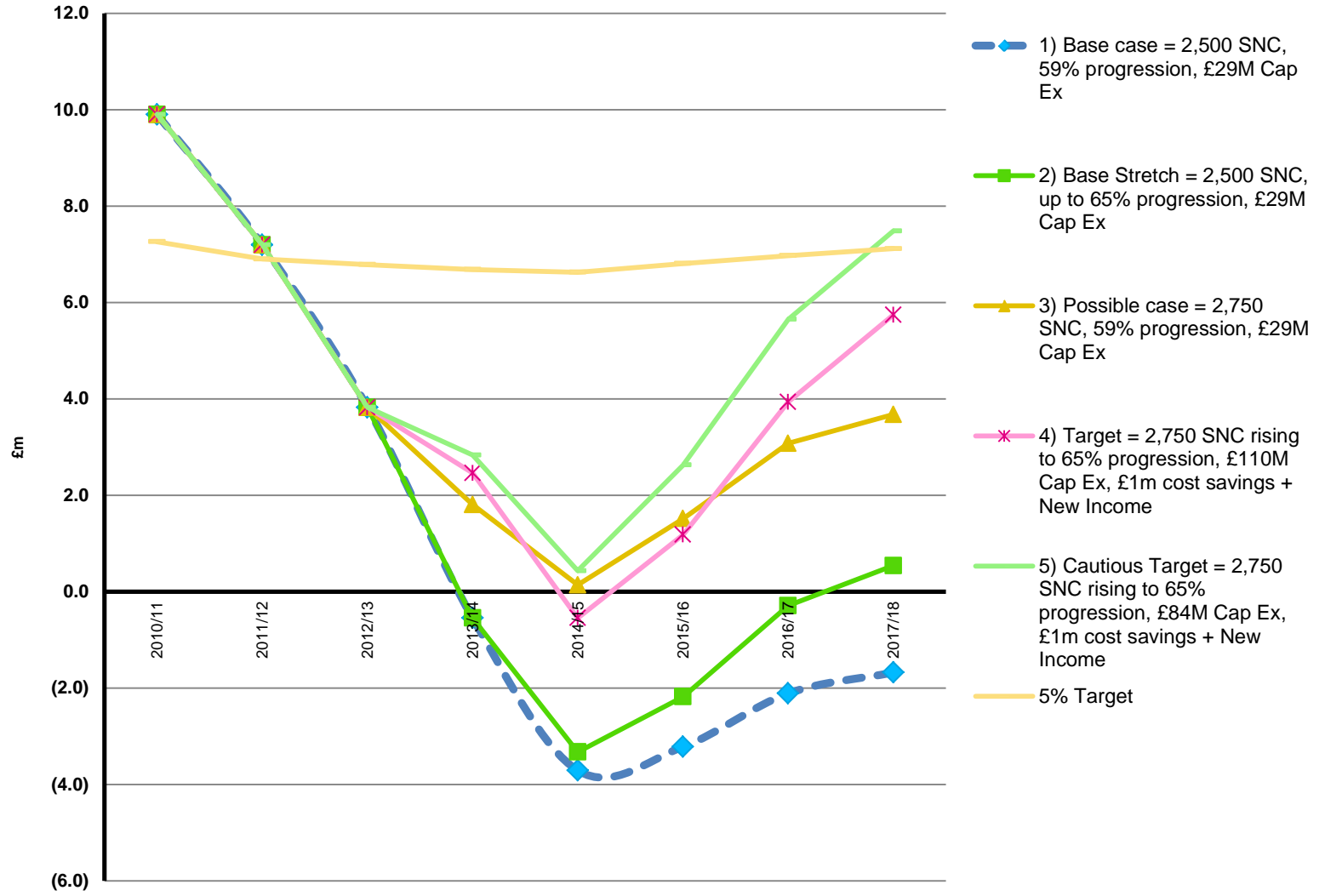


# Target case profile

The U shaped profile is driven by the following factors:

- Principally by student numbers. We lose student FTEs in the next 2 years because of bulge in current YR2 and YR3 numbers
- This is compounded by current cohort of 2500FTE working way through system at fee of £7,450
- Continued decline in HEFCE funding
- HSC income reduces over the next 2 years but associated staffing reductions do not begin until 2016/17
- We do not benefit from the new regime until 2015/16. By then we have 3 cohorts of 2750, 2 of which are paying £9k in fees
- From 2016/17 the contribution from new enterprise income helps drive profitability back up

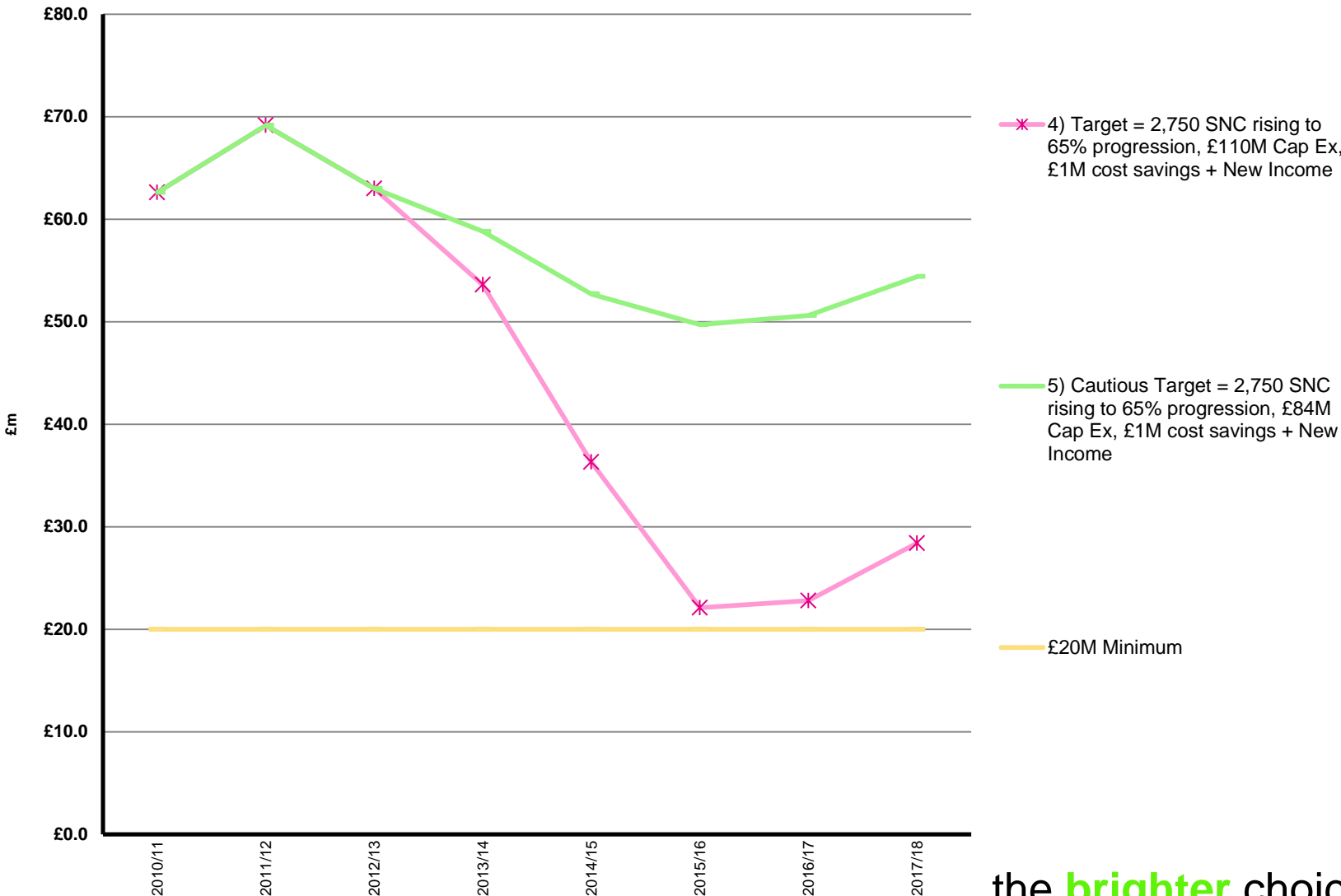
## Scenario Analysis (surplus)



the brighter choice

# London South Bank University

## Scenario Analysis (cash at bank)



the brighter choice

## Risks, uncertainties & impact

- Continuation of HEFCE funding remains a risk in particular for PG taught provision, London allocation, WP and TESS for which funding totals £9.9m p/a.
- Maintaining current SNC at 2,500 students. The impact on income of every 100 students is £1.9m over a 3 YR period.
- Student Progression varies significantly by faculty. 1st year to 2<sup>nd</sup> year UG progression 2012 / 13 is AHS 67%, BUS 61%, ESBE 55%, HSC 58 %, LSBU average 61%. 5 year forecast assumes LSBU progression rate of 59%.
- Most NHS contracts needed to be retendered in 12/13. The outcome is still uncertain but the 5 year forecast uses the most recent data from the faculty of HSC (16 Jan 2013) .
- The assumption in the base case is that PG income grows by 4% from 14/15 onwards. Should this prove unachievable the impact is estimated at £0.6m over the forecast period.
- Some uncertainty exists regarding the price sensitivity of HE to allow for fee inflation y-o-y. We have assumed no Fee inflation for each Cohort. The impact for every 1% change in fee is estimated at £0.5m over the forecast period.
- Scenarios on growth of Overseas, UGPT and PG on average will lower the average teaching contribution as these are more resource intensive. The extent of the impact is unknown and a working assumption is applied of 35% margin compared to a current average on teaching of 39%.
- Inflation on OPEX has been assumed at 3%. The impact of every 1% change in inflation is estimated at £0.4m per year.

Factor	Δ Income in 2017/18
Δ +/- 100 SNC (see table below)	£1.9 m
Δ +/- 1% UG Fee inflation	£0.5 m
Δ +/- 5% PG &UGPT income	£1.2m

£'M	Yr 1	Yr 2	Yr 3	Total
Δ <b>Students</b>	100	60	48	208
Δ <b>fee</b>	£8,450	£8,450	£8,450	£8,450
Δ <b>grant</b>	£700	£700	£700	£700
<b>Total impact</b>	£915,000	£549,000	£439,200	£1,903,200

Factor	Δ Contribution per year
Δ £1m New Enterprise income	£0.20 m
Δ £1m additional Overseas income	£0.35 m
Δ £1m additional PG Home	£0.35 m
Δ £1m additional UGPT income	£0.35 m

	PAPER NO: BG.04a(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Provisional Funding letter	
Author:	Richard Flatman, Executive Director of Finance	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
<b>Recommendation by the Executive:</b>	Board is asked to note the potential financial impact for 12/13 and 13/14.	
Aspect of the Corporate Plan to which this will help deliver?	Financial sustainability	
Matter previously considered by:	N/A	N/A
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	N/A	

### **Executive summary**

The funding letter was received this week (embargoed until Thursday 21 March) setting out the:

- adjusted recurrent teaching funding allocation for 2012/13, and
- initial recurrent funding allocation for 2013/14.

A summary of both, together with a comparison against 2011/12 to show the movement over the past couple of years is provided in Appendix A.

The main components of the grant are shown in the table below:

	<b>2013/14</b>	<b>2012/13</b>	<b>Change</b>	<b>Change</b>
	£'000s	£'000s	£'000s	%
Main teaching grant	13,746	20,717	(6,971)	(34%)
London allocation	1,897	1,165	732	63%
Quality Related (QR) research	1,968	1,975	(7)	(0%)
Targeted allocations	4,840	6,392	(1,552)	(24%)
Higher Education Innovation Fund (HEIF 5)	808	808	0	0%
<b>Total</b>	<b>23,259</b>	<b>31,057</b>	<b>(7,798)</b>	<b>(25%)</b>

It is important to note that allocations are provisional and may be subject to further revision as student numbers in each year are finalised.

The letter contains good and bad news.

The 2012/13 adjustment is positive with the grant allocation rising from £30.6m to £31.1m. This is a favourable variance of £0.5m which represents an increase of 1.5% (compared with a sector average increase of 0.38%).

The initial allocation for 2013/14 is £23.3m representing a year on year decrease of £7.8m (25%). This reflects the continued phasing out of teaching grant to old regime students and, at a total level, is broadly in line with expectations. The revised 5 year forecasts assumed grant in 2013/14 of £23.5m so there is a shortfall of approximately £0.25m.

Further detailed work is being done to understand the student numbers underpinning the initial funding settlement. Our 5 year forecasts assume 2,750 YR1 SNC FTUG students plus 1426 continuing new regime students (4,176 in total). The funding letter assumes 3901 new regime students. It is possible therefore that there could potentially be some upside in terms of funding if we recruit to target. The position however is not entirely clear and requires further analysis for example of fundable students, price groups and assumed drop outs.

However, it is clear from the 2013/14 allocation that some of the targeted allocations have ceased, or been significantly reduced, including for example:

- widening access for people from disadvantaged backgrounds, part time
- maintaining capacity in SIVS
- institutional learning and teaching strategies
- research informed funding
- part time undergraduates.

This has had a negative impact for LSBU in 2013/14 of approximately £1m although this has been offset by higher funding linked to old regime students. The longer term impact however needs to be carefully considered.

### **Adjusted teaching grant for 2012/13**

At the sector level, the overall percentage change to 2012/13 recurrent grant is not large (+0.38%). For LSBU the increase is 1.5% (£460k). The change primarily relates to funding for old regime students (those that commenced study prior to 1 September 2012) and arises because forecasts of these students continuing into 2012/13 (which we submitted in the 2011 HESES survey), were different to the numbers reported in the 2012 returns.

### **Recurrent grant for 2013/14**

The overall HEFCE budget for 2013/14 is set at £4.47bn, a reduction of 18% for the sector compared with the previous year. The total percentage reduction for LSBU is -25% which is higher than the sector average. This reflects the fact that the majority of our funding is teaching funding - for which our cuts were almost exactly in line with the sector (LSBU teaching grant cut -27.56% compared with sector average -28.56%).

The overall grant allocation for 2013/14 is £23.3m, a downward movement of £0.25m compared to forecast of £23.5m.

For 2013/14, the continued phasing out of teaching grant relating to old regime students, coupled with the phasing in of funding for new regime students in high cost subjects, results in the most significant change for most institutions including LSBU. However, changes to targeted and other recurrent teaching allocations have also had a sizeable impact as noted previously.

## HEFCE grant 3 year comparison, £k

	11/12	12/13 initial	12/13 movement revised vs initial	12/13 revised	11/12 - 12/13 change	13/14	12/13 - 13/14 change
Funding for old-regime students (mainstream)	30,254	18,516	919	19,435	(10,820)	11,516	(7,918)
High cost funding for new-regime students		1,273	(260)	1,013	1,013	2,229	1,217
Student opportunity	5,629	4,689	0	4,689	(941)	3,876	(813)
Other targeted allocations	2,371	3,285	(198)	3,086	715	2,861	(225)
Other recurrent teaching grants	399	52	0	52	(346)	0	(52)
QR	1,939	1,975	0	1,975	36	1,968	(6)
HEIF	808	808	0	808	0	808	0
	<u>41,400</u>	<u>30,597</u>	<u>460</u>	<u>31,057</u>	<u>(10,344)</u>	<u>23,259</u>	<u>(7,798)</u>
Assumed in 5 year forecasts						<u>23,506</u>	
Shortfall						<u>(247)</u>	



	PAPER NO: BG.05(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	OFFA Access Agreement 2014	
Author:	Dr Phil Cardew, Pro Vice Chancellor (Academic)	
Executive sponsor:	Prof Martin Earwicker, Vice Chancellor	
<b>Recommendation by the Executive:</b>	To approve the Fee, Scholarship, Bursary, and Fee Waiver proposals made within the paper	
Aspect of the Corporate Plan to which this will help deliver?	Student Success	
Matter previously considered by:	Executive Committee	On: 13 March 2013
Further approval required?	None	On:
Communications – who should be made aware of the decision?	Document will be publicly available when approved.	

### **Executive summary**

The University is required to submit the Office for Fair Access (OFFA) agreement for students entering in September 2014, on April 8<sup>th</sup> 2013.

This requires us to:

1. Inform OFFA of fee levels.
2. Outline our bursary/scholarship/fee waiver offer for 2014 entrants.
3. Demonstrate how we are meeting the requirement to invest 15% of our fee above £6000 in either widening participation or retention.
4. Iterate the benchmark targets and monitoring processes we will be utilising in 2014 (following previous iterations in the 2012 and 2013 agreements).

The Executive has considered the core principles for 2014 and propose moving to an overall fee level of £9,000, supporting the implementation of a range of scholarship, bursary and (in one case) fee waiver options, which support progression for the most disadvantaged of our students.

The Board is asked to approve the detail of these proposals, outlined below. Full text of the latest draft of the Agreement is attached, for information, but is subject to some day-to-day change as new drafts are prepared.

### **Context**

Previous OFFA agreements (2012 and 2013) have concentrated both on trying to ensure that the University remains competitive in our offer to new students and in ensuring that we maximise our opportunity to attract additional student numbers from the Higher Education Funding Council for England (HEFCE), through the 'core and margin' process (wherein a proportion of additional numbers were made available to institutions who could demonstrate that they had met HEFCE's 'strategic objectives' for any particular funding year).

Hitherto, the 'strategic objective' as far as HEFCE has been concerned, has been the overall lowering of the student loan debt, and so places were only made available to institutions who kept their overall fee low – the target for 2012 being £7,500 maximum fee (in 2013 this has been raised to £8,250, but far fewer places made available).

Thus, in 2012, we changed our proposed package of support for new starters, to move towards fee waivers, which brought our overall fee below the £7,500 threshold and enabled us to attract an additional 350 student numbers in that year. We are committed to retaining the average fee for this cohort below £7,500 during their time at the University – based on a full-time 3-year life-cycle. We have now had the additional numbers granted in 2012 subsumed into our core allocation, so no longer need to adhere to this requirement.

### **Core Principles**

Although it is still early in the process, there is no real evidence to support the contention that fee waivers have any real impact upon student choice at application. On the other hand, lobbying from students (our own, through the Students' Union, and nationally, through NUS) favours a package of scholarship and bursary payment that gives real cash incentives to students and supports them directly (rather than mitigating debt).

At the moment, the University meets or exceeds HESA Performance Indicator Benchmarks for the participation of students from state schools and those within groups 4-7 of the National Statistics age-adjusted Socio-economic Classification (NS-SEC). We are committed to maintaining those levels, whilst increasing our focus upon progression – especially progression from level 4 to level 5 (the first year to the second year of a full-time degree). We are therefore proposing a package of support which encourages students to fully engage with their courses and to participate fully in assessment (at the first attempt) and which rewards success for students in their first and second years of University.

At the same time, this needs to be supported within a sustainable environment, so we need to ensure we raise enough income to accommodate support measures.

The overall offer in 2014 will be:

- The 'headline' fee will rise to £9,000.
- In 2014, we will move away from fee waivers towards bursaries and scholarships – targeted on students from low participation neighbourhoods and with low household incomes.
- From 2014 onwards, expenditure on bursaries and scholarships will be more strongly focused on enhancing progression and building on our growing relationships with local schools and colleges to attract the best-possible applicants.
- We also propose, specific options for those students who fall outside the Student Number Control as a result of high A-level (or equivalent) scores.
- Part-time students will continue to be ineligible for scholarships and bursaries but will have slightly lower overall fees to compensate for this (the overall part-time fee is £3,700 lower than the equivalent full-time fee, compensating for the scholarships available to full-time students).

The basic package proposed is:

1. Scholarships of £3000, based around the National Scholarship Programme and comprising £1000 as a cash bursary and £2000 to be spent on 'University services' (these are the restrictions of the NSP and will apply to all recipients).
2. Scholarships will be targeted on:
  - a. Care Leavers
  - b. Applicants in receipt of state benefit in respect of disability or long-term health.
  - c. Applicants from a 'tier 1' partner college or school.

- d. Applicants in receipt of full state support (family income of £0).
- e. Applicants having a declared household income of less than £15,000.

Students will not need to apply for the scholarship, but simply be allotted them on the basis of need.

- 3. Care leavers will, in addition, continue to receive £750 travel allowance.
- 4. We are not required to use all the 'matched funding' we allocate to the National Scholarship Programme in the first year of operation, so can allocate this to (some of) the same students in subsequent years (but cannot allot more cash bursaries as part of the matching – these have to remain as £1000 overall). We will, therefore, continue scholarship payments, of £2,000, in respect of those students in receipt of Scholarships who progress cleanly into level 5.
- 5. Additionally, we have identified £1m for 'retention measures' in our forecasts from 2014 onwards. A proportion of this will be allocated to 'progression bursaries' for all students who progress cleanly at the July examination boards. Up to £500 for each student progressing cleanly from level 4-5. The Bursary will be awarded after completion of re-enrolment.
- 6. Finally, we will offer a £1000 fee waiver to all students who join the University with a UCAS tariff which puts them within the 'ABB+' group (or equivalent).

## Access Agreement 2014/15

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### Context

London South Bank University has a history of supporting access to advanced education, which stretches back to its foundation in 1893. Schedule A of the 'Scheme of the Charity Commissioners' for the Borough Road Polytechnic Institute, of 23<sup>rd</sup> 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 ...'

Today, our mission statement reflects that:

*We are about creating opportunity for our students and equipping them to become highly successful in their chosen field. Our focus is on the professions. Widening participation is achieved by delivering success for our students. We can help create the best possible opportunities for our students to succeed.*

This Access Agreement focuses on maintaining our tradition, reputation and achievement in widening access and participation for students from non-traditional backgrounds, whilst concentrating our efforts on enabling those students to achieve their professional and academic goals. The opportunity afforded us by the re-focusing of funding enables us to strengthen our work in the areas of retention and progression for all our students.

### Fees, student numbers and fee income

In our 2012 and 2013 Access Agreements, the University presented a strategic approach which maintained an overall fee rate of £8,450 whilst delivering a package of fee waivers which reduced this fee considerably for a proportion of our students, and enabled less significant fee reductions for a larger number. We did this in part to reduce the overall fee burden on students, but also to ensure that we were able to meet criteria for the allocation of marginal additional student numbers, maintaining our commitment to provide as wide a level of participation as possible across our new applicants.

This strategic approach has enabled the University to continue to focus on widening

participation, but has had less of an impact in terms of progression, which is where our work is most focused. In 2014, we will maintain this approach for continuing students (particularly for the 2012 cohort, where criteria set by the *Higher Education Funding Council for England* set limits for the average fee to be charged) whilst increasing our focus on progression for new students from 2014 onwards.

This has led the University towards a shift in strategy, away from fee waivers and towards scholarships, building on the National Scholarship Programme, and extending some level of bursary support to all students who achieve well in terms of progression between the levels of their award.

In 2014, the overall fee for new entrants will rise to £9,000, but we will keep in place existing packages of fee waivers for continuing students, to ensure we meet the criteria for funding set out by the *Higher Education Funding Council for England* with their allocation of marginal additional student numbers in 2012. From 2014 onwards, expenditure on bursaries and scholarships will be more strongly focused on enhancing progression and building on our growing relationships with local schools and colleges to attract the best-possible applicants.

Part-time students will continue to be ineligible for scholarships and bursaries but will have slightly lower overall fees to compensate for this. The part-time fee for 2014/15 will be set at £65 per CATS credit giving an overall average fee of £23,400 (£3,600 below the overall average fee for full-time students).

Our support package will be focused around the National Scholarship Programme students being awarded a scholarship of £3000, comprising £1000 as a cash bursary and £2000 to be spent on University services. Latest information provided by the *Higher Education Funding Council for England* indicate that we have over 4,000 eligible students for the National Scholarship Programme, for which core funding is set at just under 400 scholarships. The University will provide matched funding for the amount provided centrally, to enable 500 scholarships to be awarded for new entrants, with a lower level of provision for continuing students, utilizing the remaining available funds.

Applicants will not need to apply for the Scholarship, which will be awarded through the application of a rating methodology focused on student need:

- Care Leaver - 5 points
- In receipt of state benefit in respect of disability or long-term health – 4 points
- From a 'tier 1' partner college or school- 3 points
- In receipt of full state support (family income of £0) - 2 points

- Having a declared household income of less than £15,000 - 1 point

All recipients will, of course, have to meet the standard requirements for the allocation of the National Scholarship Programme.

Care leavers will, in addition, continue to receive £750 travel allowance.

