

Meeting of the Board of Governors

4.00 - 6.00 pm on Thursday, 13 July 2017
in Boardroom - Technopark, SE1 6LN

*There will be a pre-Board presentation on Internationalisation from 3:30-4:00PM

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
1.	Welcome and apologies		JC
2.	Declarations of Interest		JC
	<i>Governors are required to declare any interest in any item of business at this meeting</i>		
3.	Minutes of previous meeting	3 - 24	JC
4.	Matters arising		JC
	Chair's business		
5.	Independent governor recruitment update	25 - 26	JC
6.	Board and committee composition	27 - 32	JC
	Items to discuss		
7.	Vice Chancellor's report	33 - 44	DP
8.	Chief Financial Officer's report	45 - 72	RF
	<ul style="list-style-type: none"> • Five-year forecasts (to approve) • Budget 2017/18 (to approve) 		
9.	Project Larch update	Verbal Report	DP
10.	Further development of SBUEL and potential joint venture (to approve)	73 - 80	PI
	Items to note		
	<i>the following papers will only be discussed at the meeting if there is a matter that any governor wishes to raise with the Secretary the day before the meeting</i>		
11.	Cleaning contract (to approve)	81 - 90	IM
12.	Reports on decisions of committees	91 - 94	JS

13.	Corporate risk register	95 - 118	RF
14.	Declaration of interest (to authorise)	119 - 120	JS
15.	Any other business		JC

Date of next meeting
Board Strategy Day: 10:00am on Thursday, 28 September 2017
Board meeting: 4pm on Thursday, 12 October 2017

We are pleased to invite you to drinks in the Technopark garden from 6pm-7:30pm with members of the Executive and Operations Board following the Board meeting.

Members: Jerry Cope (Chair), Andrew Owen (Vice-Chair), David Phoenix, Sodiq Akinbade, Steve Balmont, Shachi Blakemore, Julie Chappell, Michael Cutbill, Douglas Denham St Pinnock, Neil Gorman, Carol Hui, Hilary McCallion, Kevin McGrath, Mee Ling Ng, Jenny Owen and Tony Roberts

Apologies: Suleyman Said

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

	CONFIDENTIAL
Paper title:	Minutes of the meeting of 24 November 2016
Board/Committee	Board of Governors
Date of meeting:	13 July 2017
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors
Board sponsor:	Jerry Cope, Chair of the Board
Purpose:	To approve the minutes of the last meeting as a correct record and note the redactions for publication.

Executive Summary

The Board is asked to approve the minutes of its meetings of 18 May 2017 and 13 June 2017 and note the suggested redactions (in grey) for publication on LSBU's website.

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**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 18 May 2017
Boardroom - Technopark, SE1 6LN**

Present

Jerry Cope (Chair)
Andrew Owen (Vice-Chair)
David Phoenix
Temi Ahmadu
Steve Balmont
Michael Cutbill
Douglas Denham St Pinnock
Neil Gorman
Carol Hui
Hilary McCallion
Kevin McGrath
Mee Ling Ng
Jenny Owen
Tony Roberts
Calvin Usuanlele

Apologies

Shachi Blakemore

Observers

Sodiq Akinbade
Suleyman Said

In attendance

Pat Bailey
Richard Flatman
James Stevenson
Michael Broadway
Matthew Dunn (*for minute 10*)

1. Welcome and apologies

The Chair welcomed members to the meeting.

The above apologies were noted.

2. Declarations of Interest

No governor declared an interest in any item on the agenda. The Board noted Shachi Blakemore's previously declared interest in Project Larch and that she had therefore given apologies for the meeting.

3. Minutes of previous meeting

The Board approved the minutes of the meeting of 16 March 2017 and their publication with the proposed redactions.

4. Matters arising

All matters arising would be discussed at a future meeting.

5. Independent governor recruitment

The Chair updated the Board on independent governor recruitment. The Appointments Committee had approved the appointment of Prof Peter Fidler, former Vice Chancellor of Sunderland University with effect from 1 August 2017.

The Appointments Committee would next consider the appointment of Julie Chappell, Chief Digital Officer at London and Partners.

Second interviews were taking place with two candidates who are potential successors to the Chair of the Audit Committee, whose term of office expires in 2018.

6. Chancellor update

The Chair updated the Board on the appointment of the Chancellor. It was reported that the Chancellor designate was a candidate in the forthcoming General Election. The planned installation in July 2017 had been cancelled. If not elected as an MP, then the installation would take place later in 2017. If elected, then the Board would start to search for a new candidate.