As indicated above, some of our matched funding will be allocated to progression, encouraging students to focus their energies on successful completion of their course. Thus, students in receipt of NSP who successfully progress from level 4 to level 5 will be eligible for a further award of £2,000 (in University services, due to the overall restrictions on bursary funding under the terms of the National Scholarship Programme). All care leavers will continue to receive this funding, in addition to their £750 travel scholarship.

Additionally, we have identified £1m for 'retention measures' in our forecasts from 2014 onwards. A proportion of this be spent on 'progression bursaries' for all students who progress cleanly at the July examination boards (i.e. have no re-sits or outstanding modules). These students will be awarded £500 for progressing cleanly from level 4 to level 5. This bursary will be awarded after the completion of re-enrolment, and will be over and above the terms of the National Scholarship Programme.

Lastly, all students who join the University with a UCAS tariff which puts them within the 'ABB+' group will receive a fee waiver of £1000 per annum for the duration of their full-time course.

Whilst new entrants for 2014 will only be subject to an inflationary fee rise should government policy permit a level of fee higher than £9,000 per annum, existing students will be subject to permitted inflationary increases, up to the maximum permitted fee.

## **Access and student success measures**

### **Current Performance**

London South Bank University's record in the higher education of students from non-traditional backgrounds speaks for itself. Currently, 97.9% of our students come from state schools, and, nationally, we have the highest proportion of students from families with free school meals in the UK. 58% of our students are non-white in

origin, and 70% are over the age of 21 on entry to the University. We have also been awarded the *Buttle UK* quality mark for our work with care leavers.

<b>HESA Performance Indicator 2011-2012</b>			
<b>Widening Participation Indicators</b>			
<b>Young students who attended a school or college in the state sector</b>			
	No. of Students	LSBU %	Location Adjusted Benchmark %
FT First Degree	1420	97.9	95.6
FTUG	1615	98.1	95.8
Other FTUG	195	99.5	97.3
<b>Young students who come from categories 4 to 7 of the new National Statistics age-adjusted Socio-economic Classification (NS-SEC)</b>			
	No. of Students	LSBU %	Location Adjusted Benchmark %
FT First Degree	440	42.4	40.9
FTUG	510	44.1	42.0
Other FTUG	75	58.4	47.9
<b>Young students who come from a low participation neighbourhood (as denoted by its postcode - POLAR2 definitions).</b>			
	No. of Students	LSBU %	Location Adjusted Benchmark %
FT First Degree	140	9.5	8.8
FTUG	155	9.1	8.6
Other FTUG	15	6.4	7.1
<b>Mature students who have no previous HE qualification and come from a low-participation neighbourhood (as denoted by its postcode - POLAR2 definitions).</b>			
	No. of Students	LSBU %	Location Adjusted Benchmark %
FT First Degree	120	7.2	5.8
FTUG	130	6.3	5.4
Other FTUG	15	3.0	3.6
FTUG	85	4.0	3.3
FT Other UG	5	1.6	1.9

The majority of our students are female. This is typical of the HE sector as a whole: female students are the majority in almost all institutions and at all levels of study, although they remain a minority in certain subject areas (as can be seen in the breakdown by faculty in appendix 1).

Our students cover a broad age range, though there has been a significant increase in the proportion of students aged 21 or under in the 12/13 enrolment data (from



21% to 30%). This reflects a national trend in applicants to full time undergraduate programmes. Application rates from older applicants have fallen since 2009 across the sector as a whole.

There is no ethnic majority on campus, although White students are the largest single group. There are disciplinary differences between faculties, although these are less marked than with respect to gender. Business in particular has fewer White students and more Black and Asian students. This level of ethnic diversity is not typical of the sector as a whole, but is not untypical of the London new universities, which do tend to be very diverse in their ethnic mix, reflecting the diverse population of London itself.

About ten per cent of students consider themselves disabled and the rate of students in receipt of DSA is in line with our subject mix and entry qualifications.

<b>LSBU Enrolment Statistics 2012/13</b>					
<b>Gender</b>	<b>Count</b>	<b>%</b>	<b>Age bands</b>	<b>Count</b>	<b>%</b>
Female	9401	53%	21 or under	5218	30%
Male	8252	47%	22 to 24	3154	18%
			25 to 39	6612	37%
			40 and over	2669	15%
<b>Ethnicity</b>	<b>Count</b>	<b>%</b>	<b>Ethnicity</b>	<b>Count</b>	<b>%</b>
Asian	1686	10%	Other	2140	12%
Black African	3724	21%	Refused	597	3%
Black Caribbean	1366	8%	White	7377	42%
Chinese	395	2%	Other	2140	12%
Not Known	368	2%			

### **Progression**

London South Bank University has developed in the field of progression analysis and planning significantly during the past three years, with the implementation of our Progression Analysis Tool (a repository of progression data at course and module level, which feeds annual monitoring and planning processes across the University). In order to provide guidance for faculties and departments in analysing data (and deciding on necessary action arising therefrom), benchmarks for progression have been set which establish 'stretch targets' across the board. In 2011/12 these were:

Year 1 (level 4): 70% progression.

Year 2 (level5): 75% progression.

Years 3 and 4 (level 6, year 4 where a sandwich year operates): 90% award

As a result of activities focused on data cleansing in student records (and ensuring accuracy of data within our annual return to the Higher Education Statistics Agency) there has been an increased focus on awarding 'interim' qualifications (lower level than the intended original aim, but indicating an award) which has led to a raising of the 'award' data at levels 4 and 5. At these levels, award data includes students on a one year top-up (genuine award), students with a Certificate or Diploma of Higher Education (failed students with sufficient credit for award) and students awarded module credit and failed.

There has been a small decrease in 'repeat year with attendance' in the same faculties, following greater use of fail/award credit at both July and September examination boards for students who had not attempted assessments (non completions). The percentage of students who interrupted studies, failed or withdrew remains relatively consistent.

Progression at level 4 remained constant in most areas, and showed a marked improvement (8%) in the Faculty of Engineering Science and the Built Environment. However, at level 5, progression has improved in all faculties (the highest rise of 8%, again being in Engineering, Science and the Built Environment). At level 6, award levels (as a proportion of cohort, not in terms of performance) has remained static in all faculties except Engineering, Science and the Built Environment, where the overall proportion has dropped by 7%.

In demographic terms, two faculties (Engineering, Science and the Built Environment and Health and Social Care) show better progression levels for male students, whilst in the Business Faculty, female students progress at higher rates than male. Progression rates for white students in Arts and Human Sciences are between 8-16% better than BAME students and in all faculties, Chinese students show high levels of progression (particularly in Business, with 91% and Engineering, Science and the Built Environment, with 86%). In general terms, progression for students under 21 is higher than in other age categories, this being particularly noticeable in Arts and Human Sciences, where progression for students 21 and under is around 10% higher than other age groups. Disability statuses demonstrates no significant impact.

In terms of entry qualifications and fee status, we have witnessed a significant difference (around 15% in some faculties) between students entering with A-levels and those with other qualifications (particularly BTEC National Diploma) which is leading us to concentrate effort in this area, in order to better understand the needs of BTEC students in their first year of University. In general, 'home' students progress

less well than EU/Overseas fee categories, with EU showing the strongest trends across the board.

### **The Student Success Research Project**

The first year of university is a critical period which will often determine a student's subsequent academic success and persistence. Consequently, it is important to understand the student profile in order to identify potential factors that affect student progression and attainment. The 'Student Success Research Project' was designed to investigate the characteristics, attitudes and expectations of students entering courses at London South Bank University and identify the factors which may make students vulnerable to withdrawal or failure. In doing so, it is possible to then provide realistic strategies within the university to support students who are at risk of withdrawing and put in place strategies to ensure that all students have the opportunity to achieve at the University. Data for this project was collected through a questionnaire, which was administered in September 2011 to all first year undergraduate students attending a degree course in the Faculty of Arts and Human Sciences, and centrally held data concerning the demographic and background characteristics of the students who completed the questionnaire as well as their progression and attainment data.

The results in the report suggest that, when considering demographic factors only (i.e. age, gender, ethnicity and socio-economic status), progression is predicted solely by ethnicity. White students, students of mixed ethnicities, and students for whom ethnicity was not recorded had the highest progression rate, followed by Asian student, Black students, and then Chinese. The differences between ethnic groups in progression were also evident in the analyses of attainment. Age, gender or socio-economic status did not predict progression. Concerning, the differences in progression between ethnic groups, these findings are, to an extent, consistent with a report recently published by the Higher Education Funding Council for England (HEFCE), in 2010. However, there are a number of disparities between the data in the Student Success Research Project and the HEFCE 2010 report. Firstly, this disparity is evident in the degree of difference between ethnic groups in that a greater disparity between ethnic groups is highlighted in the Student Success Research Project. Secondly, within students covered by this survey (but not demonstrated by core data in the University) there was a disparity between the progression rates of Chinese students, with Chinese students showing comparatively lower progression rates. Finally, in comparison to the age differences observed in the HEFCE report, there were no differences in progression or attainment between age groups.

The report also highlighted that recruitment and enrolment variables are important determinants of both progression and attainment. Specifically, students entering University with BTECs or Access qualifications were less likely to pass and more likely to achieve a lower grade than students entering with A Level or Baccalaureate qualification. Students who have previously enrolled on a HE course were also less likely to pass and were more likely to achieve a lower grade than those who were new entrants to HE. Finally, students who do not speak English as a first language are more likely to achieve a lower grade than those whose first language is English however; there are no differences in the progression rates between these two groups of students.

This work, supports the core findings arising from the analysis of progression data, and provides useful areas of focus for our work in the future. The 'headline' conclusions to be drawn are that:

- In general, there is no specific correlation between gender and progression.
- Whilst there is some correlation between ethnicity and progression, this can be more-clearly linked to the type of entry qualification gained.
- Younger students are more likely to succeed in all faculties other than Engineering Science and the Built Environment (which may, possibly, demonstrate the impact of employer sponsored day release programmes in this Faculty).
- There is a clear correlation between entry qualification type (not level) and progression, with BTEC (National Diploma) and previous Higher Education Qualifications showing poorest progression.
- Overseas and EU students outperform UK students.

A target for 2012/13, and beyond, is to work with partner FE colleges in gaining a better understanding of BTEC courses and their impact upon level 4 progression.

## Our Strategic Approach to Access and Progression

### Widening Participation and Outreach

Typical annual expenditure on core widening participation and outreach activity is as follows:

Widening Participation Expenditure	
Activity	Expenditure (£)
Foundation degrees, extended degrees and other courses	£8,000,000
Work with schools and colleges	£200,000
London South Bank University's Year 10 Summer School	£25,000
Programme of work with local community groups	£60,000
Skills improvement course to help potential applicants reach entry requirements	£35,000
Financial advice and pastoral support for vulnerable students	£215,000
Proportion of employment and careers unit expenditure spent on students from low socio economic groups	£400,000
Disability support expenditure	£650,000
Central WP unit staff	£400,000
<b>Total</b>	<b>£9,265,000</b>

Our strategic approach continues to be to have partnership arrangements in place with our principal feeder FE and Sixth Form Colleges. These are underpinned by the provision of support for the transition of students from these institutions to higher education, and to LSBU where appropriate. This approach is based on the fact that HESA data shows that we are an institution with a student body which contains a high proportion of groups who are under-represented in higher education elsewhere. Following OFFA guidance, we wish to ensure that our outreach activities for students studying at level 3 align to a programme of support which continues through application, induction, and into the first year here and beyond, and which contributes to our students' retention and success.

We intend to focus particularly on students who are studying BTEC and Access to HE courses, as data on our own student success shows that these students do less well than others once they are studying here. In respect of those studying BTEC courses, we will offer these students a programme of skills development during year 13 to prepare them for study at university. For Access students, we will tailor our interventions to appropriate moments during the academic year, supporting them through UCAS and SFE application processes, encouraging them through the use of mature student ambassador support in the classroom, and demonstrating the nature of higher education through campus visits.

Students eligible for this support will be invited to join the LSBU Access scheme, giving them access to the University's library and other facilities. Any student on this scheme who joins the University will be tracked through their time with us and beyond so that we can measure the impact our interventions have on their success and employability.

Further interventions to support transition and to build a sense of belonging to the University which we have planned for 2014/15 are: extending the three day induction programme during the summer before enrolment we offer to our nursing students to other subject areas; the creation of an online induction programme for those unable to attend these; a mentoring programme staffed by current students studying the course the applicant is due to study.

We acknowledge that along with our local universities we have a collective responsibility to provide activities which improve access over the longer term. We have identified eighteen schools in our local area, mainly in Lambeth and Southwark, which demonstrate exceptional added value for their students, to which we will continue a long term commitment of support. We will work with students in these schools through yr 7 to 11 and into the sixth form if appropriate to support their students' aspiration and achievement.

We will continue to respond positively to requests for outreach activities from other schools in the London boroughs which we listed in our 2013/14 Access Agreement. These schools will be offered such activities as our yr 10 summer school, STEM outreach, and introduction to university days. We will also continue to host and to contribute to outreach activities organised in collaboration with other London universities by Aimhigher London South, AccessHE, and Linking London.

We have recently joined the Children's University, and we intend to continue to provide aspiration raising activities for local primary schools who are part of this organisation, and host their graduation ceremonies.

We have been in discussion with AccessHE and Aimhigher London South around the setting of collaborative targets, and these organisations have also enabled us to contribute to a search for a way of collaboratively tracking participants from interventions through to higher education. We hope that these discussions will have borne fruit by 2014/15. We have also supported the pan London data project which was commissioned by Linking London, and this information will be useful to us as we plan our activities in the future.

Our outreach to care leavers will be informed by our attendance at the specialist groups organised through the above mentioned organisations, as well as the South East London Care Leavers Group, based at the University of Greenwich. We remain committed to our City Opportunities programme run in collaboration with the City of London Development Office, funding permitting, and those activities specified in our care leaver support policy which was recognised by Buttle UK through the award of their Quality Mark.

Student ambassadors will carry out much of the work described above, and we will continue to recruit, train and employ around 100 ambassadors a year. Staff working on our programme of community outreach will provide general educational information, advice and guidance in community venues in Lambeth, Southwark and Lewisham. We will continue to provide an IAG service on campus throughout the year. We will continue to host the Challenge, a community outreach project run throughout the summer holidays for young people from the local area. Our Legal Advice Centre will continue to provide a free service for local people.

Our Confucius Institute supports 42 London schools with the teaching of Mandarin and Chinese culture, 14 secondary schools and 28 primary schools. Approximately 7,000 students are currently learning Mandarin across the network.

Nine local schools have been given “Confucius Classroom” status, which means they act as a hub within their own local community for teaching and learning of Chinese language and culture, these Confucius Classrooms attract 1 – 2 free Chinese teachers, additional funding, resources and support. The Confucius Institute has an active learning approach to language learning, and children are also offered *kung fu*, *taiji*, dance, music, and art from the resident (40 strong) Chinese team at the Confucius Institute. The Institute offers school assemblies, workshops, lectures and classroom teaching.

The Confucius Institute also supports and facilitates exchange and cultural visits and 40 school children from schools in Croydon and East Dulwich received scholarships from the Confucius Institute to study in China during the Summer 2012. These are students who would otherwise never have the opportunity to go to China without funding support.

### **Progression**

As the analysis, above, demonstrates, the investment we have made in understanding and addressing progression as a key strategic issue for the University have had a moderate effect in an area which it is difficult to ‘turn around’ swiftly, and our continued focus is on making steady progress towards

our benchmark targets, particularly in level 4 to level 5 progression, which is where our primary focus lies.

We have utilised the Student Transition and Retention methodology piloted by the University of Ulster, amongst others ([www.ulster.ac.uk/star](http://www.ulster.ac.uk/star)), ensuring that we put into place mechanisms that allow us to track progression, and measure and monitor engagement at all levels. This has included the development of:

- Our Progression Analysis Tool - providing course and module-level information to aid annual monitoring and action planning.
- Student Attendance Monitoring – utilizing ‘swipe card’ technology and focusing on student transition into teaching buildings, the Library and Learning Resources Centre, student attendance at smaller-group teaching sessions and log-in information to the virtual learning environment and library systems.
- Coursework Assignment Tracking – monitoring student submission of work and providing analysis of turnaround and feedback times.

We have combined these analytical tools with pilot projects focused on closely monitoring particular groups of students (the initial pilot has been with Law and Engineering students) using data to identify ‘disengaged’ students and then focusing on ‘re-engagement’. The pilots have, it must be reflected, been of limited success, indicating to us that once students reach a certain level of disengagement (or once external factors which impact upon engagement make themselves too onerous on attendance and the submission of work) there is often little (beyond interruption of studies) which can be done to get the student back on track. However, the pilot work has been useful in testing the tools at our disposal and in enabling greater planning around predictive and pre-emptive strategies to deal with the same issues before they become too pressing.

This has all been of great use in the development of support services within our new Student Centre, an investment of a little over £7 million, which opened to students in November 2011. This building hosts our Students’ Union and Student Services (within the ‘Student Life Centre’) alongside catering and entertainment venues in a purpose-built environment, with space for individual counseling sessions as well as more generally-accessible meeting space. A new ‘Careers Gym’ will operate alongside the Centre from May 2013, enabling an enhanced service, focused on employment and volunteering, to complement the current offering.

In preparing for the operation of the Student Life Centre, our Student Services advice team has been completely re-structured (in two phases, over the course of 2012 and 2013) to provide a ‘first stop shop’ approach to student support, which takes on all professional services support, including housing advice, fees and



bursaries (and general financial) advice, health and wellbeing and generalized academic support (including the receipt of academic appeals). In its first weeks of opening, the Student Life Centre saw over 1000 enquirers a week, and it has swiftly become a focal point for student support in the University.

Alongside the 'human' aspect of student support, we have implemented a 'Student Tracker' as a part of the Academic Support Framework for all students. This software enables tracking of on-going student issues and management of the, often difficult, interface between academic and personal support needs which is at the core of our advice framework (locating the source of advice at the correct point within the University). We have also considerably developed our engagement with the Students' Union, who have, themselves, completely re-structured in preparation for operation within the new building.

In the learning and teaching environment, we are targeting blended support and learning as a key means of enhancing engagement and building progression. In 2012/13 the University is making a major investment in a new virtual learning environment, Moodle (hosted by the University of London Computing Consortium) and in the development of a Technology-Enhanced Learning Strategy, which will set out a blueprint for the development of technology-enhanced learning and support over the next 3-5 years.

A key part of this will focus on blended support – enabling great tutor/student (and student/student) interaction and engagement, and ensuring that we can keep in contact with students by a greater range of mechanisms (and on a greater range of devices) than at present.

Targets for the next 2-3 years include:

- Development of peer mentoring and student support services with the Students' Union, making a greater investment in student/student support and ensuring that we develop the capacity to engage more students.
- An increased focus on level 4 support – both before and after enrolment, and throughout the first year of study. This will include greater investment in advice and guidance and an increased concentration on personal academic support.
- Development of our assessment strategy to ensure that assessment is targeted upon, and supports, progression, and that we have a better understanding of the 'pinch points' of assessment which impact negatively upon student life. This will include ensuring that all students are able to submit work electronically (which will be made a universal requirement in 2014).
- A major further investment in data systems, enabling the tracking of students in a far more pro-active way, and tying together existing data

systems to enable the University to monitor and focus on key performance indicators which have a real impact on progression, achievement and satisfaction.

In 2014, the University is investing a further £1 million on retention and progression, which will be used to resource the 'progression bursary' element of our funding, outlined above, as well as supporting these additional measures for enhancing progression.

### **Targets and milestones**

For a university such as London South Bank, the targets and milestones within our development of progression and retention are key to our evaluation of success in the development of focused activity in this area.

The University's current internal Key Performance Indicators (used at departmental level, with quarterly evaluation, as well as regularly reported to our Board) include measures which focus on retention, progression and achievement (as well as on wider aspects, such as student satisfaction).

We see our challenge within the context of the transitional phase in this period of funding as being to achieve, but no longer exceed, benchmarks for access and participation, whilst moving further towards national benchmarks for retention and success for those areas in which we currently fall just below target. This would see the University's 'clean' progression moving towards 70%, and student achievement (measured through the number of undergraduates who achieve first or upper-second class awards) to move above 60%.

We recognise that this will take time, but over the course of the first three years of development, we would aim to see steady progress – in the nature of 3-5% annual improvement – in these benchmark figures. Additionally, and following the further development of internal measures to track attendance and the submission of assessed work, we would look to establishing 'stretch targets' for each in future years.

### **Monitoring and evaluation arrangements**

The University has embedded the monitoring of these measures within our existing governance, executive and deliberative structures, as well as developing specialised mechanisms for evaluating the success of certain core activities (such as project delivery).

The Board of Governors is already kept regularly informed regarding progress against the University's key performance indicators (both at main Board meetings, and within Policy and Resources Committee). The Audit Committee has oversight of monitoring mechanisms, in their totality, and will approve (and maintain) any such that are put into place for these measures. The Educational Character Committee (a relatively recent innovation in the Board structure) received regular reports on Student Demographics, Progression and Achievement, Appeals and Complaint, External Examining and Faculty Quality Processes, as well as having oversight of the general educational character of the University, on the Board's behalf.

Within the executive, operational and deliberative spheres of the University, our existing management and committee structures allow for appropriate monitoring of individual activities, with the University Executive, and the Academic Board, maintaining strategic oversight. The University has developed regular faculty and departmental planning meetings, which scrutinise budgetary expenditure as well as operational goals, and which use the same forms of performance measure against which we evaluate ourselves institutionally. We also have a developed, and uniform, process of project development and delivery, which includes the operation of a project board and the regular reporting of progress up to Executive level.

Students are an important part of our committee structure, with student membership of the Board of Governors (and its key sub-committees), Academic Board, Quality and Standards Committee and Learning and Teaching Committee. Students are also actively involved at faculty and course level, and within some project groups.

In line with our proposal to maintain current participation levels (within benchmark) whilst improving student progression and retention (above and beyond benchmark) the emphasis of our monitoring processes is on tracking and improving retention.

Individual projects within the overall Student Transition and Retention programme (STAR) are monitored through the monthly meetings of the University Executive, and reported to the Board of Governors on a regular basis. Projects in support of the University's Academic Strategy (of which STAR is a key contributor) are also reported to Academic Board and its main sub-committees (Learning and teaching Committee and Quality and Standards Committee).

In addition to this the Student Recruitment Committee and Widening Participation Outreach Committee are working on both firmly embedding the monitoring of applications to ensure that our more 'targeted' approach to admissions support is as effective as that provided through AimHigher and on promoting the development and delivery of progression accords within our target group of partner institutions, to better enabled smooth transition from level 3 to level 4 and beyond.

## **Equality and diversity**

This agreement is targeted on providing a level of support for all students from lower-income households, with higher levels for those who have the greatest opportunity to succeed within their chosen courses. This year, for new entrants, focus is upon scholarship and bursary support which gives funding directly to students and which further enables them to reduce their direct expenditure on University services. Additionally, all students are encouraged to concentrate on progression and to ensure that they maintain a positive engagement with their course.

Scholarship provision is focused upon those with the greatest levels of need, with a strong concentration on local students from the poorest backgrounds. The allocation of funding will be to those in greatest need, irrespective of other demographic indicators.

## **Provision of information to prospective students**

The University is committed to ensuring that all promotional materials, and information made available on University or other sites (for example, through UNISTATS and the Key Information Set) make clear how we are continuing to invest appropriately in access, whilst focusing additional activity on student success.

Once this Access agreement is approved, we will include both the specifics of our fee structure and the investments made by the University, both in recruitment materials and activities, and in communications with all our stakeholders, including current and prospective students.

## **Consulting with students**

Drafts of this Access Agreement were shared with student focus groups and the Students' Union in February and March 2013. The final Agreement was subject to approval by the University's Board of Governors, which includes student governors amongst its members.

In addition, the University will continue its programme of personal communication with our partner schools and colleges about the changes in general, in line with BIS communications; this will ensure that students are not deterred from coming to University because of concern over the perceived impact of changes in the funding mechanism for higher education.

Appendix A: Statistical Information

**LSBU Enrolment Statistics**

<b>Gender</b>	2011/12		2012/13	
	<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>
Female	12600	57%	9401	53%
Male	9525	43%	8252	47%

<b>Age bands</b>	2011/12		2012/13	
	<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>
21 or under	4569	21%	5218	30%
22 to 24	4087	18%	3154	18%
25 to 39	9171	41%	6612	37%
40 and over	4298	19%	2669	15%

<b>Ethnicity</b>	2011/12		2012/13	
	<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>
Asian	1821	8%	1686	10%
Black African	4768	22%	3724	21%
Black Caribbean	1706	8%	1366	8%
Chinese	570	3%	395	2%
Not Known	326	1%	368	2%
Other	2591	12%	2140	12%
Refused	825	4%	597	3%
White	9518	43%	7377	42%

<b>Level</b>	2011/12		2012/13	
	<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>
First Degree	10175	46%	9819	56%
Other Undergraduate	7444	34%	4045	23%
Post Graduate	4506	20%	3789	21%

<b>Disability</b>	2011/12		2012/13	
	<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>
Disability (Disabled Student Allowance unknown)	200	1%	237	1%
Disability (No DSA)	939	4%	687	4%
Disability (In receipt of DSA)	1196	5%	713	4%
No Disability	19790	89%	15594	88%
Not Known	-	-	422	2%

<b>Student Fee Status</b>	2011/12		2012/13	
	<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>
EU	1543	7%	1073	6%
Home	18709	85%	15108	86%
Overseas	1873	8%	1472	8%

Faculty	2011/12		2012/13		
	Count		Count		
Arts and Human Sciences	4925	22%	4242	24%	
Business	4883	22%	4078	23%	
Engineering, Science and The Built Environment	5203	24%	4821	27%	
Health & Social Care	6951	32%	4464	25%	
Statistical Breakdown by Faculty		11/12		12/13	
Faculty	GENDER	Count	%	Count	%
Arts and Human Sciences	Female	3105	63%	2651	62%
	Male	1820	37%	1591	38%
Business	Female	2354	48%	1851	45%
	Male	2529	52%	2227	55%
Engineering, Science and The Built Environment	Female	1129	22%	1096	23%
	Male	4074	78%	3725	77%
Health & Social Care	Female	5930	85%	3772	84%
	Male	1021	15%	692	16%

Faculty	Disability	11/12		12/13	
		Count	%	Count	%
Arts and Human Sciences	Disability (DSA Nk)	71	1%	83	2%
	Disability (No DSA)	250	5%	208	5%
	Disability (Rec DSA)	361	7%	218	5%
	No Disability	4243	86%	3683	87%
	Not Known	-	-	50	1%
Business	Disability (DSA Nk)	41	1%	34	1%
	Disability (No DSA)	123	3%	96	2%
	Disability (Rec DSA)	147	3%	101	2%
	No Disability	4572	94%	3668	90%
	Not Known	-	-	179	4%
Engineering, Science and The Built Environment	Disability (DSA Nk)	52	1%	44	1%
	Disability (No DSA)	190	4%	181	4%
	Disability (Rec DSA)	226	4%	156	3%
	No Disability	4735	91%	4330	90%
	Not Known	-	-	110	2%
Health & Social Care	Disability (DSA Nk)	36	1%	73	2%
	Disability (No DSA)	367	5%	200	4%
	Disability (Rec DSA)	453	7%	237	5%
	No Disability	6095	88%	3872	87%
	Not Known	-	-	82	2%

Faculty	Bands	11/12		12/13	
		Count	%	Count	%
Arts and Human Sciences	21 or under	1524	31%	1702	40%
	22 to 24	955	19%	708	17%
	25 to 39	1617	33%	1285	30%
	40 and over	829	17%	547	13%
Business	21 or under	1332	27%	1494	37%
	22 to 24	1252	26%	888	22%
	25 to 39	1659	34%	1245	31%
	40 and over	640	13%	451	11%
Engineering, Science and The Built Environment	21 or under	1138	22%	1394	29%
	22 to 24	1214	23%	1057	22%
	25 to 39	2363	45%	1969	41%
	40 and over	488	9%	401	8%
Health & Social Care	21 or under	560	8%	627	14%
	22 to 24	650	9%	494	11%
	25 to 39	3445	50%	2089	47%
	40 and over	2296	33%	1254	28%

Faculty	Ethnicity	11/12		12/13	
		Count	%	Count	%
Arts and Human Sciences	Asian	431	9%	465	11%
	Black African	892	18%	791	19%
	Black Caribbean	549	11%	432	10%
	Chinese	33	1%	33	1%
	Not Known	38	1%	35	1%
	Other	525	11%	465	11%
	Refused	198	4%	151	4%
	White	2259	46%	1870	44%
Business	Asian	585	12%	553	14%
	Black African	1247	26%	1038	25%
	Black Caribbean	302	6%	251	6%
	Chinese	383	8%	240	6%
	Not Known	85	2%	175	4%
	Other	750	15%	640	16%
	Refused	217	4%	171	4%
	White	1314	27%	1010	25%
Engineering, Science and The Built Environment	Asian	476	9%	433	9%
	Black African	976	19%	939	19%
	Black Caribbean	289	6%	288	6%
	Chinese	75	1%	67	1%
	Not Known	58	1%	90	2%
	Other	708	14%	665	14%
	Refused	219	4%	185	4%
	White	2402	46%	2154	45%

Health & Social Care	Asian	323	5%	232	5%
	Black African	1591	23%	941	21%
	Black Caribbean	552	8%	390	9%
	Chinese	78	1%	55	1%
	Not Known	142	2%	68	2%
	Other	581	8%	369	8%
	Refused	190	3%	87	2%
	White	3494	50%	2322	52%

Faculty	STUDENT_STATUS	11/12		12/13	
		Count	%	Count	%
Arts and Human Sciences	EU	309	6%	220	5%
Arts and Human Sciences	Home	4308	87%	3741	88%
Arts and Human Sciences	Overseas	308	6%	281	7%
Business	EU	560	11%	377	9%
Business	Home	3406	70%	3028	74%
Business	Overseas	917	19%	673	17%
Engineering, Science and The Built Environment	EU	453	9%	356	7%
Engineering, Science and The Built Environment	Home	4262	82%	4055	84%
Engineering, Science and The Built Environment	Overseas	488	9%	410	9%
Health & Social Care	EU	193	3%	117	3%
Health & Social Care	Home	6601	95%	4242	95%
Health & Social Care	Overseas	157	2%	105	2%



	PAPER NO: BG.07(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Educational Character Statement	
Author:	Dr Phil Cardew, Pro Vice Chancellor (Academic)	
Executive sponsor:	Dr Phil Cardew, Pro Vice Chancellor (Academic)	
<b>Recommendation by the Executive:</b>	To approve the Educational Character Statement	
Aspect of the Corporate Plan to which this will help deliver?	All	
Matter previously considered by:	Academic Board	On: 7 November 2012
	Educational Character Committee	10 December 2012
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	Board of Governors, University Staff	

### **Executive summary**

The Educational Character Statement was commissioned by the Educational Character Committee to provide more depth of understanding for governors (and members of the Committee, in particular) with regard to the educational character of the University.

Following prior discussion, it seeks to make a number of clear statements about the educational character of the University, providing a brief discussion of each by way of context.

The Statement is intended as an *aide memoire* for governors in discussing, or representing, the educational character (and in reaching decisions regarding, or entertaining discussion of, academic-related matters pertaining to the Board and its committees). It is not intended to be encyclopaedic in nature, rather, to encapsulate aspects of the University's character, specifically related to its vision and mission, as well as its historical perspective with regard to core provision and widening participation.

The Board is requested to approve the Statement.

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## Educational Character Statement

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### VISION

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*“To be the most admired university in the UK for creating professional opportunity, and thus a source of pride for our students, our staff and the communities we serve.”*

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### MISSION

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*We are about creating opportunity for our students and equipping them to become highly successful in their chosen field. Our focus is on the professions. Widening participation is achieved by delivering success for our students. We can help create the best possible opportunities for our students to succeed.*

*“Creating professional opportunity for all who can benefit.”*

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### EDUCATIONAL CHARACTER

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#### WE RESPECT OUR FOUNDATION AND HISTORIC MISSION

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From its foundation, as the Borough Polytechnic, in 1892, London South Bank University has played an important role in the development of technical, professional and business education for a wide demographic group, irrespective of social background, age, ethnicity or gender.

This historic mission – the essence of which is captured within our vision and mission statements – underpins all our activities and provides a context for our operation within an increasingly diverse higher education sector.

We celebrate our historic character, and the part we have played within the higher education sector over the past 120 years.

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#### WE WILL MAINTAIN A COURSE PORTFOLIO WHICH SUPPORTS THE NEEDS BOTH OF OUR STUDENTS AND OF OUR LOCAL COMMUNITIES

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We are a University, and, as such, seek to maintain a course portfolio which supports learning across a diverse range of subjects and at all levels (and modes of delivery).

Our emphasis is, and always has been, on the practical and applied disciplines, supporting ‘real world’ learning and targeted on meeting the employment needs both of our students, and our communities. Our target is to enhance our students’ abilities within their chosen career, as well as their academic status and potential.

Our central concern is the employability of our students, and we will continue to maintain a level of professional accreditation that is consistent with this focus. At the same time, we will engage with leading employers within each of our employment sectors and ensure that students, whatever their course (or level of accreditation) are alive to the challenges of gaining fruitful employment commensurate with their level of achievement.

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WE WILL UNDERPIN OUR ACADEMIC PORTFOLIO WITH RELEVANT AND APPLIED  
RESEARCH AND ENTERPRISE ACTIVITY

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Our students wish to be taught by active and engaged academics, who are expert in their scholarly fields and who maintain an active engagement with their disciplines.

However, we are not a research-led university and do not, within our current context, wish to become one. Our engagement with research, enterprise and scholarly activity is in support of our teaching activity and provides an important context for the delivery of our course portfolio.

Research and enterprise are important to the University, in taking forward our engagement with the academic and professional environments within which we operate and in supporting the delivery of the best-possible courses to our students (particularly at the higher levels of the *Framework for Higher Education Qualifications*). Our students, whatever their discipline, should have the opportunity of being taught by staff who are active in their field, and of, themselves, participating in research and enterprise as their own expertise develops.

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WE WILL MAINTAIN A FOCUS FOR OUR ACTIVITIES WHICH ENHANCES LOCAL  
IMPACT WITHIN A GLOBAL CONTEXT

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London is a global city, and our students come to us from such a variety of backgrounds as to give a multi-cultural context to everything that we do. We have no dominant ethnic, cultural or religious communities on campus. Our local environment is, by its very nature, an international environment.

Similarly, our diverse internal community provides a supportive environment for students across the world, and our ambition is to continue to engage with, recruit, and support students from a variety of nations, both through collaborative institutional partnerships and by individual recruitment.

Thus, whilst we maintain a commitment (and a focus) on our location as a 'community university' we are also conscious of the need to ensure that we engage internationally and provide our students with an opportunity to locate their studies within a global context. We will encourage course teams to provide such an opportunity, at all levels of study, as well as (where appropriate) engaging in opportunities for study abroad, international exchange and the reception of a diverse range of external speakers into the University.

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WE WILL CONTINUE TO SUPPORT ALL STUDENTS WHO ARE CAPABLE OF  
ACHIEVEMENT

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We are a University with a history of successful delivery to a wide range of students, from many different backgrounds, many of whom are the first in their families to enter higher education.

However, we are committed to the maintenance of academic standards and the development of the excellence of our students; whilst we retain a charitable ethos, our focus must be on those students who are able to fully benefit from the opportunities that higher education brings them. We are fully committed to fair access, but this does not mean that we can have no standards of entry.

We also respect the fact that past performance is only one measure of future potential. Whilst we will continue to set standard entry tariffs for a wide number of our students, we will also continue to explore alternative measures of this potential and to admit students who demonstrate this potential (and who we believe have the ability to succeed).

Once we have admitted a student, our focus will be on supporting them to the end of their course and in ensuring that we have in place mechanisms to identify risks to progression and achievement (and to act when those risks are identified). Our ambition is that every student we admit achieves a good degree within an appropriate time period.

#### WE WILL ENSURE OUR STAFF ARE ABLE TO SUPPORT OUR STUDENTS' ACHIEVEMENT

Our students are the markers of our success; our staff are the means by which that success is delivered.

Both academic and support staff are key to the educational experience of students, whether that is through direct teaching and learning activity or through their day-to-day contact with student services, learning resources, IT systems, administration, estates and facilities.

Our staff must be excellently qualified, motivated and prepared to meet the challenges of an increasingly complex and fast-moving environment. We will ensure that we provide appropriate opportunities to support their personal development and that our appraisal systems acknowledge excellence as well as identifying need.

#### WE WILL ENSURE WE ARE ABLE TO MEET THE CHALLENGES OF DELIVERY WITHIN AN INCREASINGLY COMPETITIVE ENVIRONMENT

We operate within an uncertain and flexible environment, which presents new challenges to our academic delivery each year, and which requires us to be responsive and alive to those challenges.

We are committed to the excellence of the standards of our awards and to ensuring that we more than meet the expectations of external accrediting agencies and government departments. At the same time, we are aware of the need to act swiftly to meet emerging agendas, and to ensure that our systems are appropriate to their ends and not 'gold plated'.

To this end, we are committed to an environment of consistent review and reflection, enabling us to capture, and promulgate, the best practices of our course teams, whilst maintaining a self-critical view of all that we do.

Students are at the heart of our academic delivery, and we will continue to capture, and respond to, their opinion and to engage them in the review of their learning experiences.

We will respond to both our internal and external markets and ensure that we can continue to maintain a vibrant, diverse, and high-quality academic portfolio which will enable us to flourish.

	PAPER NO: BG.07(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Vice Chancellor's report	
Author:	Dr Markos Koumaditis, Executive Assistant to the Vice Chancellor	
Executive sponsor:	Professor Martin Earwicker, Vice Chancellor	
<b>Recommendation by the Executive:</b>	The Board is requested to note the report which provides a progress update on University business.	
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?	N/A	

### **Executive summary**

The Board is requested to note this report which provides a progress update on University business not covered in the agenda. The Vice Chancellor would welcome knowing whether there are specific topics that the Governors would like him to address in future updates.

## ICT

### *Cost Saving Initiatives*

1. In collaboration with our Procurement colleagues ICT has renegotiated contracts in relation to Mobile Telephony (including iPads) and Multi-Function Devices (Printer, Photocopier and Scanner) that will save the University significant sums of money and deliver better levels of service in both cases.

### *ICT Strategic Implementation Plan*

2. The Chief Information Officer has in consultation with Senior Managers in the University written a three to five year plan which will enable the University to better align ICT projects with the Corporate Planning cycle. The Governance of ICT projects has been transformed and there is a new ICT Advisory Board chaired by the Executive Director of Finance and also comprising the PVC Academic, two Executive Deans, the Registrar and the Chief Information Officer. The Advisory Board reports to the Executive and will be supported by two Strategic User Groups (Academic and Administrative). There is now a clearly defined series of ICT initiatives over a three year period that supports the delivery of the Corporate Plan.

### *Integrated Data Project Update*

3. In our effort to develop data systems that we trust, located on a server structure which is robust enough to cope with loading at peak periods of operation and which does not 'fall over' during core processes, we appointed Deloitte to produce a consolidated requirements document for Management Information, Business Intelligence and Enterprise Planning within LSBU. Deloitte followed an approach of Workshops, Individual Interviews and Questionnaires that involved approximately 150 people across the University. The report produced will be used by LSBU to purchase a solution that meets our needs.

## **Estates**

### *Student Centre*

4. Following the successful completion of the Student Centre in November, the users occupied the space and opened fully for business as the students returned from the Christmas break. The heavy use of the Centre for Student Services advice, Student's Union advice, the bar and venue and café/social learning space is testimony to its success. This scheme has also enhanced that part of the campus including a new access to the Edric Theatre and has greatly improved the streetscape along Borough Road.

### *LSBU Sports Centre*

5. The Executive has approved a scheme to create a new entrance to the Sports Centre at the junction of London Road and Thomas Doyle Street enabling greater access for both LSBU students and staff and community access for the residents of the Southwark Borough. The project is supported by match funding from the Sport England, the London Borough of Southwark and LSBU. A key benefit of the collaboration is that LSBU students and staff will be given access to sports facilities across the Borough of Southwark. This work will also create greater integrity to the internal street within the London Road building for the Faculty of Business. These works will be completed in time for the start of the new academic year in September 2013.

## **Enterprise**

6. Planning for the usage of the Terraces as an Enterprise Centre from September 2013 is underway and will be ready for presentation to the Board in May. The plans will also include active management of the space on the second floor of Technopark. Discussions with the local business community and Southwark Council are progressing well and are very encouraging. Using the Terraces as part of the London policy of supporting growth of small enterprises will be a key point on the agenda with the Deputy Mayor with responsibility for Enterprise, Kit Malthouse, when he visits us in April.
7. Over the last year we established a programme of prospective major enterprise projects aimed at delivering our target for a step change in income generation. The first of these, the ACCA (Association of Chartered Certified Accountants)



project for delivering professional training is developing well, with the second cohort having started in February, and a third planned for summer 2013, aimed particularly at international students. Further options for delivering professional training, including AAT (Association of Accounting Technicians), are being actively explored, as are options to deliver “higher apprenticeships” or equivalent which refers to training for employees joining companies after A Levels.

8. Student Enterprise is developing well, with the launch of the Enterprise Network, engaging local entrepreneurs and alumni with our students; the NatWest Enterprise Bus coming on campus and being visited by a good number of students; and ideas coming forward for social enterprise from both students and staff. One student, Charlotte Beck, has already been identified as “one to watch” nationally by UnLtd, the leading provider of support to social entrepreneurs in the UK and the largest such network in the world, for her business of providing social and attitude training for school pupils at risk of exclusion.

### **Learning and Teaching Environment – (BUILD) Project update**

9. We are well underway with the re-development of our virtual learning environment, to support students alongside their more traditional 'class contact' as well as to further enable the development of fully 'on-line' delivery. The BUILT project is particularly focused in the development of a "Technology-Enhanced Learning Strategy", which will be presented to Academic Board in May, and the re-development of our Virtual Learning Environment from 'Blackboard', a rather monolithic and outdated product, to 'Moodle', an open-source development which supports a greater range of social media and advanced technologies. The new 'Moodle' environment will be hosted by the University of London Computing Consortium which will help to address any on-going issues of reliability and security of access.
10. Once our Virtual Learning Environment is developed (the first phase to be completed for the start of the next academic year) the University will be better placed to offer more dedicated support to students in their learning, outside class contact, and to engage with them in a 'blended' approach to their studies which will foster greater levels of staff and student interaction as well as student-student discussion. Additionally, students will be able to access the system on a far greater range of devices, including tablets (iPods) and 'smartphones'. We will also support, and from 2014 require, written coursework assessments to be

submitted through the system; increasing security and tracking, speeding up marking and the return of marked work, and enabling greater levels of monitoring through 'Turnitin' our anti-plagiarism software.

11. Alongside this development, we are re-working our existing student portal 'My LSBU' which currently acts as the central source of information to students, and embedding electronic reading lists in all modules. This enables the tracking of library access to core texts and the provision of additional texts where demand is high. All of this, including the virtual learning environment, will be available in one 'space' for students, mitigating the need to log in and out of different systems to get different levels of advice. This will place us on a much better footing to be effective in meeting the growing demands of new technologies in learning and teaching, and will undoubtedly have a positive impact on student satisfaction.

### **LSBU launches free law drop-in clinic manual for universities**

12. I am proud that LSBU has published the free 'Drop-In Clinic Operational Manual', a teaching and learning resource for higher education institutions looking to run clinical legal education projects. The purpose of the manual is to provide an alternative model of clinical legal education to the 'letters of advice' model and to explain how to set up and manage a face-to-face, drop-in legal advice service within a university setting. The manual was launched at the 'Clinical Legal Education - Form and Funding' conference which formed part of the Higher Education Academy Social Sciences Seminar Series held at LSBU, and brought together legal academics, practitioners, funders and students to discuss the structure and content of clinical legal education. Attended by over 100 delegates, including the Law Society's Commonwealth Fellows, the event featured 18 speakers, including the Law Society President Lucy Scott-Moncrieff, the Director of the Law Centres Network Julie Bishop, and the Director of the Legal Aid Practitioners Group Carol Storer.

### **Celebrating clever thinking**

13. With more than twenty individual and team entries, staff celebrated the bright ideas and clever thinking of their colleagues at the 2013 Vice Chancellor's Enterprising Staff Awards ceremony on Thursday 7 March. An outstanding range of successful projects from across the university were showcased by the ceremony. Individual category winners were awarded £200 and winning teams £1,000 to use for professional development. The evening featured an

inspirational guest speaker line-up of successful entrepreneurs and previous winners. James Smith, chairman of South Bank University Enterprises Limited and Board member, spoke on the importance of enterprising staff to successful organisations.

### **LSBU has been shortlisted for Student Nursing Times Award**

14. I am delighted that the outstanding Non-Medical Prescribing and Advanced Nurse Practitioner programmes have been shortlisted in the prestigious category 'Nurse Education Provider of the Year (post-registration)', further establishing LSBU as a leader in Health education provision. Adding to this achievement, two LSBU students have also been nominated for the following awards: Children's Nursing student, Amy Wilkinson, has been shortlisted in the 'Student Nurse of the Year: Children', while Learning Disabilities student, Jennifer Ash, has been shortlisted in the category 'Student Nurse of the Year: Learning Disabilities'.

### **Student Success**

*High calibre Film Production graduate celebrates success in Enterprise*

15. High-calibre alumni Bertie Stephens graduated from London South Bank University with First Class Honours in Film Production in 2007 at the age of 20. Bertie is currently cultivating his entrepreneurial spirit as co-founder and CEO of Flubit Limited, an online group-demand marketplace, about which Bertie recently gave an interview to The Telegraph. Since 2007, the talented graduate has blossomed in his professional career and has delved into various successful projects, such as co-founding MWS media in 2007, and in 2010 winning the Best Horror Film Award at the London Independent Film Festival for his film 'Nuryan'.

### **LSBU Alumni on New Year Honours List**

16. A number of LSBU alumni have been included in the New Year's Honours List including
  - Vicky Paterson DBE, member of the LSBU Association, was honoured with a Damehood for her work in schools in Lewisham.

- Reginald Bailey, LSBU alumnus and CEO of grant-making charity Mothers' Union, was appointed CBE for his services to children and families.
- Fleur Bothwick, HR alumna and Director of Diversity & Inclusiveness at Ernst & Young, was honoured with an OBE for services to inclusion and diversity in the workplace.
- Jeremy Buckle, alumnus and Event Director at UK Young Scientists and Engineers Fair, was honoured with a BEM for his contribution to science and engineering.
- Dame Sally Coates, MA Education alumna and Principal of Burlington Danes Academy, Hammersmith, was honoured for services to education.

### **Key Performance Indicators Report**

17. The KPIs are attached. Only one has been updated this cycle namely the early to late applications ratio. Early applications have slipped one percent to 74%; an unsurprising result in view of the poor state of the sector recruitment this year.
18. Changes to the KPIs are recommended as part of ensuring they are relevant and appropriate. The target for KPI 13, progression, is seen as too challenging in the short term and it is proposed that it should be reduced to 70%. It is also proposed to delete KPI 21 which refers to the state of the estate. The detailed data on which this is based is costly to collect and adds nothing to our understanding. The Property committee will review the adequacy of the investment in the estate as part of its normal business.