The Board welcomed Richard Farleigh's confirmation to continue as Chancellor until a successor was installed.

7. Vice Chancellor's report

The Chair prefaced the report by congratulating colleagues for contributing to LSBU's rise to 92nd place in the Guardian league table (107th in the previous year). In addition, the Board welcomed the indicative Ofsted outcome of "good" for the University Academy of Engineering.

The Board discussed in detail the Vice Chancellor's report, which reviewed progress against the three outcomes in the corporate strategy: student success; real world impact; and access to opportunity.

The Board noted an update on recruitment. The focus now was on conversion to firm acceptances. It was noted that apprenticeships were bringing in additional income which would help address any potential shortfall in recruitment.

The results of the employee engagement "pulse" survey were noted, indicating that staff engagement was up by 4% on last year's survey. A report would be provided to the Finance, Planning and Resources Committee meeting of 26 June 2017.

The Board discussed the increase in student withdrawals during 2016/17. The Board requested a breakdown to be circulated.

8. Corporate strategy progress report

The Board noted the report and the progress made on delivering the corporate strategy.

9. Chief Financial Officer's report

The Board discussed the Chief Financial Officer's report, including the March 2017 management accounts. The forecast surplus for 2016/17 is £1.5m, ahead of budget.

The 2017/18 grant letter from HEFCE had been discussed at the Finance, Planning and Resources Committee meeting of 9 May 2017. The HEFCE grant was better than forecast.

Pat Bailey left the meeting

10. **Project Larch strategic business case**

Matthew Dunn joined the meeting

The Chair reminded the board that the proposal was to bring Lambeth College into the LSBU group to enhance educational opportunities for learners. The first stage would be for LSBU to become the appointing authority for the majority of Lambeth College Board members (the “TEN” model). The second stage was to establish a designated institution as a wholly-owned subsidiary of LSBU, dissolve Lambeth College Corporation and transfer the business of Lambeth College to the designated institution.

The Board discussed the strategic case, “red lines” and approvals journey for Project Larch in detail. The Board noted that the Major Project and Investment Committee (MPIC) had received an update on the project and reviewed the key risks, “red lines” and due diligence reports on finance, tax and pensions at its meeting of 4 May 2017. Papers and draft minutes for the meeting had been available for all governors to review.

The board noted that the draft minutes of MPIC required further amendment in relation to the “redlines”.

Strategic case

The Vice Chancellor outlined the strategic case for Project Larch. LSBU’s ambition was to have a range of specialist education institutions in the LSBU group which would have a common vision, educational framework and operating system. Bringing Lambeth College into the LSBU group would contribute to this vision, improve progression routes to LSBU and contribute to group delivery of apprenticeships, access courses and extramural education.

The proposal intended to align the curriculum of Lambeth College under the following headings: Advanced Manufacturing; Business and Enterprise; Creative Industries; and Health & Wellbeing;

Approvals journey

The Board discussed the proposed approvals journey as set out in the paper. The Board agreed that consideration of the full business case and the decision to bring Lambeth College into the LSBU group was a matter for the whole Board. Accordingly, the Board agreed that these matters would be considered by an extraordinary meeting of the whole board on 13th June 2017 and not by MPIC alone.

The Board noted that the executive was working jointly with Lambeth College on the application for restructuring finance to the DfE's Transaction Unit. The Lambeth College Board would be asked to approve the application at its meeting of 25 May 2017.

The application was based on the assumption that Lambeth College would join the LSBU group and that LSBU would support delivery of the turnaround plan. The Board noted that the application did not commit LSBU to legally complete any transaction.

In preparation for the second stage of the project, LSBU would be making an application in June 2017 for "designation" of a wholly-owned charitable subsidiary company.

The Board noted that there were three potential "break points" if it decided not to proceed with the transaction:

1. if the Education & Skills Funding Agency (ESFA) did not support the restructuring finance bid. This should be known by the time of the 13 June 2017 Board meeting;
2. at the Board meeting of 13 June 2017, if the Board did not approve the full business case; or
3. in autumn 2017, if the outcome of the restructuring finance bid or the designation application was unsatisfactory. In this case, the Board would need to decide whether to continue to be associated with the College through the "TEN" model or to unwind the transaction in the best interests of the College.

The Board noted that there would be reputational risks to consider at any of the above "break points".