LSBU Corporate Key Performance Indicators (2009/10 - 2011/12)

Report date: 05/03/2013

Financial Sustainability (Check all targets w/Rf)						
KPI	2009/10 (Actual)	2010/11 (Actual)	2011/12 (Target)	Current Performance (RAG)		
<b>Student Numbers &amp; Contracts</b>						
1	Recruitment against HEFCE contract	Within tolerance band	Within tolerance band	Within tolerance band	Predicted within tolerance	↔
2	Recruitment against NHS contract commissions	Within 5%	Within 5%	+/-5%	On target	↔
3	International student income	£11.2m	£10.2m	£10.4m	£9.6m (May 2012 forecast)	↓
<b>Income</b>						
4	Total Income (£)	£143.3m	£144.0m	£135.7m	£137.5m (May 2012 forecast)	↑
5	Research (non-HEFCE) income (£)	£4.3m	£3.4m	£2.2m	£2.2m (May 2012 forecast)	↓
6	Enterprise income (£)	£8.1m	£8.5m	£6.8m	£7.8m (May 2012 forecast)	↑
<b>Surplus</b>						
7	Total Surplus (% of income)	4.4%	7.0%	1.0%	1.6% (May 2012 forecast)	↑
<b>Other Financial Indicators</b>						
8	Cash Balance (£)	£43.8m	£62.6m	£55.4m	£72m (May 2012 forecast)	↑
9	Gearing Ratio	0.47	0.34	0.27	0.3 (June 2012 forecast)	↓
10	Days liquidity	123	179	173	203 (June 2012 forecast)	↑
The Student Experience						
KPI	2009/10 (Actual)	2010/11 (Actual)	2011/12 (Target)	Current Performance (RAG)		
<b>Student Satisfaction</b>						
11	Overall Student Satisfaction - UG (NSS) *	80%	77%	90%	80% (2011/12)	↑
12	Overall Student Satisfaction - PG	74%	75%	90%	78% (2011/12)	↑
<b>Student Retention &amp; Progression</b>						
13	FTUG Year 1 Progression (%)	56%	60%	80%	63% (2011/12)	↑
14	Graduating in intended period (FTUG 3/4yrs) (%)	NEW	53%	65%	52% (2011/12)	↓
<b>Value Added</b>						
15	Employment of graduates (DLHE return) * (Employed, or studying, or both)	73%	82.4%	90%	78.1% (2011/12)	↓
16	No. of first degree students obtaining 1st or Upper 2nd class degrees *	45%	52%	60%	56% (2011/12)	↑
17	No. of first degree students obtaining 1st or 2nd class degrees	81%	89%	80%	90% (2011/12)	↑
<b>Resource Measures</b>						
18	Spend per student (£) * (Academic Services)	NEW	£841	£1,000	£940 (CUG 2012/13)	↑
19	Spend per student (£) * (Services & Facilities)	NEW	£1,021	£1,000	£1062 (GUG 2012/13)	↑
20	Staff:student ratio *	23.4:1	23.3:1	21:1	22.4:1(2011 HESA)	↑
21	% of estate (GIA) in condition A and B (non-residential)	48%	45%	86%	45% (2011/12)	↔
Brand Profile						
KPI	2009/10 (Actual)	2010/11 (Actual)	2011/12 (Target)	Current Performance (RAG)		
<b>League Table Ranking</b>						
22	The Sunday Times	115 (of 122)	118 (of 122)	Out of bottom 5	114 (of 122) (2012/13 Tables)	↑
23	The Guardian	117 (of 117)	100 (of 119)	Out of bottom 5	104 (of 120) (2012/13 Tables)	↓
24	The Complete University Guide (formerly The Independent)	113 (of 113)	116 (of 116)	Out of bottom 5	109 (of 116) (2012/13 Tables)	↑
25	The Times	NEW	113 (of 116)	Out of bottom 5	111 (of 116) (2012/13 Tables)	↑
<b>Subject League Tables (The Guardian)</b>						
26	No. of subjects in top 75% nationally	NEW	5 (of 18)	5 (of 15)	5 (of 17) (2012/13 Tables)	↑
27	No. of subjects in top 50% of post-1992	NEW	4 (of 18)	5 (of 15)	3 (of 17) (2012/13 Tables)	↔
28	No. of subjects in top 50% of post-1992, London	NEW	6 (of 18)	5 (of 15)	3 (of 17) (2012/13 Tables)	↓
<b>Student Perceptions</b>						
29	Early : late applications (% of FTUG enrolments arising from early/late applications)	75:25	75:25	80:20	74:26 (2011/12)	↓
30	Financial support from donors (cash received, £)	£1.4m	£2.5m	£1.6m	£1.5m (2011/12)	↓
<b>Staff Perceptions</b>						
31	Staff Satisfaction	NEW	NEW	70%	62%	NEW

\* Key league table measure

KPI	Notes:	
<b>Student Satisfaction</b>		
11	Overall Student Satisfaction - UG (NSS) *	Data updated once per year in Oct/Nov
12	Overall Student Satisfaction - PG	Data updated once per year in Oct/Nov
13	FTUG Year 1 Progression (%)	Data updated once per year in Oct/Nov
14	Graduating in intended period (FTUG 3/4yrs) (%)	Data updated once per year in Oct/Nov
<b>Value Added</b>		
15	Employment of graduates (DLHE return) * (Employed, or studying, or both)	As reported in the HESA/Hefce (Performance Indicators 10/11). Data updated once per year in June/July
16	No. of first degree students obtaining 1st or Upper 2nd class degrees *	Data updated once per year in Oct/Nov
17	No. of first degree students obtaining 1st or 2nd class degrees	Data updated once per year in Oct/Nov
<b>Resource Measures</b>		
18	Spend per student (£) * (Academic Services)	As reported in The Independent's 'Complete University Guide' League Table (2012/13)
19	Spend per student (£) * (Services & Facilities)	As reported in The Times 'Good University Guide' League Table (2012/13)
20	Staff:student ratio *	As reported in HESA data
21	% of estate (GIA) in condition A and B (non-residential)	The % GIA in condition A and B has fallen to 45% in 2011. This is because although K2 is a new entry in Condition A, we have lost Condition B buildings Erlang House and Pocock House (disposed of) and J Block (downgraded to C) reducing the percentage of stock in A/B. Data updated once per year in July.
<b>League Table Ranking</b>		
22	The Sunday Times	League Table notes: League table due to be released in September 2012
23	The Guardian	League Table notes: London South Bank University has moved down to 104 in the 2012/13 table but the total number of universities is now at 120 from 119 the year before. Results released May 2012
24	The Complete University Guide (formerly The Independent)	League Table notes: London South Bank University has moved up 7 places in the 2012/13 tables released in April 2012 ( <a href="http://www.thecompleteuniversityguide.co.uk/london-south-bank">http://www.thecompleteuniversityguide.co.uk/london-south-bank</a> )
25	The Times	League Table notes: London South Bank University has moved up 2 places to 111 out of 116 institutions in the 2012/13 table Results released June 2012
<b>Subject League Tables (The Guardian)</b>		
26	No. of subjects in top 75% nationally	Top 75% in Computer Science and IT, Engineering (Chemical), Engineering (Electronic and Electrical), Nursing & Paramedical Studies, and Sports Science (2012/13 Guardian League Tables)
27	No. of subjects in top 50% of post-1992	Top 50% of post-1992 in Computer Science and IT, Engineering (Electronic and Electrical) and Nursing & Paramedical Studies (2012/13 Guardian League Tables)
28	No. of subjects in top 50% of post-1992, London	Top 50% of post-1992, London in Computer Science and IT, Engineering (Electronic and Electrical) and Nursing & Paramedical Studies (2012/13 Guardian League Tables)
<b>Student Perceptions</b>		
29	Early : late applications (% of FTUG enrolments arising from early/late applications)	Data updated once per year in Oct/Nov
30	Financial support from donors (cash received, £)	Data updated once per year in Oct/Nov
<b>Staff Perceptions</b>		
31	Staff Satisfaction	Result indicates the percentage of staff that took part in the survey. Survey conducted between October and December 2011

	PAPER NO: BG.08(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Progress on External Reporting	
Author:	Dr Andrew Fisher, Academic Registrar	
Executive sponsor:	Dr Phil Cardew, Pro Vice Chancellor (Academic)	
<b>Recommendation by the Executive:</b>	To note progress on external reporting	
Aspect of the Corporate Plan to which this will help deliver?		
Matter previously considered by:	Audit Committee	On: 7 February 2012
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	N/A	

### **Executive Summary**

This paper reports the progress made with planned improvements to external reporting. Following the request of the Audit Committee, we have attempted to provide a simpler form of report based on the timeline (Appendix 1) and risk register (Appendix 2) for the project originally prepared for the Board in January 2012. There has been no material change to the project timeline.

HESA Student data for 2011/12 and HESES data for 2012/13 have now been submitted to HESAS and HEFCE. The data were submitted on time and met all HEFCE's data quality standards (although we did not achieve all the data quality improvements we wished to make). Some of our published Performance Indicators will again be suppressed from publication because they rely on the inaccurate 2010/11 data (for instance some Indicators report how many of the 10/11 students returned in 11/12), but we have checked our 11/12 data in detail and are confident that they are correct.

**Appendix 1: Project Timeline**

This appendix reports on progress against the project timeline prepared for the Board in January 2012.

<b>2012</b>		
	<b>Planned Activity</b>	<b>Achieved Activity</b>
January	Appointment of new External Reporting and Planning posts	Achieved
February	Establishment of HESA Working Group Submission of 10/11 data to Fixed Database	Fixed Database was not returned at this time due to staff sickness
March	Recoding of HESA Course entities Establish drop-off awarding processes with Faculties	Achieved
April	Generate and evaluate HESA module data. Review with Faculties.	Achieved
May	Internal Audit of HESA/HESES data	Internal Audit took place in June Submission of 10/11 data to Fixed Database
June	Resolve Schema errors on 2011/12 data	Achieved
July	Resolve Business Rules on 2011/12 data	Achieved HESA Project Board established
August	Clearing – ensure adequate capture of 2012/13 data	Achieved
September	Enrolment – ensure adequate capture of 2012/13 data Return 11/12 data to HESA	Achieved
October	Data quality checking period for 11/12 data	Achieved
November	Validate 12/13 data with Faculties	Partially achieved. Validation of module data could have been stronger
December	Return 12/13 data to HESES	Achieved
<b>2013</b>		
	<b>Planned Activity</b>	<b>Achieved Activity</b>
January		Documentation of revised HESA practices
February		



# London South Bank University

March	Validate 12/13 data with Faculties (Semester 2)	On track
April	Establishment of HESA Working Group	On track
May	Resolve Schema errors on 2012/13 data	On track
June	Resolve Business Rules on 2012/13 data	On track
July		
August	Clearing – ensure adequate capture of 2013/14 data	On track
September	Enrolment – ensure adequate capture of 2013/14 data Return 12/13 data to HESA	On track
October	Data quality checking period for 12/13 data	On track
November	Validate 13/14 data with Faculties	On track
December	Return 13/14 data to HESES	On track

**Appendix 2: Risk**

This risk register was presented to the Board in January 2012. The 'Outcome' column indicates progress since then.

<b>Risk</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Value</b>	<b>Mitigation</b>	<b>Outcome</b>
We cannot make necessary improvements in our qualifications on entry data (e.g. due to prevalence of mature, Clearing or non-UK educated entrants)	High	Medium	High	Continue current practice of accepting Clearing entrants only if already in UCAS (although this may carry risks of its own) Invest in additional data collection if required.	This risk did not eventuate. We made significant improvements in the file submitted in October 2012
We do not meet HEFCE's requirements for the Fixed Database submission (or do not meet them in a timely way)	Medium	High	Medium	Delay to the project. Continued discussion and clear communication with HEFCE.	This risk did partially eventuate. We submitted to the Fixed Database later than we planned, but within HEFCE's required timescales
Due to staff illness or turnover we lack the specialist skills needed to return HESA or HESES data	Medium	Medium	Medium	Rotation of duties with Student Records team	This risk did partially eventuate. Staff illness delayed our return to the Fixed Database, but we have since put much more robust staffing resources in

					place
Our key funding data are not robust enough to withstand audit	Medium	Medium	Medium	Prior review by internal audit	The internal audit was completed successfully
New HEFCE requirements arise resulting from legislation in 2012/13	Medium	Medium	Medium	Review resources committed to external reporting	There was no legislation, and none is now expected
Our module data are not robust enough to be returned to HESA	Low/Medium	Medium	Medium	Continue return of placeholder modules for another year	This risk did eventuate. We mitigated in the planned way by returning placeholder modules again
Our published data do not reflect the best possible performance in League Tables	Low	Medium	Low	It is as likely that our League Table performance is overstated due to data errors.	There was no material impact on league tables

# London South Bank University

		PAPER NO: BG.09(13)
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Management Accounts	
Author:	Ralph Sanders, Financial Planning Manager	
Executive sponsor:	Richard Flatman, Executive Director of Finance,	
<b>Recommendation by the Executive:</b>	The Board is requested to note the current financial position and full year outlook	
Aspect of the Corporate Plan to which this will help deliver?	Financial Performance	
Matter previously considered by:	Policy and Resources Committee	On: 12 March 2013
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?		

## Executive summary

This paper provides an update on both the Management Accounts for January 2013 and the forecast financial outlook for 2012/13.

As expected, due to changes in both the Undergraduate funding regime and the introduction of a new visa regime for overseas students, this year has been challenging in terms of recruitment for both this University and the wider sector.

This was not unexpected and as previously reported, in addition to the baseline budget, the University reported 2 scenarios to the Board, 'Possible' and 'Pessimistic'. In terms of surplus the University is currently trending in line with Scenario A with a forecast surplus of £3.4m.

The Board is requested to note the revised full year outlook.

## 2012 / 13 Budget

The original 2012/13 budget as presented to the Board of Governors assumed as a baseline that the University would achieve its student recruitment targets. It was however recognised that there was a high level of recruitment risk this year due to the introduction of a new funding regime for Home & EU Undergraduate students and the introduction of a new Tier 4 visa regime by the UK Border Agency during 2011/12.

The University recognised the risk in this year's recruitment cycle by outlining 2 potential alternative recruitment scenarios as follows:

	Description	Income (£'M)	Surplus (£ 'M)
Baseline Budget	Optimistic	£142.4	£7.2
Scenario A	Possible	£137.6	£3.4
Scenario B	Pessimistic	£135.8	£1.6

At the time of review in July 2012, approval was on the basis that there would be a mid-year review in late Autumn when there was more clarity on student numbers and likely income flows.

### Revised Income Forecast

After the mid-year review, our forecast income from academic fees, after adjusting for fee waivers, had reduced by a net £6.7M compared with baseline budget. As previously indicated there was still an element of risk in our forecast due to assumptions about the number of students starting in the second semester. There was a risk in terms of both Health income and Postgraduate income.

Second semester starts particularly with regard to International students, were slightly disappointing and as result we have recognised a further shortfall of £550k in Postgraduate income and have reduced our Health income Forecast by £175K. This income has been offset by an increase in ESBE non academic fee income but the overall result is a reduction in our income forecast of £400K to £135.4M

### Revised Surplus Forecast

The income reduction has had a direct impact on the surplus that the University is now forecasting. In addition, there have been a number of moves in the forecasts of support departments and the University is now forecasting a reduced surplus of £3.4M

The University continues to look or actions to improve our financial outturn but without impacting our long term gains in student retention and NSS scores.

. These have included:

- reducing the in year Investment fund from £3M to £2M (in previous years the investment fund was set at £1m for the year although it was increased this year to £3m. The level of funds committed YTD in 2012/13 is approximately £1m)
- recognising £500K of additional income and savings as proposed by Estates and Facilities, Residences and the Sports Academy following the re-forecast in those areas. This has been offset by a reduction in Research activity.
- identifying immediate actions to generate savings in excess of £2M that will not impact the student experience.

<b>Forecast Changes</b>		<b>£ 'M</b>
Original Budgeted Surplus		£7.2
Reduction In Fee income	(£7.4)	
Increase in other income	£0.3	
Reduced investment fund	£1.0	
Other savings to date	£2.3	
Reforecast Surplus		£3.4

In terms of short term viability we are in a surplus position overall but recognise that this year's forecast level of surplus at 2.5% of income will not be enough to finance future capital investment and maintain our long term sustainability. As a result, our focus over the next few months will be to continue to identify actions that can be taken to generate savings or revenues that will not impact the student experience.

In the longer term, our focus will continue to be on other areas of income generation and on ensuring that our portfolio of programmes and courses is suitable for the emerging marketplace.

Alongside this structural analysis we have revisited the 5 year forecast and this new forecast will be the benchmark for the budget setting process for next year.

## January 2013 Executive Summary

This Executive Summary reports on the Financial position of London South Bank University as at January 2013 and summarises the changes since the October Reforecast.

- 1 The Full Year Forecast as of January 2013 is trending towards a contribution of £3.4M. This a deterioration compared to the December 2012 Full Year Forecast which had a forecast surplus of £4M. The key drivers for the change in surplus are reduced income from second semester starts and increases in expense forecasts within ICT and EAF.
- 2 The October Reforecast assumed an income reduction against budget of £6.1M due to a shortfall of £4.2M in UG fee income and £2.1M in PG income. This month we have recognised a further shortfall of £75K in Home PG income and £475K in International PG income. We have also recognised the risk concerning recruitment onto Children's Nursing and so have reduced the HSC income forecast by £175K. The net impact is that our forecast for Academic Fees and Support grants has been reduced by a total of £650k.
- 3 The December forecast reflects the commitment to the Board that we would look for opportunities across the organisation for increased revenue and potential savings, without reducing capability or NSS scores. Savings of £1.4M have been identified, including staff savings of £650K and Opex savings of £350k. There has been a slight movement in January and certain costs with Estates and Facilities and ICT have moved £150K higher. We will continue to review our OPEX to ensure that we deliver closer to the December Full Year Forecast.

### 4 Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m					Monthly Move	Jan 12 / variance		11 / 12 12 / 13 12 / 13 variance			
11 / 12 Actual	12 / 13 Budget	Dec 12 FYF	variance to Budget	13 FYF to Budget		Actual YTD	Budget YTD	Actual YTD	to YTD Budget		
Funding Council Grant	45.4	33.2	33.4	0.2	0.0	33.4	0.2	22.1	16.6	17.0	0.4
Academic Fees & Support Grants	74.7	92.3	85.6	-6.7	-0.7	84.9	-7.4	57.5	75.6	69.4	-6.2
Research Grants & Contracts	4.1	3.9	3.2	-0.7	-0.1	3.1	-0.8	2.2	1.9	1.6	-0.3
Other Operating	13.9	12.7	13.2	0.5	0.3	13.6	0.8	6.1	6.4	6.7	0.2
Endowments & Interest	0.7	0.3	0.3	0.0	0.0	0.3	0.0	0.2	0.2	0.1	-0.0
<b>Income</b>	<b>138.7</b>	<b>142.5</b>	<b>135.8</b>	<b>-6.7</b>	<b>-0.4</b>	<b>135.4</b>	<b>-7.1</b>	<b>88.1</b>	<b>100.7</b>	<b>94.9</b>	<b>-5.8</b>
in £'m					Monthly Move	Jan 12 / variance		11 / 12 12 / 13 12 / 13 variance			
11 / 12 Actual	12 / 13 Budget	Dec 12 FYF	variance to Budget	13 FYF to Budget		Actual YTD	Budget YTD	Actual YTD	to YTD Budget		
Staff Costs	74.9	77.4	75.4	2.0	0.0	75.5	1.9	37.0	39.1	37.4	1.7
Depreciation	8.0	8.7	8.2	0.5	0.0	8.2	0.5	4.1	4.3	3.9	0.5
Operating Expenses	43.0	40.3	40.3	-0.0	0.2	40.5	-0.2	15.5	17.7	16.5	1.2
Interest Payable	4.0	4.9	5.0	-0.0	0.0	5.0	-0.0	2.1	2.5	1.8	0.7
Exceptional Items	2.9	3.8	2.8	1.0	0.0	2.8	1.0	0.0	2.0	0.0	2.0
<b>Expenditure</b>	<b>132.9</b>	<b>135.3</b>	<b>131.8</b>	<b>3.5</b>	<b>0.2</b>	<b>132.0</b>	<b>3.3</b>	<b>58.7</b>	<b>65.5</b>	<b>59.6</b>	<b>6.0</b>
<b>Surplus for the year</b>	<b>5.8</b>	<b>7.2</b>	<b>4.0</b>		<b>-0.6</b>	<b>3.4</b>	<b>-3.8</b>				
<b>Surplus as % of income</b>	<b>4.2%</b>	<b>5.1%</b>	<b>2.9%</b>			<b>2.5%</b>					
<b>Staff cost as % of income</b>	<b>54.0%</b>	<b>54.3%</b>	<b>55.6%</b>			<b>55.8%</b>					

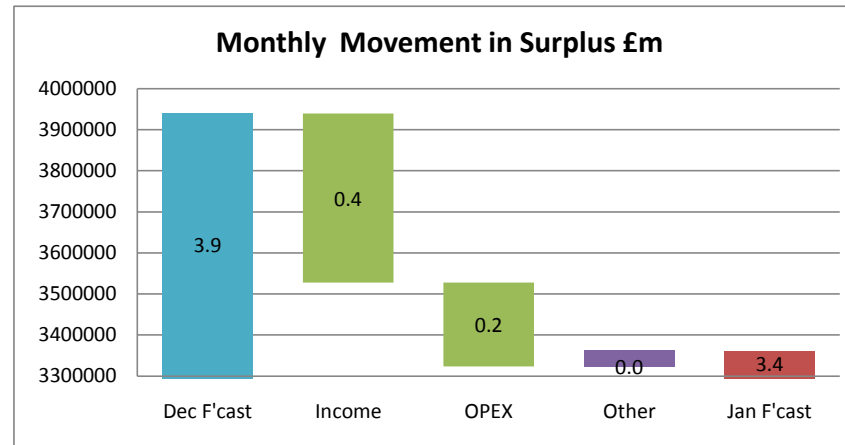
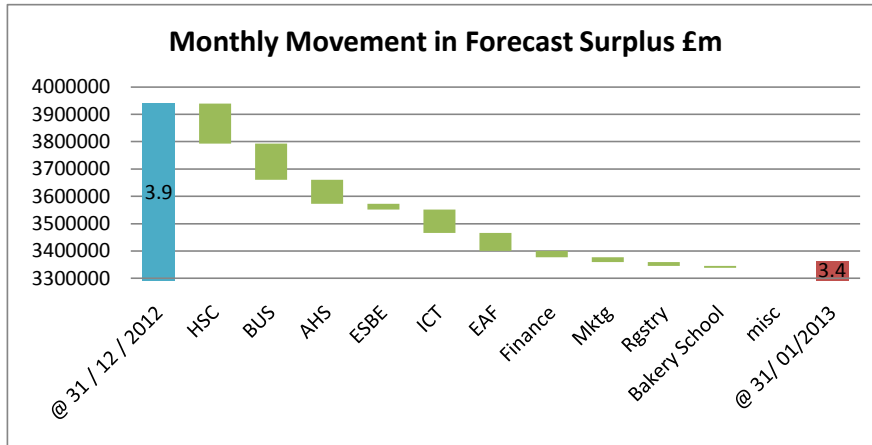
### 5 Risks and Contingencies

The Full Year Forecast contains a number of risks. The income forecast assumes an UG drop out rate similar to previous years. The provision for bursaries is similar to previous years but may have to be increased due to additional UG retention. The forecast continues to includes a provision of £1.5M for restructuring costs, £2.3M against FRS 17 and assumes a further £700K in year investment

### 6 Academic Fees analysis

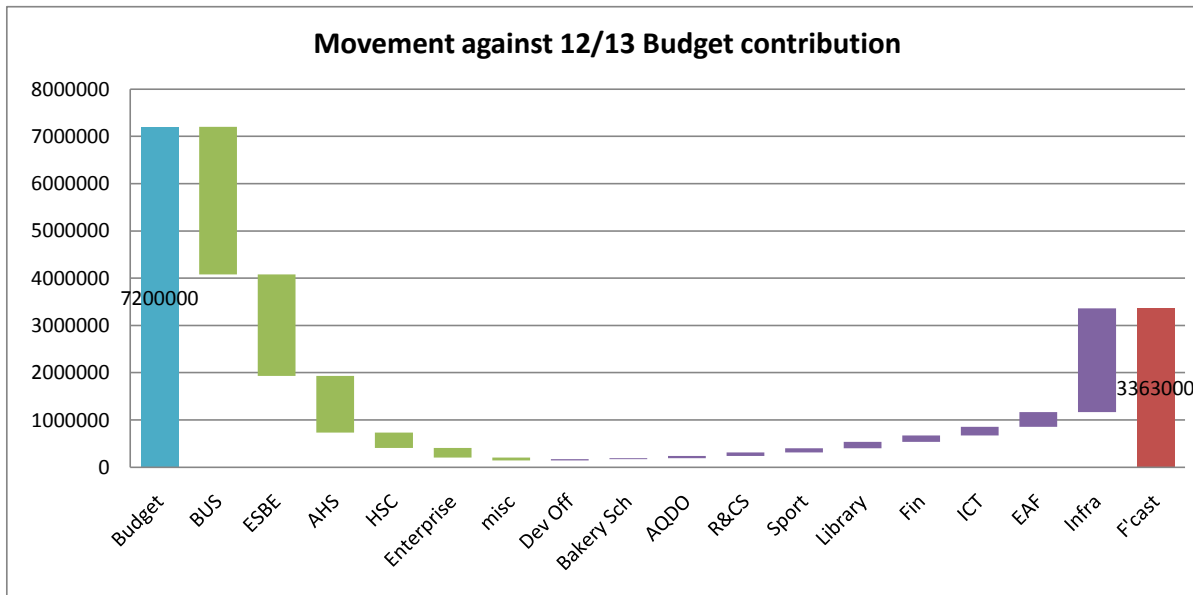
in £'m	12 / 13 Budget	Dec 12 FYF	Monthly Move	Jan 12 / variance 13 FYF to Budget	in £'m	11 / 12 Actual	12 / 13 Budget	Dec 12 FYF	Monthly Move	Jan 12 / 13 FYF to Budget	variance	
Home & EU Fees - UG	41.6	37.9	0.0	37.9	-3.7	Overseas Fees - UG	6.4	5.8	5.4	0.0	5.4	-0.4
Home & EU Fees - PG	9.4	7.2	-0.1	7.1	-2.3	Overseas Fees - PG	3.2	3.4	3.5	-0.5	3.1	-0.3
<b>Total Home &amp; EU Fees</b>	<b>51.0</b>	<b>45.1</b>	<b>-0.1</b>	<b>45.0</b>	<b>-6.0</b>	<b>Total Overseas Fees</b>	<b>9.6</b>	<b>9.2</b>	<b>8.9</b>	<b>-0.5</b>	<b>8.5</b>	<b>-0.7</b>

## 7 Variance Analysis on surplus



The key driver for the reduction in forecast is the reduced Postgraduate income associated with second semester starts and increased risk with regard to recruitment onto Children's Nursing. There were a number of small cost adjustments within both ICT and EAF which are being investigated. Our Overseas Income forecast now totals £8.5M. This is a reduction of £1.1M compared to the 2011 / 12 outturn.