The Board noted that legal advice had been received that it is legally possible to unwind the "TEN" model. However, a key consideration would be the impact on LSBU's reputation. A communications and stakeholder plan was being prepared in relation to these potential scenarios.

The Board endorsed MPIC's view that the reputational risks, from any necessity to withdraw from the transaction because it transpired that red line conditions (set out below) could not be met, were manageable with a good communications strategy.

The Board noted that both the ESFA and HEFCE were being kept informed of the project.

The Board noted the proposed revised Instrument & Articles of Lambeth College which would give LSBU power to appoint the Chair of the Board of Lambeth and the majority of governors.

Temí Ahmadu, Neil Gorman, Carol Hui, Hilary McCallion, Kevin McGrath, Mee Ling Ng and Calvin Usuanlele and left the meeting. The Secretary confirmed that the meeting remained quorate.

Due diligence

The Board noted that due diligence had been undertaken on Lambeth Corporation by PwC (finance, tax and pensions) and VWV (legal). The PwC due diligence reports had been reviewed in detail by MPIC at its meeting of 4 May 2017. The VWV due diligence report would be available for the Board meeting of 13 June 2017.

The Board noted that the PwC had highlighted a number of financial risks in the college including poor financial control, unreliable forecasting and a poor cashflow and financial position.

The Board discussed due diligence on the “educational character” of the college and why LSBU would be better placed to run the college successfully than previously. It was reported that LSBU should be able to make improvements to the operating environment, governance and oversight, the leadership and vision of the college, and the course profile. The interim nature of the current leadership team in the college provided LSBU an opportunity to shape the new leadership of the college.

The Board requested a paper for the next Board meeting on the extent of the problems with educational delivery in the college and LSBU’s proposals for rectifying them.

Red lines

The Board discussed and approved the following ‘redlines’ that would need to be satisfied before approval of the Full Business Case:

1. The Restructuring Finance application from the ESFA to the Transaction Unit must be acceptable to LSBU. It should provide adequate financial support so as not to put the group’s future financial position at risk;
 - a. An update would be provided to the Board meeting of 13 June 2017

2. Confidence that LSBU Group can achieve a minimum break-even position for Larch within 3-5 years;
 - a. It was reported that this would be achieved through cost reduction and increased income. Details would be provided in the full business case.
3. The final agreed estate option must fit with the future needs of LSBU and must be self-funding (there must be no additional investment requirement from LSBU);
 - a. Estates options would be provided to the Board meeting of 13 June 2017
4. LEP grants and previous DfE grant for Clapham must be written off or paid back by ESFA before January 2018 and there must be agreement in writing that there can be no future comeback to LSBU in terms of clawback;
 - a. An update would be provided for the Board meeting of 13 June 2017
5. The transaction must not impact on LSBU pensions categorisation (category B);
 - a. The in principle indication should be available for the Board meeting of 13 June 2017.
6. Larch pension liabilities do not crystallise (i.e. no cessation) [and LSBU is not responsible for funding of past pension deficits]; and
 - a. An update would be provided to the Board meeting of 13 June 2017
{Secretary's note: the CFO proposes to delete the wording in square brackets on agreed "redline" 6. The CFO will address this point at the Board meeting of 13 June 2017}
7. Any liability for historic Lambeth College actions or decision (financial or otherwise) do not result in any liability or exposure to LSBU staff and governors.
 - a. An update would be provided to the Board meeting of 13 June 2017

The Board discussed whether pensions risks outside LSBU's control would affect "redline 6" and the Board's decision to proceed.

Conclusions

The Board approved the strategic business case and agreed that the case had been made to proceed to the next stage of considering the full business case at an extraordinary Board meeting to be held on 13 June 2017.

The following papers would be available for the Board meeting of 13 June 2017:

- full business case

- update on transaction unit submission
- confirmation that there would be no clawback for LEP and DfE grants
- “in principle” pensions categorisation
- confirmation that there would be no pensions crystallisation
- estates strategy for Lambeth College
- Ofsted report
- legal due diligence report
- legal advice on unwinding the “TEN” model
- governance agreement – summary
- new composition of the Board of Lambeth College
- collaboration agreement – summary

11. Reports on decisions of committees

The Board noted the reports on decisions of committees. The “roadmaps” for 2017/18 would be recirculated to governors for information following amendments requested at the Finance, Planning and Resources Committee meeting of 9 May 2017.

12. Board strategy day report

The Board noted the board strategy day report from 26 April 2017.

13. SU election results and report

The Board noted the SU election results and returning officers report which demonstrated that the election was run in a fair and democratic manner as required under the Education Act 1994.

14. Corporate risk register

The Board noted the corporate risk register.

15. Schedule of Matters Reserved update

The Board approved the tabled revision to the Schedule of Matters Reserved to the Board.

**Date of next meeting
4.00 pm, on Tuesday, 13 June 2017**

Confirmed as a true record

..... (Chair)

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**Minutes of an extraordinary meeting of the Board of Governors
held at 4.00 pm on Tuesday, 13 June 2017
1B27 - Technopark, SE1 6LN**

Present

Jerry Cope (Chair)
Andrew Owen (Vice-Chair)
David Phoenix
Steve Balmont
Michael Cutbill
Douglas Denham St Pinnock
Neil Gorman
Carol Hui
Kevin McGrath
Mee Ling Ng
Jenny Owen
Tony Roberts

Apologies

Temí Ahmadu
Shachi Blakemore
Hilary McCallion
Calvin Usuanlele

In attendance

Pat Bailey
Matthew Dunn
Mandy Eddolls
Richard Flatman
Ian Mehrrens
James Stevenson
Michael Broadway
Con Alexander (Veale Wasbrough Vizards)
Elizabeth Knight (Veale Wasbrough Vizards)

1. Welcome and apologies

The Chair welcomed governors to the meeting. The Chair welcomed Con Alexander and Elizabeth Knight from Veale Wasbrough Vizards LLP (VWV) who are LSBU's legal advisers for Project Larch.

The Board noted apologies from Shachi Blakemore, Hilary McCallion and Calvin Usuanlele and from Katy Elstrup from PricewaterhouseCoopers LLP (PwC) who had developed the full business case.

2. **Declarations of Interest**

The Board noted that Shachi Blakemore had previously declared an interest in the Transaction and that she had sent apologies for the meeting.

3. **Purpose**

The Chair noted that the following items had been circulated to the whole Board for information and discussed separately as part of two Board workshops on the project:

- an application submitted to the Department for Education by Lambeth College (“LC”) applying for funds to implement the outcome of the area review process;
- a letter dated 30 May 2017 from the GLA relating to the Lambeth College Nine Elms Skills Centre Grant Agreement

The Chair noted that the strategic case for the transaction had been discussed by the Board at its meeting of 19 May 2017.

The Board noted the minutes from the meeting of 18 May 2017. The Chair summarised decisions previously taken by the Board on Project Larch, as follows:

- that there was a strong strategic fit for building further education capability as part of the LSBU Family;
- the Board was content with the proposed Lambeth estates strategy; and
- the reputational risks to LSBU if a decision was made to “unwind” the transaction were manageable with an appropriate PR strategy.

The Chair explained that the purpose of the meeting was to consider and, if thought fit, conditionally approve arrangements whereby LSBU would enter into an agreement with LC under which LSBU would:

- obtain rights to appoint the majority of governors of the board of Lambeth in accordance with revised instrument and articles of government to adopted by LC on completion; and
- provide certain support, advice and guidance to LC under the terms of a collaboration agreement.

together the “Transaction”.

The Chair further explained that it was originally proposed to complete the Transaction as soon as reasonably practicable following a meeting of the LC board of governors on 15 June 2017. However, the Executive understood that the FE Commissioner had recently raised concerns with LC about the proposed governance structure of the College following completion. Completion would be delayed while the concerns were addressed.

Accordingly, the focus of the meeting was on whether:

- the Board had confidence in the business plan as set out in the full business case (FBC);
- the Board had confidence that LSBU could turn LC around without materially “diluting” LSBU business;
- there were any other “category A” risks that were not properly mitigated in the Board papers; and
- there were any additional conditions that needed to be met before the Board gave conditional authority to proceed.