## 8 Contribution Analysis



The average Faculty contribution has now dipped to 39% of income and represents an increase of £115K compared to the 2011 / 12 outturn. The faculty contribution forecast is £6.8M behind budget.

## Contribution by Faculty

	10 / 11 Actual	11 / 12 Actual	Jan 12 / 13 FYF
<b>AHS</b>			
Income	26.9	27.6	27.7
Expenditure	16.2	16.1	15.4
Contribution	10.7	11.5	12.2
	40%	42%	44%
<b>BUS</b>			
Income	24.5	22.3	21.7
Expenditure	15.8	14.2	13.3
Contribution	8.7	8.1	8.4
	36%	36%	39%
<b>ESBE</b>			
Income	35.5	33.5	34.6
Expenditure	23.1	21.9	22.1
Contribution	12.4	11.7	12.5
	35%	35%	36%
<b>HSC</b>			
Income	37.2	37.3	35.9
Expenditure	22.5	21.4	21.8
Contribution	14.7	15.9	14.2
	40%	43%	39%
<b>Total Contribution</b>			
	46.5	47.2	47.3
	37%	39%	39%



Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
			2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£) %		Note	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£) %		Note	
(45,433,613)	(22,135,438)	Funding Council Grants	(33,423,741)	(33,196,788)	226,953	1%		(17,023,535)	(16,609,691)	413,845	2%		(16,400,205)
(74,670,927)	(57,488,743)	Academic Fees & Support Grants	(84,913,536)	(92,296,657)	(7,383,122)	(8%)		(69,431,622)	(75,610,198)	(6,178,576)	(8%)		(15,481,914)
(4,067,302)	(2,154,049)	Research Grants & Contracts	(3,128,294)	(3,911,110)	(782,816)	(20%)		(1,624,664)	(1,907,592)	(282,928)	(15%)		(1,503,630)
(13,880,815)	(6,117,173)	Other Operating Income	(13,573,280)	(12,736,636)	836,644	7%		(6,689,862)	(6,447,362)	242,501	4%		(6,883,418)
(688,509)	(221,984)	Endowment Income & Interest Receivable	(337,178)	(323,300)	13,878	4%		(136,179)	(161,800)	(25,621)	(16%)		(200,999)
(138,741,166)	(88,117,386)	<b>Total Income</b>	<b>(135,376,028)</b>	<b>(142,464,491)</b>	<b>(7,088,463)</b>	<b>(5%)</b>		<b>(94,905,863)</b>	<b>(100,736,642)</b>	<b>(5,830,779)</b>	<b>(6%)</b>		<b>(40,470,165)</b>
42,878,618	20,802,740	Academic	42,062,239	43,378,848	1,316,609	3%		20,969,407	21,714,579	745,173	3%		21,092,832
2,837,741	1,442,109	Technicians	2,772,788	2,823,940	51,152	2%		1,362,422	1,415,438	53,015	4%		1,410,366
26,455,447	13,355,474	Support	27,953,885	29,379,908	1,426,023	5%		13,483,867	14,794,535	1,310,668	9%		14,470,018
2,738,862	1,434,126	Third party staff	2,686,803	1,828,948	(857,854)	(47%)		1,544,847	1,165,401	(379,445)	(33%)		1,141,956
74,910,667	37,034,449	<b>Total Staff Costs</b>	<b>75,475,715</b>	<b>77,411,644</b>	<b>1,935,929</b>	<b>3%</b>		<b>37,360,543</b>	<b>39,089,953</b>	<b>1,729,410</b>	<b>4%</b>		<b>38,115,172</b>
8,031,256	4,114,690	Depreciation	8,201,977	8,730,438	528,461	6%		3,864,071	4,346,844	482,773	11%		4,337,906
8,031,256	4,114,690	<b>Total Depreciation</b>	<b>8,201,977</b>	<b>8,730,438</b>	<b>528,461</b>	<b>6%</b>		<b>3,864,071</b>	<b>4,346,844</b>	<b>482,773</b>	<b>11%</b>		<b>4,337,906</b>
1,714,210	578,710	Staff Related	1,997,690	1,668,945	(328,745)	(20%)		1,163,649	828,627	(335,022)	(40%)		834,041
1,335,460	181,787	Student Recruitment	1,146,367	1,430,496	284,129	20%		181,242	823,265	642,023	78%		965,124
4,257,540	289,194	Bursaries & Scholarships	2,453,970	2,452,829	(1,141)	(%)		335,616	217,321	(118,295)	(54%)		2,118,354
6,004,235	2,652,997	Teaching Delivery	6,672,980	6,533,501	(139,479)	(2%)		2,870,794	2,802,021	(68,773)	(2%)		3,802,185
2,268,935	754,464	Marketing & PR	2,529,886	2,454,531	(75,355)	(3%)		1,216,163	1,178,297	(37,866)	(3%)		1,313,723
3,217,817	1,584,679	Computing & Communication	2,947,926	2,919,367	(28,559)	(1%)		1,411,085	1,535,168	124,084	8%		1,536,841
16,185,782	6,726,758	Premises	15,290,852	15,226,197	(64,655)	(%)		6,763,162	6,670,347	(92,816)	(1%)		8,527,690
2,876,010	1,185,078	Legal & Professional	2,323,553	2,561,074	237,522	9%		989,534	1,081,220	91,686	8%		1,334,018
5,157,674	1,496,577	Other Operational	5,093,715	5,020,544	(73,171)	(1%)		1,586,322	2,458,070	871,749	35%		3,507,394
	55,000	Internal recharges	76,554	64,367	(12,188)	(19%)			89,006	89,006	100%		76,554
43,017,662	15,505,244	<b>Total Other Operating Expenses</b>	<b>40,533,492</b>	<b>40,331,851</b>	<b>(201,641)</b>	<b>(%)</b>		<b>16,517,567</b>	<b>17,683,343</b>	<b>1,165,775</b>	<b>7%</b>		<b>24,015,925</b>
4,018,795	2,074,623	Interest Payable	4,953,157	4,942,262	(10,895)	(%)		1,811,807	2,471,131	659,324	27%		3,141,350
4,018,795	2,074,623	<b>Total Interest Payable</b>	<b>4,953,157</b>	<b>4,942,262</b>	<b>(10,895)</b>	<b>(%)</b>		<b>1,811,807</b>	<b>2,471,131</b>	<b>659,324</b>	<b>27%</b>		<b>3,141,350</b>
2,943,807	9	EXCEPTIONAL ITEMS	2,848,721	3,848,721	1,000,000				1,951,135	1,951,135	1		2,848,721
2,943,807	9	Exceptional Items	2,848,721	3,848,721	1,000,000	26%			1,951,135	1,951,135	100%		2,848,721
2,943,807	9	<b>Total Exceptional Items</b>	<b>2,848,721</b>	<b>3,848,721</b>	<b>1,000,000</b>	<b>26%</b>			<b>1,951,135</b>	<b>1,951,135</b>	<b>100%</b>		<b>2,848,721</b>
		Internal Allocations	228	635	407	64%		( )	322	322	100%		229
		<b>Total Internal Allocations</b>	<b>228</b>	<b>635</b>	<b>407</b>	<b>64%</b>		<b>( )</b>	<b>322</b>	<b>322</b>	<b>100%</b>		<b>229</b>
(5,818,980)	(29,388,371)	<b>Contribution</b>	<b>(3,362,738)</b>	<b>(7,198,941)</b>	<b>(3,836,202)</b>	<b>(53%)</b>		<b>(35,351,876)</b>	<b>(35,193,916)</b>	<b>157,961</b>	<b>%</b>		<b>31,989,138</b>
		Staff costs as % of income	55.8%	54.3%				39.4%	38.8%				
		Contribution %	2.5%	5.1%				37.2%	34.9%				

# London South Bank University

	PAPER NO: BG.10(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Reports from committee meetings	
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	
<b>Recommendation by the Executive:</b>	That the Board note the reports and approves the addition of Ralph Sanders, Financial Planning Manager as an authorised bank signatory.	
Aspect of the Corporate Plan to which this will help deliver?	N/A	
Matter previously considered by:	As indicated	On:
Further approval required?	No	On:
Communications – who should be made aware of the decision?	Redacted minutes of committee meetings are published on the University's website	

## Executive summary

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

Key items to note are the write off of £643k of cumulative halls of residence bad debt and the submission of the TRAC return to HEFCE both approved by the Audit Committee on 7 February.

The Board is requested to approve that Ralph Sanders (the new Financial Planning Manager) be added as a Bank authorised signatory to all University bank accounts.

The Board is requested to note the reports.

## Summary of Committee decisions

### Charitable Funds Committee – 6 December 2012

The committee recommended to the Board the amalgamation of the historic charitable funds and the transfer of the amalgamated fund to the University. The committee approved the establishment of a Hardship Awards Panel and recommended oversight of expenditure of the fund to the Policy and Resources Committee and the subsequent disestablishment of the Charitable Funds Committee – paper **BG.16(12)**.

### Educational Character Committee – 10 December 2012 and 13 February 2013

The Committee agreed an annual business plan which covers the constituent topics of the Academic Board annual report and the committee agreed to report annually to the Board.

The Committee recommended to the Board:

- Educational Character Statement – paper **BG.06(13)**
- Academic KPI's – that the KPI on 'postgraduate satisfaction' is split into taught and research students and that NHS data on progression and achievement is used to inform reporting on Health and Social Care students in these areas. – paper **BG.07(13)**

The Committee noted:

- Academic Strategy
- National Student Survey results
- Destination of Leavers of Higher Education survey results
- Validations Report
- Progression and achievement report
- Undergraduate faculty monitoring
- Annual report on external examiners
- Report on complaints
- Report on student demographics

### Nomination Committee and Appointments Committee – 20 December 2012 and 12 March 2013

The Nomination Committee recommended to the Appointment Committee the appointment of Mee Ling Ng and Prof Hilary McCallion as Independent Governors. The

Appointments Committee approved the recommendation and both have agreed to join the Board for an initial term of four years.

### **Property Committee – 30 January 2013**

The committee noted:

- An update on the Student Centre and that due to the delay of the project the University was claiming £245,000 in liquidated damages from Mansell.
- An update on the progress of the terraces renovation project which had a revised completion date of 29 May 2013.
- The initial proposal to amend the entrance to the Perry Library – paper **BG.11(13)**
- Plans to pedestrianise Keyworth Street had been submitted to London Borough of Southwark
- Funding for the conversion of the old library on Borough Road to house the Confucius Institute had been withdrawn from Hanban

### **Audit Committee – 7 February 2013**

The committee approved:

- The TRAC return to HEFCE
- The write off of £643k of cumulative halls of residence bad debt

The committee discussed:

- An update on student data quality – paper **BG.08(13)**
- Internal Audit reports on:
  - TRAC return – medium risk rating
  - Capital projects – low risk rating
  - Counter fraud – medium risk rating
  - Continuous auditing
- Risk register – paper **BG.15(13)**
- Finance department structure and succession planning
- Speak up arrangements

### **Human Resources Committee – 28 February 2013**

The committee recommended to the Board:

- Staff grievance procedures – paper **BG.12(13)**
- To opt into national pay negotiations – paper **BG.13(13)**
- Pensions auto-enrolment policy – paper **BG.14(13)**

The committee discussed:

- Equality, Diversity and Inclusion action plan
- Performance management
- Staff engagement survey, May 2013

### **Policy and Resources Committee – 12 March 2013**

The committee recommended to the Board:

- Five year forecasts – paper **BG.04(13)**
- Perry Library upgrade – paper **BG.11(13)**
- That Ralph Sanders (the new Financial Planning Manager) be added as a Bank authorised signatory to all University bank accounts.

The committee approved:

- LSBU being the formal lead sponsor of the new South Bank University Technical College

The committee noted:

- Student recruitment update – paper **BG.03(13)**
- Treasury Management report
- Management accounts to 31 January 2013 – paper **BG.09(13)**
- Annual health and safety report – paper **BG.17(13)**

	PAPER NO: BG.11(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Perry Library Entrance Scheme	
Author:	Ian Mehrtens, Interim Director of Estates & Facilities	
Executive sponsor:	Phil Cardew, Pro-Vice Chancellor (Academic)	
<b>Recommendation by the Executive:</b>	To approve the scheme	
Aspect of the Corporate Plan to which this will help deliver?	Delivery of the Board approved (July 2010) 25 year vision for the estate.	
Matter previously considered by:	Property Committee Executive Committee	On: 30 <sup>th</sup> January 2013 15 <sup>th</sup> February 2013
	Policy and Resources Committee	12 <sup>th</sup> March 2013
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	N/A	

### **Executive Summary**

This project aims to improve the entrance to the Perry Library and refurbish the ground floor areas in both the East and West wings. The project aims to make the most of this user-facing facility and assure current and prospective students that provision of excellent learning spaces and resources are a primary concern for LSBU.

The project will address improvements through the creation of a modern, attractive and fully accessible entrance, introduce an automated book return function to speed up re-shelving, improve noise control in the Helpdesk area (a busy service point) and increase the number of study spaces available. The project addresses LSBU strategies for improving learning spaces, improving the student experience, actively responding to student feedback about their expectations and improving the appearance and visibility of the estate more generally.

**Perry Library Entrance Scheme**

1. The proposal to improve accessibility and visibility of the University Library in the Perry Building was presented to the Property Committee in January 2013.
2. The Committee schedule prevented a full debate at the Executive however scheme programme limitations meant that although it had not been discussed the Vice Chancellor supported the submission of a planning application to Southwark Council. This was done in December but did not commit the University to any funding for the scheme.
3. The works will inevitably impact on the day-to-day operation of the Library and as such there are limited opportunities for the construction to be carried out. The programme makes provision for the works to commence on site the day after examinations are finished and to complete before the start of the next academic year.
4. The scheme was then presented to the Property Committee and received support in principle and the business case was subsequently considered at the Executive in February 2013.
5. The Executive support the project and having the support in principle of the Property Committee, recommended that it be presented for funding to Policy & Resources Committee for funding support and onward recommendation to the Board of Governors in March.
6. This timeframe would then allow the works to proceed to programme should the necessary approvals be given.
7. The Property Committee considered, as part of its discussions, the tenure of the Perry Library and the Interim Director of Estates was asked to investigate the tenure of the Perry Library Building in light of the investment being considered.
8. Further investigations have since revealed in a report on the Perry Library undertaken by the University lawyers, Muckles that the University are "*the registered proprietors of the entire freehold of the Perry Library*". There is a restriction on the title relating the continued access to the emergency right of way to Skipton House at the rear.



9. The Executive is considering the next three year estate development plan as part of its fulfilment of the 25-year vision for the estate and if that were to include the disposal of the Perry Library Building and construction of a new University Library elsewhere on its campus, then it is unlikely that this could be achieved within 5 years. Early cost indications are that to replace the existing library on an equivalent area 6,750 m<sup>2</sup> would require a budget in the region of £29m.
10. The issue for the Committee is whether the investment can be justified to improve accessibility and visibility with a potential life of a further 5 years should the decision be taken to dispose of the building and construct a new library.
11. The Executive view is that leaving the Perry Library with little or no significant investment over the next five years has the potential to seriously damage to student recruitment and potentially income, and that the existing entrance, hidden from view within a courtyard is inadequate.
12. The library is seen as being at the heart of the student experience and it is essential to student recruitment and retention and in its current form is not fit for purpose.
13. Footfall statistics support this and for 2010/11 indicate that each LSBU student makes an average 21 visits per year (based on 540,000 footfall for 25,645 students). This compares poorly with the sector benchmark group:

Kingston University	average 79 visits/student
London Metropolitan University	average 62 visits/student
University of Westminster	average 54 visits/student
Middlesex University	average 48 visits/student
University of West London	average 48 visits/student
Roehampton University	average 42 visits/student
14. It is clear then that the existing library is not well used and this investment will encourage greater access and utilisation.
15. The Executive believe therefore that the investment of £1.9m is justified with a life of the existing facility of at least 5-years. There is potential therefore for investment in student facing facilities to make a real difference.
16. Formal written feedback from students specifically on the Library is not collected but students note other facilities in other universities as better quality.

17. The recommendation of the Executive is therefore that the project adds significant benefit to the student experience and that it should proceed with an overall project budget £1.9m inclusive to create a new entrance to the University Library and that this recommendation be made to the Board of Governors.

	PAPER NO: BG.12(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Changes to the Staff Grievance Procedure	
Author:	Joanne Monk, Deputy Director of Human Resources	
Executive sponsor:	Prof Martin Earwicker, Vice Chancellor	
<b>Recommendation by the Executive:</b>	It is recommended that the Board approve the attached revised procedure, which has been negotiated with the recognised trades unions, and considered by the HR Committee.	
Aspect of the Corporate Plan to which this will help deliver?	Section 6 – Creating an environment in which excellence can thrive: 6.9 Simpler, Faster, Cheaper Processes.	
Matter previously considered by:	Executive HR Committee	On: 14 February 2013 28 February 2013
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	Human Resources Department Trades Unions Management and Staff	

### **Executive summary**

In 1992, the University introduced two grievance procedures, one for academic and one for support (APT&C) staff. Both procedures were negotiated with the respective recognised trades unions at the time and approved by the Board of Governors in July 1992. Neither procedure has been changed significantly since.

The proposed changes, outlined below, have come about as a result of a number of years of using the procedures and have been negotiated with the current recognised trades unions, UCU, UNISON and GMB. The aim is to have a single up to date

procedure for all staff that complies with the ACAS Code and best practice, and is more effective and consistent to use. The key changes are:

- One combined procedure for academic and support staff
- A simplified definition of a grievance which complies with the ACAS code
- A reduction from 4 to 3 stages; that still retains the scope for informal resolution and appeal in accordance with the ACAS code
- Informal stage expanded to include mediation and other interventions to encourage resolution as early as possible
- Scope for the Vice Chancellor to delegate appeals to Deans/Directors of Support Departments to ensure the most relevant managers are involved in the process
- Grievance against the Vice Chancellor updated to provide for a hearing with the Vice Chair and appeal to the Chair of the Board of Governors
- Overlap between the grievance and disciplinary procedures clarified
- Flow chart and list of managers eligible to hear grievances and appeals added to streamline and clarify the process.

A copy of the proposed revised staff grievance procedure is attached to this paper.

## **Conclusion**

The Executive considered the paper at its meeting on 14 February and sought clarification about grievances raised against Deans and Senior Post Holders other than the Vice Chancellor, which it is suggested are heard by the Vice Chancellor, with appeal to the Vice Chair of the Board of Governors.

The Board is requested to approve the revised procedures.

**\*London South Bank University**

**GRIEVANCE PROCEDURE FOR STAFF**

**Human Resources Department  
July 1992**

Approved by the Board of Governors  
26 March 1992

\* Names & titles updated  
February 2004 & March 2006

Updated September 2012

## **GRIEVANCE PROCEDURE**

### **Introduction**

1. This procedure applies to a grievance held by a member of staff against the University as an employer, including a grievance against another member of staff acting on behalf of the University. It does not apply to collective disputes nor to disputes between members of staff in their private capacities.
2. "Grievance" in the context of this procedure means a concern, problem or complaint that a member of staff raises with the University.
3. "Representative" in the context of this procedure means a representative of the member of staff's trade unions or another member of staff of the University.
4. "Relevant manager" in the context of this procedure means a manager with the authority to hear grievances in accordance with annex 1 to this procedure.
5. Throughout this process, whilst managers and staff are encouraged to consult with Human Resources, their trades union representatives, and relevant colleagues as appropriate, all parties must act responsibly and respect the confidentiality and privacy of these proceedings.
6. Throughout all stages of the procedure, every attempt shall be made by all parties to settle the matter by conciliation.

### **Stage 1 – Informal discussion**

7. Common sense and tact are essential in diffusing the problems that might arise from a grievance. The aim of this informal stage is to address a problem that has arisen in order to enable the members of staff to continue to work together. When a member of staff has a grievance, she or he should try, where possible, to resolve the matter by a direct approach to the other member of staff involved. In doing so she or he should clearly state that they are initiating the informal stage of the grievance procedure. Staff should make a reasonable attempt to resolve the matter by means of an informal discussion, before proceeding to the formal stage 2 of the grievance procedure.
8. Mediation or other interventions may also be appropriate to try and resolve issues at this, and indeed any other, stage of the procedure. Staff should approach their HR Business Partner for advice and support to facilitate such interventions. Whilst such interventions are encouraged, it should be noted that mediation is only possible with the agreement of both parties.
9. Grievances should be raised and dealt with in a timely manner. An aggrieved member of staff should raise any issue of concern as soon as is reasonably practicable and a meeting or planned intervention should take place within ten working days of the incident occurring or the grievance being raised if there has been an accumulation of incidents. Unless there are exceptional circumstances, a grievance cannot be raised for an incident that occurred more than three months earlier.
10. This informal stage of the procedure is an integral part of the process. It may only be omitted if the relevant HR Business Partner considers that it is not possible or appropriate to resolve the matter informally, in which case, the process will commence at stage 2 – formal process. The HR Business Partner should consult with the

individuals concerned and their representatives before making such a decision to omit this stage of the procedure.

## **Stage 2 – Formal process**

11. If the matter remains unresolved, the aggrieved member of staff may request a meeting with the relevant manager authorised to hear a grievance in accordance with annex 1 to this procedure. This may be the line management of the aggrieved member of staff or the line management of the person against whom the grievance is made depending upon who has the authority to take appropriate action. The HR Business Partner will determine who the relevant manager under the procedure is if this is not clear.
12. The request for a meeting shall be made in writing within ten working days of the informal meeting or intervention and shall specify:
  - (a) a comprehensive account of the facts of the case and the grounds for the grievance;
  - (b) such other background information as may appear relevant and useful;
  - (c) what action has been taken at the informal stage to resolve the matter. If no such action has been taken, the manager may refer the grievance back to stage 1, taking advice from Human Resources as required.
13. The relevant manager shall:
  - (a) seek the advice of their HR Business Partner;
  - (b) inform and copy the grounds of the grievance to the person against whom the grievance has been raised;
  - (c) hold a meeting within ten working days of receiving the request, unless this is not reasonably practicable in which case the meeting should be held as soon as is reasonably practicable. The person against whom the grievance has been brought may be requested to attend the meeting or may be interviewed at a separate meeting with the manager. If required, a broader investigation may be carried out to include interviews with other staff or witnesses. If such interviews or an investigation are to be carried out, this should normally take place within 10 working days of the initial meeting. Where this is not reasonably practicable, Human Resources should agree a timetable and inform all parties of the scope and timescales for such a process;
  - (d) ensure that a member of the Human Resources Department is present at the meeting;
  - (e) keep a written record of the meeting and copy it to the aggrieved member of staff within 10 working days.
14. Both the aggrieved member of staff and the member of staff against whom the grievance is made may be accompanied by a representative at the meeting.
15. After the meeting, the relevant manager shall:

- (a) write to the members of staff involved to record the outcome, within ten working days of the meeting (or final interview or conclusion of investigation where appropriate);
- (b) copy the letter to the Director of Human Resources and to the Vice Chancellor.

### **Stage 3 - Appeal to the Vice Chancellor**

16. If the member of staff wishes to appeal against the decision, she or he may appeal to the Vice Chancellor. The appeal shall be made within ten working days of receiving the outcome letter from the relevant manager who heard the grievance at stage 2. She or he shall submit a full written statement of the grounds for appeal against the decision, which shall be:

- (a) the grounds and reasons for the appeal against the decision;
- (b) accompanied by relevant supporting documents.

17. Only in exceptional circumstances shall the Vice Chancellor allow additional statements to be submitted at this stage.

18. The Vice Chancellor shall:

- (a) copy the written statement and any supporting documents to the manager whose decision is being appealed as soon as is reasonably practicable;
- (b) allow the manager ten working days within which to submit written observations, which shall be submitted to the aggrieved member of staff;
- (c) hold a meeting to hear the appeal not less than ten and not more than twenty working days after receiving the written observations of the manager whose decision is being appealed, unless this is not reasonably practicable in which case the meeting should be held as soon as is reasonably practicable.
- (d) ensure that a member of the Human Resources Department is present at the appeal;
- (e) keep a written record of the appeal meeting and copy it to the aggrieved member of staff within 10 working days.

19. The Vice Chancellor may delegate this stage of the procedure to a relevant manager authorised to hear an appeal in accordance with annex 1 to this procedure. The principles governing the hearing shall be:

- (a) both the aggrieved member of staff and the manager whose decision is being appealed will attend the meeting; the manager to respond to the grounds of appeal;
- (b) if appropriate, either party may request that the member of staff against whom the original grievance was brought attends the meeting. Such a request should be made when the grounds of appeal are submitted by the aggrieved member of staff or the written observations are made by the manager whose decision is being appealed. In either case the reasons for the request should be stated;



- (c) if any facts are in dispute, either or both parties may nominate witnesses; the names of witnesses must be conveyed to the Vice Chancellor or his delegated nominee at least two working days before the hearing;
- (d) both the aggrieved member of staff and, if attending, the member of staff against whom the grievance was originally made, may be accompanied by a representative at the appeal;
- (e) refusal of any party to attend the hearing shall not invalidate the proceedings.

20. The decision of the Vice Chancellor, or his delegated nominee, shall be final and shall be notified in writing to the member of staff and other parties involved as appropriate within ten working days of the hearing.

### **Grievance against the Vice Chancellor**

21. Where the grievance is against the Vice Chancellor and the matter has not been resolved under stage 1 of the procedure, the aggrieved member of staff may submit a written statement of grievance to the Vice Chair of the Board of Governors through the Secretary to the Board. The Vice Chair, together with a Lay Governor, will convene a meeting with the aggrieved member of staff in accordance with stage 2 of this procedure.

22. If the member of staff wishes to appeal against the decision made at stage 2 she or he may do so to the Chair of the Board of Governors through the Secretary to the Board. The Chair of the Board of Governors, together with a Lay Governor, will convene an appeal meeting in accordance with stage 3 of this procedure.

### **Overlap between grievance and disciplinary procedures**

23. If, in response to action being taken against them on the grounds of conduct or capability, a member of staff raises a grievance on a related matter, the disciplinary or capability procedure may be suspended in order to deal with the grievance; or it may be appropriate to deal with the issues concurrently.

**MANAGERS WITH AUTHORITY TO HEAR FORMAL GRIEVANCES AND APPEALS**

<b>Staffing Group</b>	<b>Formal Grievance – Stage 2</b>	<b>Appeal – Stage 3</b>
Academic staff	Head of Department Executive Dean/Pro Dean if grievance against Head of Department	Vice Chancellor who may delegate to a *Senior Post Holder or Executive Dean
Research staff	Head of Research/Research Professor/Head of Department Executive Dean/Pro Dean if grievance against Head of Research/Research Professor/Head of Department	Vice Chancellor who may delegate to a *Senior Post Holder or Executive Dean
Support Department staff	Section Head or Manager Director/Head of Department/Deputy Head/ Director if grievance against Section Head or Manager	Vice Chancellor who may delegate to a *Senior Post Holder or Director/Head of Department
Faculty Admin/Support staff	Faculty Manager Executive Dean/Pro Dean if grievance against Faculty Manager	Vice Chancellor who may delegate to a *Senior Post Holder or Executive Dean
Technicians	Senior Technician or Technical Services Manager or equivalent Head of Department/Executive Dean/Pro Dean if grievance against Senior Technician or Technical Services Manager	Vice Chancellor who may delegate to a *Senior Post Holder or Executive Dean

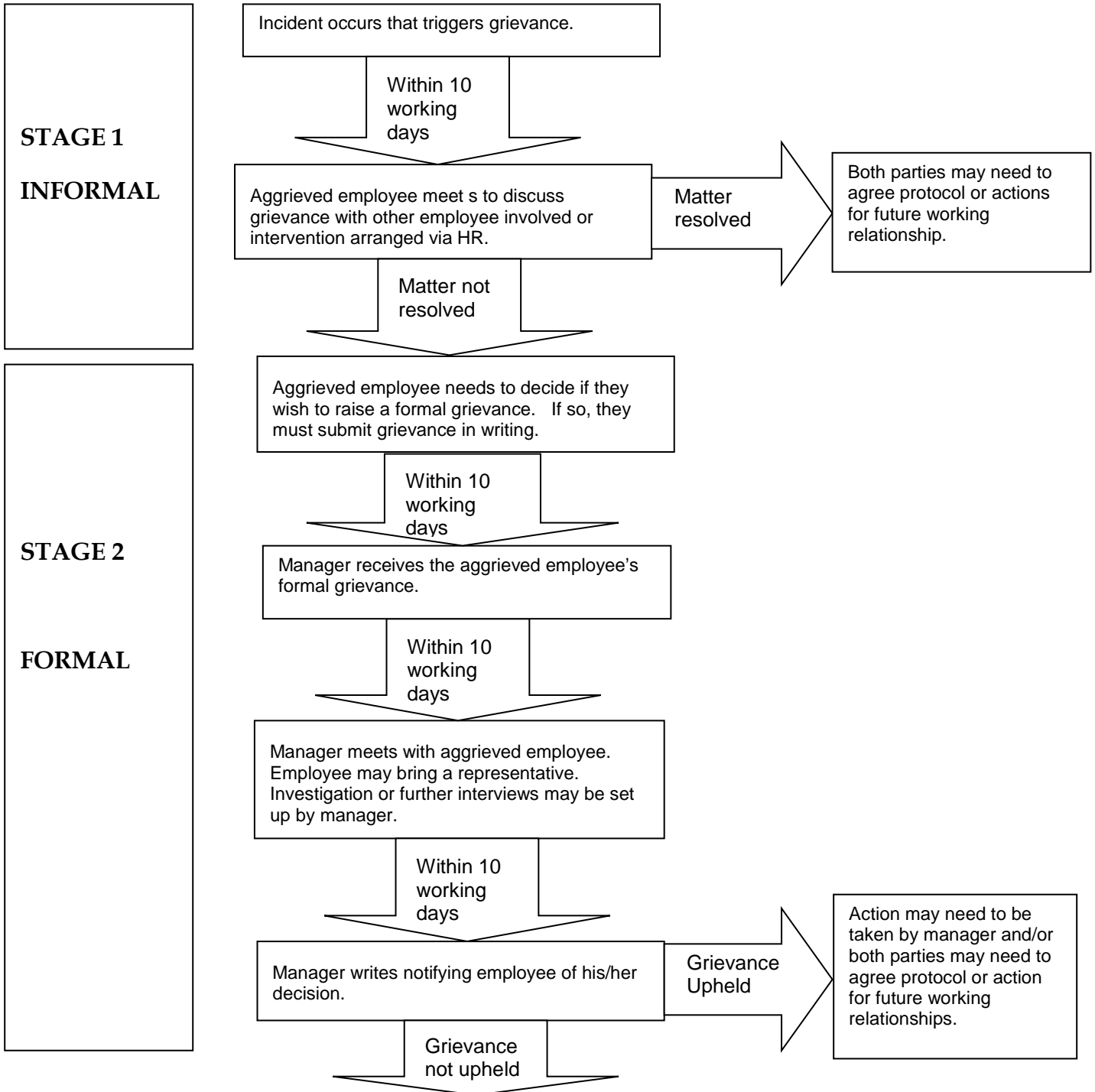
\* Senior Posts Holders are Vice Chancellor, Pro Vice Chancellors, University Secretary and Executive Director of Finance.

Formal grievances should only be submitted once all informal options at stage 1 have been exhausted.

In all cases, grievances and appeals will only be heard by relevant managers not previously involved in the matter or matters that led to a grievance being raised.

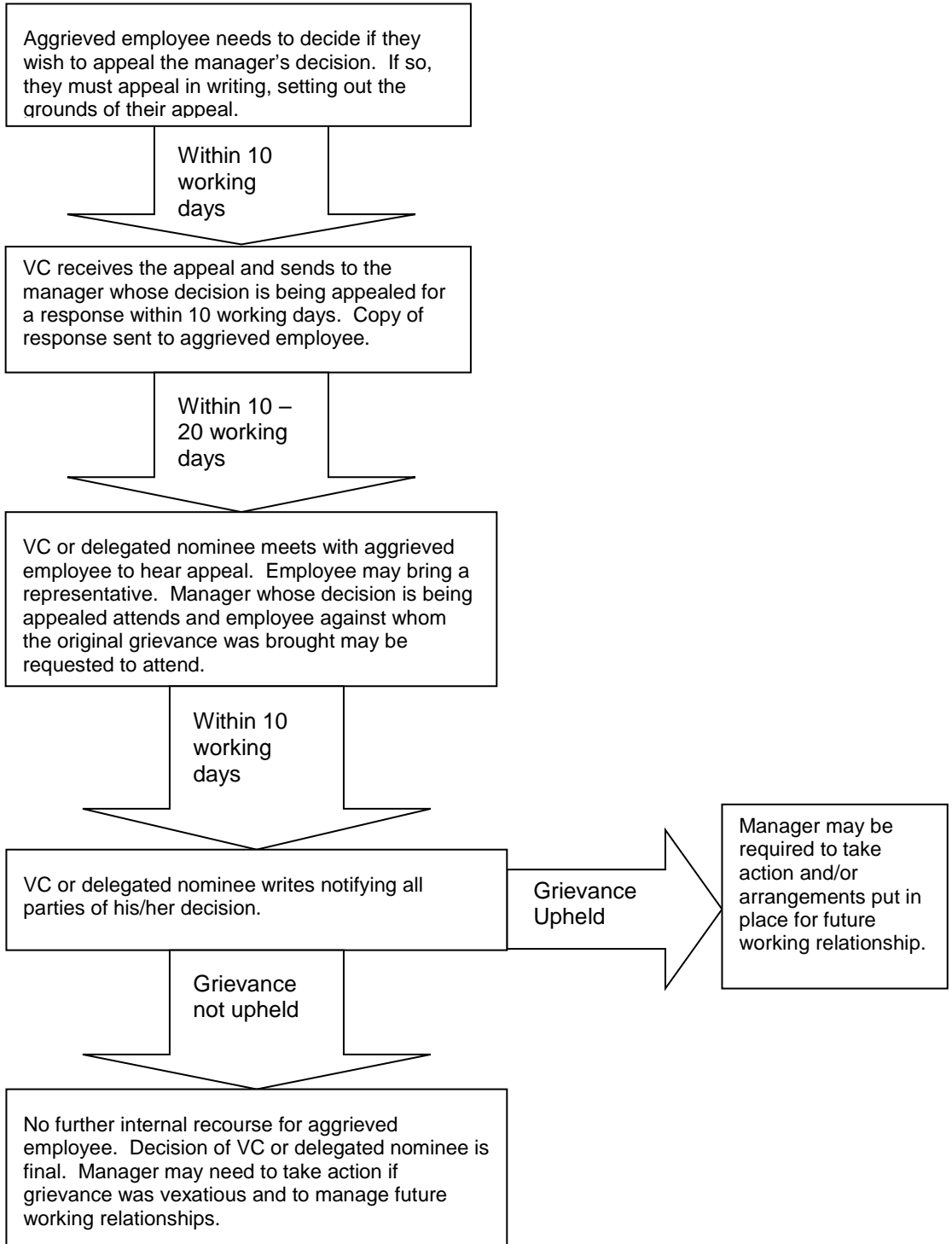
HR Business Partners will determine who will consider grievances or hear appeals in the event a member of staff does not fit into one of the staffing groups listed above or if position is unclear.

**PROCESS TO HEAR GRIEVANCES**



**STAGE 3**

**APPEAL**



# London South Bank University

	PAPER NO: BG.13(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	National versus Local Pay Negotiations 2013/14	
Author:	Katie Boyce, Director of HR	
Executive sponsor:	Professor Martin Earwicker, Vice Chancellor	
<b>Recommendation by the Executive:</b>	To approve the University remains in National Negotiations for 2013/14.	
Aspect of the Corporate Plan to which this will help deliver?	Working with our staff to help them achieve greater success, satisfaction and reward	
Matter previously considered by:	HR Committee	On: 28 February 2013
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	Trade Unions	

## Executive summary

We are financially confident that we will be able to fund the nationally agreed pay award for 2013/14; in the event we can't we can defer or delay payment. A higher risk is that UCU will rekindle their dispute with the University and organise further industrial action which would be damaging to our students.

The Board is asked to approve that the University remains in National Negotiations for 2013/14.

## **National Pay Negotiations, 2013/14**

National pay negotiations for 2013/14 are about to commence and institutions have to confirm to UCEA by Thursday 28 March 2013 whether or not they intend to participate in national negotiations.

Last year we returned to national bargaining because we were financially confident to do so. In addition, the three local unions remained opposed to local bargaining; UCU had declared a dispute with the University, organised a one day strike which was held on 29 June 2011 and threatened an assessment/marketing boycott targeted at Semester 2, 2012.

The three trades unions remain opposed to local pay bargaining.

It is unlikely that national negotiation will result in a pay award that the University cannot afford to pay; in the event that this was the case the University could either defer or delay payment. There is a higher risk that UCU would declare another dispute and take further industrial action if this was to be the case.

In the light of this the Board is asked to approve that the University remains in National Pay Bargaining for 2013/14.

	STRICTLY CONFIDENTIAL	PAPER NO: BG.14(13)
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Pensions Auto Enrolment Policy	
Author:	Natalie Ferer, Financial Controller	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
<b>Recommendation by the Executive:</b>	<p>The Board is asked to consider and recommend approval of:</p> <ul style="list-style-type: none"> <li>• The proposed auto enrolment policy for the University, and</li> <li>• The setting up of a separate pension scheme through the Higher Education Defined contribution Pension arrangement for the small number of staff who are not able to join their contractual defined benefit scheme.</li> </ul> <p>These matters have been reviewed in detail by the HR committee and are recommended for approval.</p>	
Aspect of the Corporate Plan to which this will help deliver	<p>Financial sustainability</p> <p>Staff satisfaction and reward.</p>	
Matter previously considered by:	HR committee	28 February 2013
Further approval required?	SBUEL Board (for approval of DC scheme only)	26 March 2013
Communications – who should be made aware of the decision?	All Staff	

### **Executive Summary**

1. From 1 July 2013 London South Bank University will need to comply with Pension Auto Enrolment legislation. From this date, the University will need to

automatically enrol those staff who are eligible into a qualifying Pension Scheme. Staff who subsequently opt out of the scheme will need to be re enrolled every 3 years. The 3 pension schemes currently used by the University, the Teachers Pension Scheme (TPS) , Local Government Pension Scheme (LGPS) and Universities Superannuation Scheme (USS) are all qualifying schemes and all staff have a contractual right to join either the TPS or LGPS.

2. It is proposed that the University use the existing defined benefit schemes for auto enrolment and that automatic enrolment be applied to all staff regardless of age and earnings. Those who wish to opt out of the scheme can do this by contacting the scheme provider as is currently the case.
3. It is also proposed that the University takes advantage of Transitional Delay for those staff who are in employment at 1<sup>st</sup> July 2013 and are not members of the TPS, LGPS or USS at that date. This allows the University to delay Auto Enrolment for these employees until October 2017
4. Almost all staff are eligible to join either the TPS or LGPS. However, there will be a very small group of staff who will need to be auto enrolled into an alternative scheme. In addition, we are still required to put in place a suitable pension arrangement for staff in SBUEL. Establishment of a DC scheme to meet this need had been delayed pending consideration of auto enrolment. For both purposes it is now proposed that LSBU set up a pension scheme through the Universities' Sector Defined Contribution arrangement with Friends Life.
5. The rationale for the proposed policy is set out in section 7 of this paper.

## **Background**

6. From 1 July 2013 London South Bank University will need to comply with auto enrolment legislation. From this date, the University will need to:
  - a. Automatically enrol those staff who are eligible into a qualifying scheme (and then re enrol every 3 years)
  - b. Contribute to that scheme
  - c. Provide information to staff
  - d. Keep records
  - e. Register with the pension's regulator
7. This is for LSBU only with the subsidiary SBUEL having a later staging date of 1 April 2017.
8. The Current pension arrangement in the University is that all staff have a contractual right to join either the Teachers Pension Scheme (TPS) or Local Government Pension Scheme (LGPS) and we enrol new staff into these



schemes unless employees indicate beforehand that they do not wish to be enrolled. In addition there are also a small number of staff who have transferred into LSBU and who have been allowed to remain members of the Universities' Superannuation Scheme (USS).

## Definitions

Qualifying scheme	For a scheme to meet the criteria to be an auto enrolment scheme, it must meet certain criteria for the level of employee and employer contributions (for defined contribution schemes) and a minimum level of benefits (for defined benefit schemes). The three LSBU pension schemes (TPS, LGPS and USS) are all qualifying schemes.
Eligible Jobholders	Earn over the earnings trigger of £8,105 per year and are aged between 22 and the state pension age. Eligible Jobholders have the right to automatically be enrolled into a qualifying workplace pension scheme and for their employer to contribute to their scheme.
Non Eligible Jobholders	are aged between 16-21 <u>or</u> are aged between the state pension age and 74, <u>or</u> earn between the lower earnings threshold of £5,564 and the earnings trigger of £8,105 per year. Non Eligible Jobholders have the right to opt into a qualifying scheme and for their employer to contribute to their scheme. The only difference compared with eligible jobholders is that we are not required to auto enrol non eligible jobholders.
Entitled Workers	Earn less than the lower earnings threshold of £5,564 per year. Entitled workers have the right to join a pension scheme but no right to an employer contribution.
Defined Benefit Scheme	Provides staff with a defined level of pension at retirement. TPS, LGPS and USS are all Defined Benefit (DB) Schemes.
Defined Contribution Scheme	The employer and employee contribute to a fund and benefits are based on the value of the fund at retirement (DC). The proposed new sector scheme with Friends Life

is a DC scheme and is a qualifying scheme for the purposes of auto enrolment.

**Analysis of workforce**

9. The table below defines the three categories of Eligible Jobholder, Non –Eligible Jobholder and Entitled worker.

<b>Age/Earnings</b>	<b>16-21</b>	<b>22-state pension age</b>	<b>State pension age-74</b>
<b>Over earnings trigger (£8,105)</b>	<b>Non- eligible jobholder</b>	<b>Eligible jobholder</b>	<b>Non-eligible jobholder</b>
<b>Between £5,564 and £8,105</b>	<b>Non-eligible jobholder</b>		
<b>Under lower earnings threshold (£5,564)</b>	<b>Entitled Worker</b>		

10. The table below shows the approximate number of staff employed by LSBU in each category, split between academic and support staff who are not currently a member of a pension scheme.

<b>Age/Earnings</b>	<b>16-21</b>	<b>22-state pension age</b>	<b>State pension age-74</b>
<b>Over earnings trigger (£8,105)</b>	Support 56	<b>Academic 45</b> <b>Support 349</b>	Academic 10 Support 17
<b>Between £5,564 and £8,105</b>	Academic 6 Support 2		
<b>Under lower earnings threshold (£5,564)</b>	Academic 18		

11. The analysis shows that there are currently 503 staff who are not enrolled in a pension scheme, of which 394 (80%) are Eligible Workers who must be auto enrolled from July 2013. The majority of these are support staff who have not joined or who have opted out of the LGPS.

**Auto enrolment draft policy**

12. The draft policy aims to simplify the University's responsibilities by relying on the current contractual arrangements whereby all staff are eligible to join one of the two defined benefit schemes. This arrangement will enable the University to delay auto enrolment until October 2017 for current staff who are not members of a pension scheme (Transitional Delay). This will delay the administration associated with auto enrolling these staff and also delay the potential cost to the University auto enrolling these staff into the costly DB scheme (see section 8).
13. The main features of the proposed Auto Enrolment Policy are that LSBU:
- Auto enrolls all new staff within scheme rules into their contractual DB scheme. Most staff will fall into the category of Eligible job holders, but it is proposed that all staff be auto enrolled regardless of age and earnings.
  - Auto enrolls the limited number of eligible jobholders who do not qualify for membership of the LGPS and TP schemes (for example ill health retirees and TP members who work for more than 1 FTE) into a defined contribution scheme at 1 July 2013
  - Applies Transitional Delay to all who have chosen not to join or who have previously opted out of the LGPS and TPS schemes at 1 July 2013. In October 2017, we auto enrol these staff into their contractual LGPS or TPS scheme. More details on applying Transitional Delay are shown below
  - Wherever possible, LSBU treats staff on multiple contracts as having one employment with LSBU and auto enrolls all new staff into their contractual DB scheme (or applies transitional delay for staff not in a scheme at July 2013).

**Transitional Delay**

14. Transitional delay is available to employers who provide defined benefit pension schemes and allows the employer to delay auto enrolment until October 2017 for staff who are not members of those schemes at their staging date. In October 2017 Eligible Jobholders will need to be auto enrolled into a qualifying scheme. In line with the proposed policy for LSBU, all staff for whom transitional delay is applied will be auto enrolled into their contractual defined benefit scheme at this date.
15. During the transitional period from July 2013 until October 2017 the following conditions must be met, otherwise the transitional period ends and staff will need to be auto enrolled into a qualifying scheme.
- The jobholder is employed before 1 July 2013
  - The jobholder was eligible to join a University's DB scheme and continues to be eligible to join the scheme through the period of transitional delay

- The DB scheme remains a qualifying scheme.

16. It is proposed that Transitional Delay be applied to all staff who are not members of a pension scheme (currently 503 staff). During this period staff retain their contractual right to join either the Teachers Pension or Local Government Pension schemes. Transitional delay does not apply to new staff, who will be auto enrolled in line with the University Policy.

### **Rationale for policy**

17. The rationale for the proposed policy is as follows:

- Providing the same pension benefits to all workers is simpler and therefore cheaper to administer as there is no need to monitor age and pay. The vast majority of employees are eligible employees aged between 22 and the state pension age
- The policy does not conflict with the contractual right of all employees to join one of the University's defined benefit schemes, ie the Teachers Pension Scheme or Local Government Pension Scheme. Furthermore, nothing in this policy prevents LSBU from seeking to amend contractual rights at some point in the future. If we do so we may need to revisit this policy
- An alternative approach of introducing a DC scheme for auto enrolment is not considered appropriate because:
  - this will risk a reduction in scheme membership, triggering higher employer contributions in TPS and LGPS
  - TPS scheme rules mean that staff eligible for this scheme cannot be auto enrolled into any other scheme
  - Offering an alternative DC scheme for support staff as an auto enrolment vehicle which is cheaper from an employer perspective may be counter-productive in terms of cost control. The take up could be much higher with employees joining the DC scheme rather than opting out of the more expensive DB scheme. The potential for staff opting out of the DB scheme may become even greater in future as employee contribution rates increase still further.
- There is no evidence to suggest that auto enrolment will significantly impact on the number of staff in the pension scheme. Although it is difficult to anticipate the behaviour of employees, it is expected that those who have previously opted out of the pension scheme will continue to do so after they have been auto enrolled. This means that the risk of increasing pension costs is low
- We can continue to recruit and employ staff in SBUEL or other newco, if required, offering DC pension arrangements

- If pension scheme membership increases to an unaffordable level in future, the University can re-evaluate its auto enrolment policy
- There is no perceived downside risk associated with applying transitional delay. In the unlikely event that the University was not able to auto enrol this group of staff in October 2017 into a DB scheme, the University would need to enrol them in an alternative DC scheme and back date contributions to July 2013 but would not suffer further penalties as a result.

18. The proposal to auto enrol into contractual DB schemes, rather than the DC scheme, which has lower contribution rates, may at first glance seem to be counter intuitive. For staff who have a contractual right to join TPS, we have no option. We are required to auto enrol into TPS. For support staff we do have an option. The policy proposed seeks to balance the risks of cost and "take up". We are assuming that most of those who have currently opted out will continue to opt out post auto enrolment. Furthermore we are assuming that if the DC scheme was made available for auto enrolment purposes that the take up might be high, thereby significantly increasing cost at a time of continuing financial uncertainty for the University. The policy essentially reflects concern about potential increased cost, as does our proposal to apply transitional delay.

19. It is also important to recognise that if the actual experience in terms of take up and cost is substantially different to our assumptions we will subsequently have the option at any stage to revisit and amend our auto enrolment policy as appropriate.

20. This may also seem to run counter to the government's strategic objective of increasing the number of employees in pension schemes. However, it would be difficult to challenge our proposed policy on moral grounds as we are continuing to make the DB schemes available to all staff.

21. The longer term issue of pension scheme sustainability remains and at some time in the future we may need to revisit both the TPS and LGPS schemes with a view to re-negotiating the contractual position. However, this should not be confused with the decision we are required to make now regarding auto enrolment policy.

### **Projected cost**

22. To predict the cost to the University of Auto Enrolment we need to anticipate the behaviour of current staff when they are auto enrolled into the scheme. Due to the high cost of the LGPS to scheme members (and further significant increases in employee contribution rates are planned from April 2014), it is expected that there will be a high opt out rate when those staff currently not in a pension

# London South Bank University

scheme are auto enrolled into the LGPS. For the group of staff that transitional delay is applied to, this behaviour and subsequent costs will be delayed until October 2017.

23. The annual gross pay of support staff who are not currently in a scheme is approximately £9.2m. Depending on the proportion that chose to remain in the LGPS after they are auto enrolled, the cost to the university could be:

If 50% stay in the scheme (20.8% employer contribution)	£961,000
If 25% stay in the scheme	£480,000
If 10% stay in the scheme	£192,000

24. The annual gross pay of teaching staff not currently members of the TPS is approximately £2.1m. The projected cost, depending on the proportion of staff choosing to remain in the scheme after auto enrolment is:

If 50% stay in (at 14.2% employer contributions)	£150,000
If 25% stay in	£75,000
If 10% stay in	£30,031

## Options for DC scheme

25. There is a small group of staff who will not be eligible to join their contractual DB scheme. These include staff who have previously retired due to ill health and staff with earnings in excess of 1 FTE. A DC scheme set up for this purpose could also be used by SBUEL as their workplace pension scheme. It is recommended that the University use the Universities Defined Contribution Pension Scheme provided by Friends Life and procured for the sector by the Employers Pension Forum (EPF). Committee will recall from the last pensions report to Board that LSBU was having problems sourcing a DC solution for the small number of employees in question. We had only managed to identify 3 potential providers and 2 of those were only prepared to proceed if we agreed to use the DC scheme for auto enrolment. It is clear from this paper that the intention is not to auto enrol into a DC scheme. The issue of setting up a suitable scheme is clearly a sector issue and other institutions have been having similar problems. A sector response has now been developed which we believe suits our needs.

26. The scheme is contract based with a competitive pricing structure. The level of employer and employee contribution can be set on an individual institution basis. The Board has already approved a 2 tier contribution structure as set out below and it is proposed that we move forward on this basis:

Band	Employee Contribution	University Contribution
1	3%	6%
2	6%	9%

27. It would be possible to offer the DC scheme as an alternative to staff wanting a lower cost pension arrangement, or to auto enrol support staff who have previously opted out of their contractual DB schemes. However, this is not recommended for the reasons noted in section 7.

28. Further details of the Friends Life DC scheme are set out in Appendix 2.

#### **Timetable for implementation**

End February	begin set up a new DC scheme
March 2013	Review and where necessary amend HR and Payroll processes and procedures for Auto Enrolment  HR check and ensure that records are up to date for all staff who have already opted out of the scheme (we may be required at some stage to provide evidence that staff have opted out)
April 2013	Begin publicity to staff including notify employees of our staging date of July 2013
June 2013	Notification to staff for whom transitional arrangements are being invoked
July 2013	Notify the Pension's Regulator of our intention to make use of the transitional arrangements  Begin auto enrolling new staff.

#### **Recommendations**

29. The committee is asked to consider and recommend approval of the attached auto enrolment policy for the University and the setting up of a Defined Contribution Pension Scheme with Friends Life for the small number of staff who are not able to join their contractual defined benefit scheme.



**Staging date July 2013**

	<b>Entitled worker</b>	<b>Non-eligible jobholder</b>	<b>Eligible jobholder</b>
<b>In employment and members of LPFA/TP/USS/ schemes at 1 July 2013</b>	Write to confirm they are in a qualifying scheme		
<b>In employment and not members of any scheme at 1 July 2013</b>	Apply Transitional Delay until October 2017 Write to these staff informing them of this (transitional delay group)		

A DC scheme will be provided for the small number of staff who are not eligible to join their contractual DB scheme

- **Between July 2013 and July 2016 (October 2017 for Transitional Delay Group)**

	<b>Entitled worker</b>	<b>Non-eligible jobholder</b>	<b>Eligible jobholder</b>
<b>members of LPFA/TP/USS/DC schemes</b>	No Action required		
<b>Transitional delay group</b>	Transitional Delay until October 2017		
<b>New Employees</b>	Auto enrol into their contractual scheme; LPFA or TPA		

A DC scheme will be provided for the small number of staff who are not eligible to join their contractual DB scheme

**3 years from staging date July 2016**

	<b>Entitled worker</b>	<b>Non-eligible jobholder</b>	<b>Eligible jobholder</b>



**London South Bank**  
University

<b>Transitional delay group</b>	No Action required
<b>not members of any scheme *</b>	Auto enrol into their contractual scheme; LPFA or TPA

\* ie staff who commenced employment at LSBU after 1<sup>st</sup> July 2013

**1 October 2017**

	<b>Entitled worker</b>	<b>Non-eligible jobholder</b>	<b>Eligible jobholder</b>
<b>Transitional delay group</b>	Auto enrol into their contractual DB scheme; LPFA or TPA		

**July 2019**

	<b>Entitled worker</b>	<b>Non-eligible jobholder</b>	<b>Eligible jobholder</b>
<b>Everyone not in a scheme</b>	Auto enrol into their contractual DB scheme; LPFA or TPA		

Natalie Ferer, Financial Controller

February 2013

# Employers Pensions Forum

for Higher Education

8 February 2013

To: Heads of Institutions  
Cc: HR and Finance Directors

3rd Floor  
Woburn House  
20 Tavistock Square  
London WC1H 9HU  
Tel: 020 7383 2444  
Fax: 020 7383 2666  
[www.employerspensionsforum.co.uk](http://www.employerspensionsforum.co.uk)

Dear Vice-Chancellor/Principal

## **Proposed HE Defined Contribution Scheme (HEDCS)**

I am writing further to my letter of 9 January to provide an update on the progress made in establishing a Defined Contribution (DC) pension arrangement for the higher education sector and to invite institutions to discuss this proposal further with Mercer.

Initial interest in the proposal has been high and on the strength of this a DC facility has been created that meets the key criteria outlined in my previous letter. With Mercer's support a leading pension provider has been selected and as a result a DC scheme is now being offered that will provide competitive terms to all HEIs that wish to join. Mercer can now begin working with those HEIs that have expressed interest in participating in the new arrangement to ensure that their specific requirements are met.

It is important to note that even if your HEI has a staging date of March 2013 there is still time to join the DC scheme. Those HEIs should contact Mercer as soon as possible and we would remind employers that there is the ability under the auto enrolment regulations to apply a period of postponement of up to three months to the relevant employees which would provide additional time for the new scheme to be set up.

For further information please refer to the attached Mercer appendix.

### **Next steps**

Now that the new scheme is established, HEIs can join and start the implementation process with immediate effect.

The attached document gives more detail about the scheme and Mercer's contact details. Please contact them directly to schedule an appointment to discuss the scheme and the sign-up process in appropriate detail. If you have any other queries the UCEA contact is Emelda Conroy, Head of Pensions Policy, at [e.conroy@ucea.ac.uk](mailto:e.conroy@ucea.ac.uk)

Yours sincerely



Professor Brian Cantor  
Chair of the Employers Pensions Forum

### A description of the new scheme

The scheme offers an efficient delivery vehicle that can be tailored by each individual HEI to provide the kind of DC arrangement that it wishes to adopt for its staff. Mercer has worked with UCEA and UUK to ensure that the scheme offers state of the art functionality, is capable of taking on a range of employers with different target populations and importantly is competitively priced.

In addition, the scheme is fully flexible so that each HEI can decide to whom the scheme will be made available, what the employer and employee contribution rates will be and how these contributions will be invested. The scheme can be used solely to meet the minimum auto enrolment requirements or it could go beyond the requirements of the new legislation to be tailored to the specific needs of that HEI and their workforce. We believe that in both cases this facility will prove to be cost effective and compliant both now and in the future.

The key features of the new arrangement, which will be called the Higher Education Defined Contribution Scheme, include:

- The scheme is a contract based defined contribution arrangement that is open to all HEIs with immediate effect.
- The scheme will be operated by Friends Life which is authorised and regulated by the Financial Services Authority.
- Ongoing oversight and scheme governance is provided by Mercer which is also authorised by the Financial Services Authority.
- The scheme offers a low charging structure that reflects the economies of scale of a sector wide scheme.
- The base annual management charge (AMC) is 0.45% which covers administration, investment (a simple passively managed default option), communication materials, full online member access and governance oversight.
- HEIs will also be able to offer a more sophisticated default investment option, which scheme members can opt for, as part of the new arrangement. This option will be managed by Mercer and will evolve over time with changing investment markets and ideas. The total AMC for this option is 0.60%.
- In addition to the above functionality, communications material can be adapted to meet the needs of individual institutions and, if required, this can include attendance at employee meetings. This service will incur a higher AMC of 0.65%.
- The scheme is able to accept transfers in from other occupational DC schemes and if the employee leaves the HEI they will have the ability to transfer out their funds to a future employer's pension scheme.

### Advantages of the new scheme

The main advantages of the new arrangement are as follows:

- We believe that this charging structure is competitive and is comparable to the overall fees charged by the low-cost DC providers.
- Competitive terms are available to all HEIs. All HEIs which choose to participate will benefit from the economies of scale obtained through opening the scheme to the whole sector and there is no element of cross subsidy between employers.
- It will be provided by a leading pension provider, who is willing to adapt the communication materials to reflect the specific circumstances of individual institutions and offer a wide range of investment options.
- Should the potential membership at any HEI be significant Mercer may be able to negotiate lower charges than the AMCs noted above.
- An HEI can design the employee and employer contributions to the scheme to meet its own purposes and offer entry to any part of its workforce.
- The scheme will allow HEIs to be fully compliant with impending auto enrolment legislation, in particular for those sections of the workforce who cannot be enrolled into existing DB schemes.
- HEIs will be able to brand the arrangement as their own if they so wish.
- The scheme has the flexibility to evolve its structure in future and to benefit from scalability.
- Ongoing service delivery and governance oversight by Mercer will ensure that terms remain competitive and that any issues are resolved swiftly.

#### **The provider selection process**

Mercer has undertaken a whole of market review to identify market-leading DC providers. The search focused on the providers' commitment to market, breadth of products, technology, educational tools, IT security and data protection, people, services and importantly competitive fees and market leading service levels.

When Mercer applied the requirements established by UUK, UCEA and GuildHE, Friends Life emerged as the clear choice.

A full report on the selection process, which was conducted in accordance with best procurement practice, is available on request. We believe that the process is sufficiently robust to satisfy each HEI's procurement requirements, however individual institutions may want to consider whether they wish to go through their own procurement exercise and whether participation in the new arrangement meets any requirement that may fall to their institution to fulfil the requirements of EU procurement regulations.

#### **Why Mercer as your chosen consulting partner?**

Mercer Limited is the largest provider in the UK of retirement and actuarial consulting to corporate pensions clients, and offers a comprehensive service.

Mercer already has ongoing appointments to provide pensions and related advice to dozens of universities across the country including many of the largest pension schemes in the sector. Mercer has been working with UCEA and UUK on a number of projects over the last 12 months.

As a consequence of Mercer's DC expertise, HEDCS offers effective investment governance with a strong emphasis on the outcome for members, including a low volatility pre-packaged default fund, a further core range of member friendly funds and an extended range of Mercer 'highly rated' fund for members who want access to the widest choice.

Against the backdrop of auto-enrolment, Mercer has agreed with Friends Life preferential pricing, strong risk management procedures, and best in industry service levels, backed by penalties for non-performance.

Mercer will also ensure that the scheme offers members purchasing an annuity an 'open market option' so they can get the best and highest income available when it comes to their retirement.

#### **Contact details**

If your institution is interested in finding out more about the scheme and how it could meet your specific requirements, then please contact Kevin Painter on 0113 394 7684 or [kevin.painter@mercer.com](mailto:kevin.painter@mercer.com). Alternatively, contact Michael Harrison on 0113 394 7665 or [michael.harrison@mercer.com](mailto:michael.harrison@mercer.com) to schedule an appointment with Mercer to discuss the scheme and the sign-up process in appropriate detail.

	PAPER NO: BG.xx(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Corporate Risk Register	
Author:	Darrell Pariag, Corporate & Business Planning Manager	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
<b>Recommendation by the Executive:</b>	The Executive recommends that the Board note the updated risk register.	
Aspect of the Corporate Plan to which this will help deliver?	The corporate risk framework is aligned to the new corporate plan and effective management of corporate risk underpins successful delivery of all aspects of the plan.	
Matter previously considered by:	Executive Board of Governors	On: 13/03/2013 On: 22/11/2012
Further approval required?	n/a	
Communications – who should be made aware of the decision?	n/a	

### **Executive summary**

The latest Corporate Risk Register is attached. The most significant change to the risk register, following detailed review by the Executive, is the upgrade of risk '**CO-13-01 Data protection**' from the Registry's Operational Risk register on page 7 of the Corporate Risk register. Further work on the detail of this risk is required and will be developed in consultation with the Chief Information Officer of ICT.

Following the November Board meeting the risk of gift acceptance has been reviewed. A new policy on the acceptance of gifts to the University was approved by the Board of Governors on 3 October 2012. This has been disseminated to staff. Staff are advised that where they are aware of any potential or actual conflicts of interest or risk to reputation associated with requesting or accepting a gift from a potential donor, they should detail their concerns and seek advice through agreed procedures. As set out in

the Policy, the decision to refuse a gift will be made if the risk to the reputation of the University outweighs the benefit to the University's charitable beneficiaries. The Development Office will make recommendations to the Vice Chancellor on acceptance of grants and donations. The recommendation will be based on the agreed criteria. This risk appears on the Development and Alumni Relations Risk Register and will be reported on to the Policy and Resources Committee annually and it is not recommended that this risk is escalated to the Corporate Risk Register.

The Board is requested to note the revised Corporate Risk Register.

### **Attachments**

1. Corporate Risk Register



## Corporate Level - Risk Register

<b>Date</b>	06/03/2013
<b>Risk Status</b>	Open
<b>Risk Area</b>	Corporate



Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
1	<p>CP-01 Failure to position the university to effectively respond to changes in government policy and the competitive landscape</p> <p><b>Risk Owner: Martin Earwicker</b></p> <p><b>Last Updated: 11/01/2013</b></p>	<p>Causes:</p> <ul style="list-style-type: none"> <li>- Changes to fees and funding models</li> <li>- Increased competition, supported by Government policy</li> <li>- Failure to anticipate change</li> <li>- Failure to position (politically)</li> <li>- Failure to position (capacity/structure)</li> <li>- Failure to improve League Table position</li> </ul> <p>Effects:</p> <ul style="list-style-type: none"> <li>- Further loss of public funding</li> <li>- Loss of HEFCE contract numbers</li> <li>- Failure to recruit students</li> <li>- Business model becomes unsustainable</li> </ul>	<p>4 3</p> <p><b>Critical</b></p>	<p>Financial controls (inc. forecasting/modelling, restructure) to enable achievement of operating surplus target</p> <hr/> <p>Maintain relationships with key politicians/influencers, boroughs and local FE</p> <hr/> <p>Annual review of corporate strategy by Executive and Board of Governors</p> <hr/> <p>OFFA agreement for 12/13 and 13/14</p> <hr/> <p>Recent work/modelling to establish a fee position net of fee waivers less than £7500. Monitoring of guidance and continual modelling/update as required in response to changing position.</p>	<p>4 1</p> <p><b>High</b></p>	<p>Identifying and building on our academic strengths (Portfolio Review).</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Improve contacts with national and regional press</p> <p><b>Person Responsible: Lynn Grimes</b></p> <p><b>To be implemented by: 31/07/2013</b></p>
2	<p>CO-01-02 Failure to meet revenue targets</p> <p><b>Risk Owner: Beverley Jullien</b></p> <p><b>Last Updated: 11/01/2013</b></p>	<p>Causes:</p> <ul style="list-style-type: none"> <li>- Changes to fees mechanisms for UGFT</li> <li>- Increased competition</li> <li>- Failure to develop and communicate brand</li> <li>- Lack of accurate real-time reporting mechanisms</li> <li>- LSBU late entrant to international student market and fails to catch-up</li> <li>- Poor league table position</li> <li>- Portfolio or modes of delivery do not reflect market need</li> <li>- Failure to engage with non-enterprise activities</li> </ul> <p>Effects:</p>	<p>4 3</p> <p><b>Critical</b></p>	<p>Report on student recruitment presented to every monthly Executive meeting and also reviewed by Board of Governors</p> <hr/> <p>International Action Plan, including International Fees &amp; Discounting policy, simplified fee structure and discount/scholarship programme for targeted countries, enhanced in-market and partner activity</p> <hr/> <p>Sustainable internationalisation strategy</p> <hr/> <p>League Table action plan</p>	<p>4 2</p> <p><b>Critical</b></p>	<p>Postgraduate action plan developed.</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Step-change in Internationalisation Plan to be incorporated.</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Enterprise Business Plan to be submitted to SBUEL Board for review and regular updates provided.</p> <p><b>Person Responsible: Tim Gebbels</b></p> <p><b>To be implemented by: 31/07/2013</b></p>

- Under recruitment
- Loss of HEFCE contract numbers
- Over recruitment leading to penalties on HEFCE numbers
- Failure to meet income targets for non-HEFCE students

Modelling of student recruitment numbers, including worse case scenarios which aid the planning process.

SBUEL with Governor Chair in place to oversee the Enterprise strategy

Differentiated campaigns started for postgraduate and part-time students

Identifying and building on our academic strengths (Portfolio Review).

**Person Responsible: Beverley Jullien**

**To be implemented by: 31/07/2013**

3	CO-10-01 Increasing pensions deficit	<p>Causes:</p> <ul style="list-style-type: none"> <li>- Increased life expectancies</li> <li>- Reductions to long term bond yields, which drive the discount rate</li> <li>- Poor stock market performance</li> <li>- Poor performance of the LPFA fund manager relative to the market</li> <li>- TPS/USS schemes may also become subject to FRS17 accounting</li> </ul> <p>Effects:</p> <ul style="list-style-type: none"> <li>- Increased I&amp;E pension cost means other resources are restricted further if a surplus is to be maintained</li> <li>- Balance sheet is weakened and may move to a net liabilities position, though pension liability is disregarded by HEFCE</li> <li>- Significant cash injections into schemes may be required in the long term</li> </ul>	3 3 High	<p>Switch of inflator from RPI to CPI (expected to be lower in the long term)</p> <p>Regular monitoring of national/sector pension developments and attendance at relevant conferences and briefing seminars</p> <p>Regular valuation of pension scheme (actuarial and FRS 17). Most recent FRS valuation shows significant reduction in LPFA deficit and reduced I&amp;E cost moving forward following switch to CPI.</p> <p>Reporting to HR committee on progress.</p> <p>Tight control of staff costs in all areas (and reported to committee and Board via agreed KPIs)</p> <p>Proposal for new LPFA scheme, effective April 2014</p> <p>Strict control on early access to pension at redundancy/restructure</p>	3 3 High	<p>Create alternative, defined contribution pension option linked to creation of new enterprise subsidiary.</p> <p><b>Person Responsible: Richard Flatman</b></p> <p><b>To be implemented by: 30/06/2013</b></p>
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Active monitoring in year of trends in discount rate, life expectancy assumptions etc to ensure year-end adjustments are minimised

6	<p>CO-08-01 Ineffective data systems leading to failure to supply meaningful and reliable management information (internally) and to comply with the requirements of external agencies</p>	<p>Causes:</p> <ul style="list-style-type: none"> <li>- Data in systems is inaccurate</li> <li>- Data systems are insufficient to support effective delivery of management information</li> <li>- Financial constraints limit ability to improve systems</li> <li>- Insufficient capacity to deliver improved systems</li> <li>- Failure to manage data through the clearing period</li> <li>- Internal management information reporting insufficient to verify external reporting</li> <li>- Lack of data quality control and assurance mechanisms</li> </ul>	<p>3 3 High</p>	<p>Engagement with internal auditors to systematically check data in key systems (and processes around key systems):</p> <ul style="list-style-type: none"> <li>- Finance (including student fees)</li> <li>- Student data</li> <li>- HR systems</li> <li>- Space management systems</li> </ul>	<p>3 2 High</p>	<p>Annual education of all staff engaged with international students, to update on UKBA requirements; annual independent review by UKBA specialist to highlight areas for improvement.</p>
	<p><b>Risk Owner: Phil Cardew</b></p>			<p>Systematic data quality checks of staff returns by HR in conjunction with faculties.</p>		<p><b>Person Responsible: Jennifer Parsons</b> <b>To be implemented by: 30/04/2013</b></p>
	<p><b>Last Updated: 06/03/2013</b></p>	<p>Effects:</p> <ul style="list-style-type: none"> <li>- Insufficient evidence to support effective decision-making at all levels</li> <li>- Inability to track trends or benchmark performance</li> <li>- Internal management information reporting insufficient to verify external reporting</li> <li>- Failure to manage recruitment levels through the clearing period resulting in over-recruitment</li> <li>- Failure to submit credible HESA/HESES return</li> <li>- Failure to satisfy requirements of UKBA leading to potential revocation of licence and loss of £8m+ in revenue in the short term, with reputational damage causing</li> </ul>		<p>Engagement between International Office, Registry and Faculties to ensure compliance with UKBA requirements, specifically with regards to:</p> <ul style="list-style-type: none"> <li>- Visa applications and issue of Certificate of Acceptance to Study</li> <li>- English language requirements</li> <li>- Reporting of absence or withdrawal</li> </ul>		<p>Project has three stages. Project completion dates: Stage 1 - May 2013 Stage 2 - September 2013 Stage 3 - September 2014</p>
				<p>Internal Audit system in place and conducted by PwC to provide assurances on data quality.</p>		<p><b>Person Responsible: David Swayne</b> <b>To be implemented by: 30/09/2014</b></p>
				<p>Internal Audit system in place and conducted by PwC to provide assurance on UKBA compliance</p>		<p>HESA improvement project</p> <p>Project has two stages Project completion dates: Stage 1 - October 2012 Stage 2 - October 2013</p>
						<p><b>Person Responsible: Andrew Fisher</b> <b>To be implemented by: 31/10/2013</b></p>
						<p>To improve admissions processes</p> <p><b>Person Responsible: Andrew Fisher</b> <b>To be implemented by: 30/09/2013</b></p>

significant longer term revenue loss  
 - Failure to satisfy requirements of Professional, Statutory and Regulatory bodies (NHS, course accreditation etc)

Data warehousing, to construct a 'master data view' and reports therefrom, including:  
 - Cleansing core systems to ensure all data as accurate and complete as possible  
 - Ensuring reports use core data without manipulating results  
 - Provision of standard reports on key aspects of data:  
 \*Progression analysis  
 \*Student engagement  
 \*Admissions (especially during clearing)  
 \*Enrolment

Systematic data quality checks of student returns by Registry in conjunction with faculties.

14	CO-10-06 Potential loss of NHS contract income	<p>Cause: Reduction in expected overall contract numbers due to ongoing NHS financial challenges/ structural change. Failure to maintain student numbers on the contract resulting in clawback</p> <p>Effect: Reduction in income Reduced staff numbers Negative impact on reputation</p>	<p>3 2 High</p>	<p>Named Customer Manager roles with NHS Trusts/PCTs</p> <hr/> <p>Monitor quality of courses (CPM and NMC) annually in autumn (CPM) and winter (NMC)</p> <hr/> <p>Regular contact with commissioning contract managers</p> <hr/> <p>Regular contact with commissioners in NHS Trusts/CCGs/AHSNs/ LETB's</p>	<p>3 2 High</p>	<p>Initiate contract discussions with newly formed LETB's</p> <hr/> <p><b>Person Responsible: Judith Ellis</b> <b>To be implemented by: 30/04/2013</b></p> <hr/> <p>Submit a strong return to next REF exercise. Improvement in NSS results</p> <hr/> <p><b>Person Responsible: Judith Ellis</b> <b>To be implemented by: 31/03/2013</b></p> <hr/> <p>Explore opportunities for further International 'in-country' activity.</p> <hr/> <p><b>Person Responsible: Dr Michelle Spruce</b> <b>To be implemented by: 31/03/2013</b></p> <hr/> <p>Publicise band 1-4 activity Support Trusts in seeking external (non NHS) funding</p>
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**Person Responsible: Sheelagh Mealing**

**To be implemented by: 01/09/2013**

Consider need for 2 campus delivery - balance needs of LETB requirements with the needs of LSBU for economies of scale.

**Person Responsible: Warren Turner**

**To be implemented by: 01/09/2013**

37	CO-10-08 Potential impact of estates strategy delivery on financial position	<p>Causes:</p> <ul style="list-style-type: none"> <li>- Poor project controls</li> <li>- Lack of capacity to manage/deliver projects</li> <li>- Reduction in agreed/assumed capital funding</li> <li>- Reduction in other government funding</li> </ul>	<p>3 3 High</p>	<p>Full Business Case including clarity on cost and funding prepared for each element of Estates Strategy and approved by Board of Governors</p>	<p>3 1 Medium</p>	<p>Deliver the renovation of the Terraces in accordance with agreed budget.</p>
	<p><b>Risk Owner: Richard Flatman</b></p>	<p>Effects:</p> <ul style="list-style-type: none"> <li>- Adverse financial impact</li> <li>- Reputational damage</li> <li>- Reduced surplus</li> <li>- Planned improvement to student experience not delivered</li> <li>- Inability to attract new students</li> </ul>		<p>Clear requirement (including authority levels) for all major (&gt;£1m) capital expenditure to have Board approval</p>		<p><b>Person Responsible: Beverley Jullien</b></p>
	<p><b>Last Updated: 12/02/2013</b></p>			<p>Property Committee is a sub-committee of the Board of Governors and has a remit to review all property related capital decisions.</p>		<p><b>To be implemented by: 31/07/2013</b></p>
				<p>Automated process developed for business cases including all capital spend. Guidance developed as part of new process.</p>		<p>Complete and report on the final negotiations for the Student Centre</p>
				<p>Financial forecasts regularly updated to take account of changing assumptions about future capital funding.</p>		<p><b>Person Responsible: Ian Mehrtens</b> <b>To be implemented by: 30/04/2013</b></p>
				<p>Clear project governance established for both the renovation of the Terraces and the Student Centre</p>		

				Estates & Facilities Dept project controls		
				Strategic direction as set out in the new corporate plan 2011/14 is that the focus will be on improving student success and experience. Capital spend on improvements/maintenance will be inevitable but major new buildings will be unlikely once the Student centre and renovation of the Terraces are completed.		
305	CO-13-01 Data protection (Upgraded from Registry's operational register)	Loss of student data security either en masse (e.g. address harvesting) or in specific cases (e.g. loss of sensitive personal files)	3 High	2 Following a meeting on 16/11/12, David Swayne has taken responsibility for improving our control over data protection risks at an institutional level.	3 High	2
	<b>Risk Owner: Richard Flatman</b>					
	<b>Last Updated: 12/02/2013</b>					
362	CO-10-09 Poor staff engagement	<p>Causes:</p> <ul style="list-style-type: none"> <li>•Bureaucracy involved in decision making at the University</li> <li>•No teamwork amongst departments at the University</li> <li>•Staff feeling that they do not receive relevant information directly linked to them and their jobs</li> <li>•Poor pay and reward packages</li> <li>•Poor diversity and inclusion practises</li> </ul> <p>Effects:</p> <ul style="list-style-type: none"> <li>•Decreased customer (student) satisfaction</li> <li>•Overall University performance decreases</li> <li>•Low staff satisfaction results</li> </ul>	3 High	3 Departmental Business Planning process Feedback page for staff to leave comments on staff Gateway Scheduled Team meetings Corporate Roadshows Staff engagement survey Quarterly review meetings	3 High	2 Co-ordination of the 2013 employee engagement survey <b>Person Responsible: Mrs Vongai Nyahunzvi</b> <b>To be implemented by: 31/05/2013</b>
	<b>Risk Owner: Martin Earwicker</b>					
	<b>Last Updated: 04/02/2013</b>					

- Increased staff turnover
  - Quality of service delivered decreases
-

	PAPER NO: BG.16(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Charitable funds review	
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	
<b>Recommendation:</b>	<p>The Board is requested to:</p> <ul style="list-style-type: none"> <li>(i) approve the transfer of the historic charitable funds to the University;</li> <li>(ii) approve the resolutions and give the Secretary authority to make any necessary amendments;</li> <li>(iii) approve the winding up of the Charitable Funds Committee; and</li> <li>(iv) agree that P&amp;R take on the scrutiny of the charitable funds and the investment performance.</li> </ul>	
Aspect of the Corporate Plan to which this will help deliver?	Student support	
Matter previously considered by:	Charitable Funds Committee	On: 6 December 2012
	Policy and Resources Committee	12 March 2013
Further approval required?	Charity Commission	
Communications – who should be made aware of the decision?	N/A	

### **Executive summary**

At its meeting of 6 December 2012 the Charitable Funds Committee considered proposals regarding the management of the University's historic charitable funds.



# London South Bank University

The committee recommends to the Board that the historic charitable funds are transferred to the University (as trustee) but restricted to benefit students, rather than the University's general funds. In brief the amalgamation "future-proofs" these funds and enables the benefits to continue to students where a number of funds have failed as their original objects do not match the activities of the modern-day University (please see the appendix for the list of existing funds and their trustees). The individual trusts would be legally wound up and their original terms would cease to apply to the funds. This would allow the University to distribute income as it saw fit. The Board (as board of trustees of the individual funds) is asked to approve the necessary resolutions and to authorise the Secretary to make any necessary amendments (please see appendix for the pro forma resolutions).

The Vice Chancellor, having consulted with the Executive and based on a recommendation from the Development and Alumni Relations Office will determine the proportions of this income which will be for hardships, scholarships and for prizes. This is currently how income from the Annual Fund is distributed.

A Hardship Award Panel has been established to replace the Charitable Funds Panel. Terms of reference and criteria for awards have been approved by the Charitable Funds Committee. Future changes to the terms of reference and the criteria shall be approved by the Policy and Resources Committee.

## **Scrutiny by P&R**

Accordingly it is recommended that the Charitable Funds Committee is wound up and its scrutiny role passed to P&R.

Once the Charitable Funds Committee is wound up, it is proposed that P&R will note an annual report on the amalgamated charitable funds received, held and distributed. This will include expenditure of income raised by the Development and Alumni Relations Office as well as from the historic charitable funds.

In addition P&R will receive an annual report on the performance of the invested funds, currently managed by Sarasin.

## **Recommendations**

The Board is requested to:

- (v) approve the transfer of the historic charitable funds to the University;
- (vi) approve the resolutions and give the Secretary authority to make any necessary amendments;
- (vii) approve the winding up of the Charitable Funds Committee; and

# **London South Bank** University

- (viii) agree that P&R take on the scrutiny of the charitable funds and the investment performance.

## **Appendices**

1. Individual charitable funds and trustees
2. Pro forma resolutions

## Appendix 1

### Trustees of historic Charitable Funds – prior to amalgamation

<b>Fund</b>	<b>Current Trustee(s)</b> [in italics where assumed due to lack of documentation]
Consolidated Charities	<i>University</i>
Moir, Secretan & Horsfall Legacies	University
Student Centenary Hardship Fund	University
Strike Fund - Student Scholar	<i>University</i>
Mark Howarth Fund	<i>University</i>
Durning Lawrence	University
Stanley Mayne M/Fund	University
Prize Fund	<i>University</i>
Richard Davis Scholarship Fund	Mary-Jane Rooney (Architecture Dept)
Dr Mona Grey fund	David Sines (former Dean of HSC)
Yvonne Shuttleworth	<i>University</i>
Cyril Flisher	<i>University</i>
Gareth Pugh M/Fund	<i>University</i>
Harry Goodwin Prize Fund	<i>University</i>
Fitzgerald M/Fund	Head of Dept of Estate Management and Head of Dept of Town Planning. Now Ruth Richards (Head of Urban, Environment and Leisure Studies)
Frank May Fund	<i>University</i>
Alumni Scholarship	<i>University</i>
Minerva Scholarship	<i>University</i>

### Funds to expend by donating capital to the amalgamated fund and then wind up

<b>Fund</b>	<b>Trustee</b>
Edgar Williams	<i>University</i>
Yvonne Shuttleworth	<i>University</i>

African Radiographer Fund	<i>University</i>
AIB Scholarship	<i>University</i>
Prudential Product Championship	<i>University</i>
Mercury Hare Fund	<i>University</i>

## Appendix 2

*General Form of Resolution*

*Draft – to be approved by the Board*

### **Consolidated Charities**

**Moir, Secretan and Horsfall Legacies**

**Student Centenary Hardship Fund**

**Strike Fund Student Scholar**

**Mark Howarth Fund**

**Lady Durning Lawrence Trust Fund**

**Stanley Mayne Memorial Fund**

**Prize Fund**

**Yvonne Shuttleworth**

**African Radiographer Fund**

**Cyril Flisher**

**AIB Scholarship**

**Prudential Product Championship**

**Gareth Pugh Memorial Fund**

**Mercury Hare Fund**

**Harry Goodwin Prize Fund**

**Frank May Fund**

**Alumni Scholarship**

**Minerva Scholarship**

### **Resolution**

The Trustee of the above named charities has resolved that:

**“Subject to Charity Commission consent in accordance with section 74 of the Charities Act 1993 it would be expedient in interests of furthering the purposes for which the property is held for it to be transferred to London South Bank University (“the University”) (an exempt charity - Company Number: 986761) whose purposes are wide enough to include the purposes of the above named charities. The current beneficiaries (the University’s current and future students) of the above named charities shall remain the same.”**

**Appendix 2**

*General Form of Resolution*

*Draft – to be approved by the Board*

Signed this            day of                            2013  
for and on behalf of the trustees of the transferors

.....

Mr James Stevenson,  
University Secretary and Clerk to the Board of Governors  
London South Bank University

	PAPER NO: BG.17(13)	
Board/Committee:	Board of Governors	
Date:	21 March 2013	
Paper title:	Annual health and safety report	
Author:	Elijah Moyanah, Head of Health and Safety	
Executive sponsor:	Martin Earwicker, Vice Chancellor	
<b>Recommendation by the Executive:</b>	That the committee note the report	
Matter previously considered by:	Health and Safety Joint Committee  Executive  Policy and Resources Committee	On: November 2012  Via email – February 2013  12 March 2013
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	N/A	

### **Executive Summary**

This report is an overview of university health and safety activity during the period 1<sup>st</sup> August 2011 to 31<sup>st</sup> July 2012.

Significant progress has been made with the latest statistics indicating for example, a general continued downward trend. Much credit for this is due to faculties and central services departments meeting the challenge of their individual as well as their health and safety collective responsibilities.

However, there is no need for complacency and the University aims to maintain the health and safety standards achieved so far and to continuously improve.

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## **1.0 Introduction**

1.1 This annual report covers the period 1<sup>st</sup> August 2011 to 31<sup>st</sup> July 2012 and provides information on:

1.1.1 work carried out by Corporate Health and Safety Services (CHSS) on behalf of the University.

1.1.2 work carried out collectively by faculties and central services departments..

## **2.0 Policy**

2.1 The University is committed to providing its students and staff with safe conditions in which to study and work and has put effective management arrangements in place to ensure the health, safety and well-being of students, staff, visitors and others who may be affected by University activities. Our aim is to manage risk by minimising adverse impacts to individuals, the environment as well as overall University business.

## **3.0 Organisation**

3.1 In accordance with the University Health and Safety Policy, the Board of Governors is accountable for the provision of a workplace free from risk to the health and safety of students, staff and visitors. The Board has delegated the responsibility to lead on and manage health and safety to the University Executive. The Executive fulfils that responsibility through:

3.1.1 Professional advice from CHSS staff

3.1.2 The creation and training of staff structures in faculties and support departments.

3.1.3 Consultation with staff and students representatives.

3.1.4 Role as well as risk based health and safety training.

3.1.5 Pro-active monitoring including health and safety audits.

## **4.0 Planning and Implementation**

4.1 Priority health and safety areas were implemented through line management and under the guidance of CHSS staff.

Areas identified included:

4.1.1 Staff stress management;

4.1.2 Health and safety training;

4.1.3 Occupational Health Service for staff;

4.1.4 Health and safety audits;

# London South Bank University

4.1.5 Fire safety management; and

4.1.6 Risk management

4.2 The above areas are in addition to day to day health and safety management activities.

4.3 As part of performance monitoring, Head of Health and Safety prepares the following reports:

4.3.1 Monthly report to the Executive;

4.3.2 Termly report to the University Health and Safety Joint Committee; and

4.3.3 Annual report to the Executive and Board of Governors.

## 5.0 Advice and Support

5.1 Health and safety advice is primarily provided by CHSS staff. The Team advises and provides support to students and staff on all aspects of health and safety (including fire safety).

5.2 The Team is supported by +/- 70 trained Departmental Health and Safety Co-ordinators located across the University and who provide the first point of contact for any health and safety issues which arise. This important role provides extra support and advice at a local level and assists line managers in discharging their health and safety responsibilities.

## 6.0 Health and Safety Training

6.1 Health and safety training is organised by the Organisational and Staff Development Team (OSDT) in liaison with CHSS. Training is provided as follows to:

### **Role base staff:**

6.1.1 Executive and senior management – half a day course

6.1.2 Departmental Health and Safety Co-ordinators – 4 day Institute of Occupational Safety and Health (IOSH) Managing Safely course.

### **All staff (risk based) or based on needs analysis:**

6.1.3 Risk Assessment

6.1.4 Manual Handling Operations

6.1.5 Control of Substances Hazardous to Health (COSHH)

6.1.6 First Aid at Work

6.1.7 Display Screen Equipment (DSE) Fire Warden/Co-ordinator course

6.2 CHSS are looking to introduce E-learning as a means of training some of the above areas.

## 7.0 Visit by the Health and Safety Executive (HSE)

- 7.1 The University had a planned visit (with less than a week's notice) from the HSE on 13<sup>th</sup> June aimed at reviewing how the University managed Legionella. It is thought the HSE made such visits to a number of London based institutions in an effort to avoid outbreak of Legionella during the summer Olympics.
- 7.2 Following discussions and examination of monitoring records and processes, a physical inspection of the 'Cooling Tower' servicing the Centre for Efficient and Renewable Energy in Buildings (CEREB) on the roof of K2 was conducted.
- 7.3 The HSE Inspector concluded that:
- 7.3.1 the management structures, arrangements, monitoring processes and practices were in place; hence Legionella was being managed well.
  - 7.3.2 there was a need to consider how the University accesses the 'cooling tower' which is a sealed unit) to carryout 'critical parts' inspection and to include this aspect in the next review of the Legionella risk assessment. This action point was passed on to the University's main maintenance contractor Norland Managed Services (NMS) to implement.
- 7.4 Overall conclusion: This was a successful outcome.

## 8.0 Health and Safety Statistics

- 8.1 The University is relatively a Medium to Low risk organisation with a positive safety culture and we aim to maintain and improve this status. To this end we encourage all students, staff and contractors to report all accidents/incidents and hazardous conditions.

However, reporting of all accidents/incidents is still a challenge to the University.

Based on the reports received over a three year period, a comparison of University RIDDOR\* accident rate with HE sector (representing +/-122 UK universities) has been made in table 1 below (with LSBU staff/students figures in brackets).

\*RIDDOR – stands for Reporting of Injuries, Diseases and Dangerous Occurrences Regulations. Cases in this category are considered serious enough to warrant reporting them to the Health and Safety Executive (HSE).

- 8.2 On the whole, the RIDDOR rates for University staff/students are lower than those of the HE Sector.
- 8.3 Table 2 below, makes a 3 year comparison of RIDDOR cases within LSBU – which shows a general downward trend.
- 8.4 Table 3 below, makes a 3 year comparison of accident causes – which highlights Slips/Trip and Falls as the main common cause. CHSS are working collaboratively with Faculties/Departments and Facilities Department to reduce trip/slip/falls hazards.

Graph 1: Three year RIDDOR rate comparison between LSBU and HE Sector

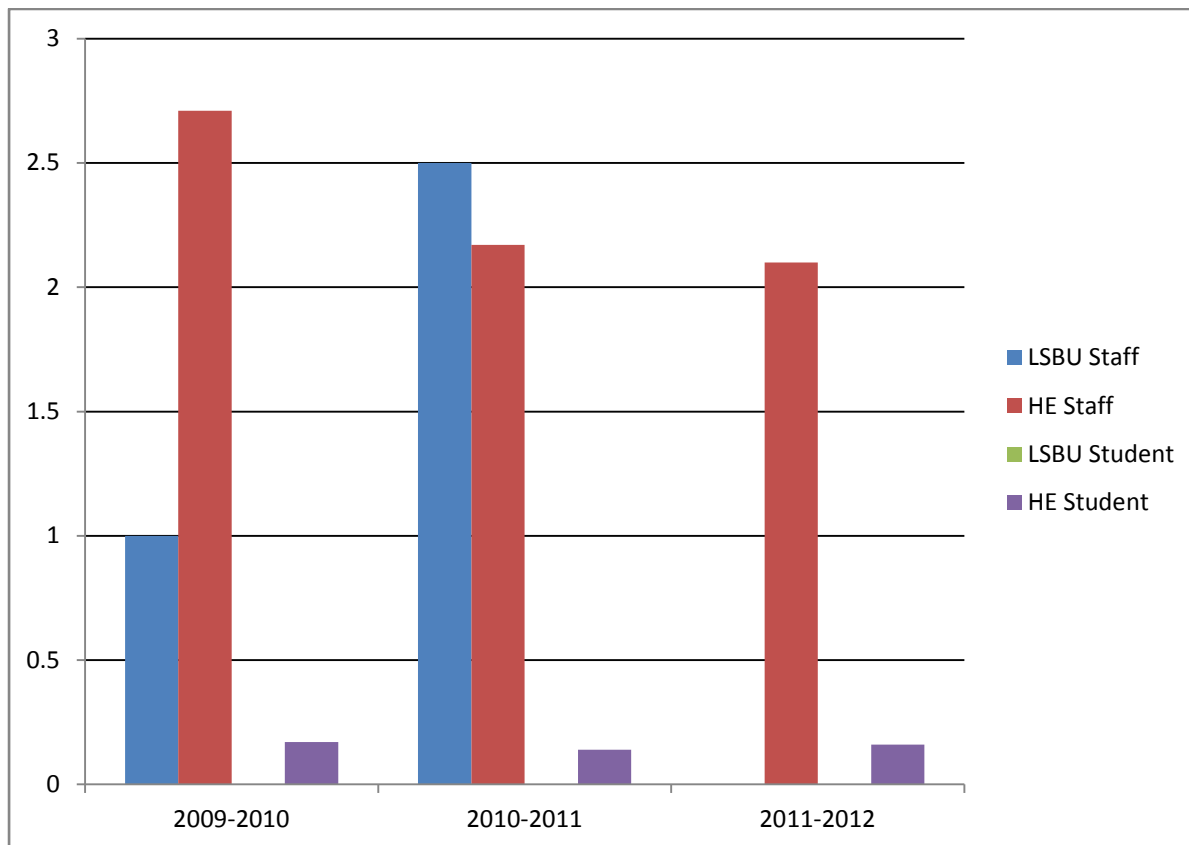


Table 1: Three year RIDDOR rate comparison between LSBU (figures in brackets) and HE Sector

Category	2009-2010		2010-2011		2011-2012	
	(LSBU)	(HE)	(LSBU)	(HE)	(LSBU)	(HE)
Staff	(1.0)	2.71	(2.50)	2.17	(0.00)	2.10
Students	(0.0)	0.17	(0.00)	0.14	(0.00)	0.16

Graph 2: RIDDOR cases comparison by Population over the last 3 years.

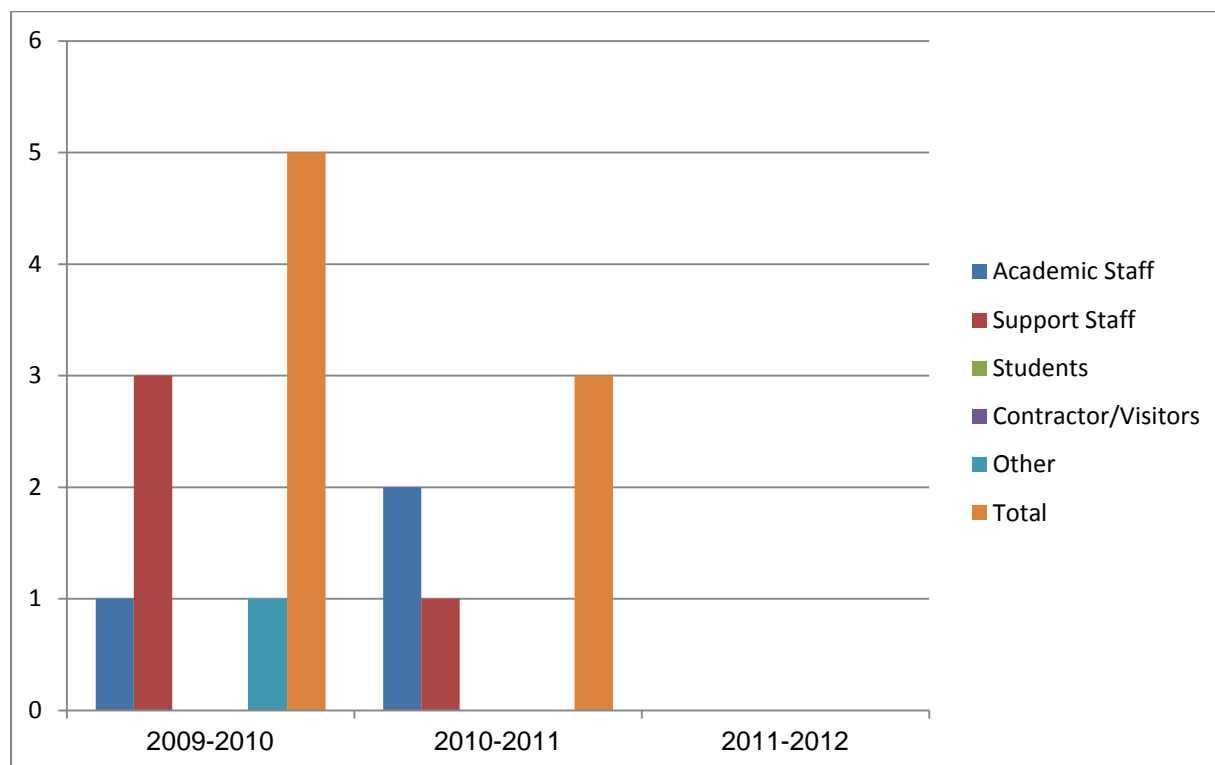


Table2 – RIDDOR cases by Population over the last 5 years

	2009-10	2010-11	2011-12
Academic Staff	1	2	0
Support Staff	3	1	0
Students	0	0	0
Contractor / Visitors	0	0	0
Other	1	0	0
<b>Totals</b>	<b>5</b>	<b>3</b>	<b>0</b>

Table 3: 5 common causes of accidents prioritised by the number of times they occurred over the last 3 years.

2009 - 2010	2010 - 2011	2011 - 2012
Struck by /against	Slips, trips and falls	Slips, trips and falls
Slips, trips and falls	Struck by/against	Struck by/against
Trapped by/against	Cut/Lacerations	Cut/Lacerations
Manual handling	Manual handling	Manual handling

Cut/lacerations	Trapped by/against	Trapped by/against
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## **9.0 Concluding remarks**

9.1 Based on the arrangements, planning and organising processes, the University's management of health and safety appears to be effective.

9.2 On the whole, the University has continued to experience lower RIDDOR accident rates for both staff and students per thousand exposed compared to the HE Sector.

Version 1.5