4. Documents

The following documents were produced to the meeting:

- i. A strategic case for the Transaction prepared by Matthew Dunn;
- ii. the instrument and articles of government currently in place for Lambeth;
- iii. revised instrument and articles of government to be adopted by Lambeth on completion of the Transaction (the "**Instrument and Articles of Government**");
- iv. a draft collaboration agreement between LSBU and Lambeth setting out how the parties shall work together to achieve their common objectives (the "**Collaboration Agreement**");
- v. a legal due diligence report prepared by Veale Wasbrough Vizards LLP setting out the legal risks associated with the Transaction on the basis of information supplied by Lambeth and in accordance with the instructions given by LSBU;
- vi. a financial due diligence report prepared by PwC setting out the financial, VAT and other taxes, and pensions risks associated with the Transaction on the basis of information supplied by Lambeth and in accordance with the instructions given by LSBU;

- vii. a full business case prepared by PwC setting out the business case for entering into the Transaction;
- viii. an advice note prepared by Veale Wasbrough Vizards LLP on unwinding the Transaction should that be necessary in the future;
- ix. draft resignation letters to be signed by the current governors of Lambeth (with the exception of one staff governor and one student governor who will remain in office) effective from completion; and
- x. a final form governance agreement between LSBU and Lambeth setting out the terms of the Transaction (the "**Governance Agreement**") would be circulated to the Board;

together the "**Documents**".

5. Transaction unit and "redlines" update

The Board discussed the "redlines" as set out in the Board papers. In relation to redline 6 it was confirmed that the LPFA had indicated that there would be no cessation of LC pensions. Confirmation in writing was expected shortly.

The Board discussed mitigation of potential liabilities for LSBU governors serving on the Lambeth Board which would be addressed by Lambeth's Directors' and Officers' insurance. VWV confirmed that LC governors would not incur personal liability for decisions taken before their appointment.

The Board agreed that the redlines had been adequately addressed with appropriate mitigations in place and confirmed that there were no additional conditions that needed to be met before proceeding with the Transaction.

The Board discussed the latest Ofsted report dated November 2016 for LC which graded the college as "requires improvement". The main challenges for Lambeth from the report were on culture, leadership and management. The Board noted the executive's assessment that these could be adequately addressed by LC in partnership with LSBU.

The Board noted LSBU staff concerns, which were principally about the association with FE and the impact on the LSBU brand. The Vice Chancellor reported that this would be addressed by maintaining Lambeth as a separate entity to deliver FE and developing the Lambeth College brand as separate but linked to the LSBU brand.

The Board discussed capacity in LSBU to facilitate LC's business recovery. It was agreed that as a strategic goal, it was appropriate for Executive members

to devote an amount of time to the Project. The Board noted the Executive was ensuring there was a plan to manage LSBU capacity during the first three months of the Project.

The Board discussed LSBU's ability to "unwind" the Transaction if required as set out in legal advice from VWV. It was noted that in exercising its powers under the revised Instrument and Articles of Lambeth College, LSBU would have a duty to act in the best interests of Lambeth. LSBU would have no duty to act in the best interests in relation to termination of the Collaboration Agreement which would be on six months' notice by LSBU.

The Board emphasised the importance of a PR and communications strategy from Completion of the Transaction to mitigate any adverse press reporting if the Transaction was unwound in the future.

6. **Project Larch full business case**

The Board discussed the full business case which was divided into a strategic case, economic case, management case and financial case. The Board discussed scenario 2A from the case which assumed income growth of 50% and cost savings of 50% in Lambeth.

The Board noted the positive impact on LSBU group income without diluting LSBU's EBITDA or surplus.

The Board noted that the bid to the Transaction Unit (TU) would cover the £12m write off of debts to December 2017 and £13m cashflow requirement to 2020. A form of flexible, conditional grant rather than a loan had been requested in the application.

The Board approved the full business case.

7. **Conclusions**

In conclusion, the Board agreed that:

- it had confidence in the business plan as set out in the full business case (FBC);
- there was a fair prospect of LC's business recovery without materially diluting LSBU's business;
- the redlines had been adequately addressed with appropriate mitigations in place for the Transaction;

- subject to the outcome of the TU bid there were no other “category A” material primary risks that were not properly mitigated in the Board papers; and
- the following additional conditions were required:
 - an appropriate PR agency were engaged immediately and embedded in all future planning for the Project; and
 - a plan to manage LSBU capacity in the first three months after completion was developed.

8. Completion procedure

After due and careful consideration of the Documents and the matters referred to in section 172 of the Companies Act 2006, it was resolved that the Transaction is expedient and in the best interests of LSBU (including its current and future beneficiaries).

It was further resolved that:

1. a sub-committee (the Committee) of Jerry Cope, Douglas Denham St Pinnock, Andrew Owen and David Phoenix be authorised to:
 - approve the terms of, and entry into the Governance Agreement and Collaboration Agreement (subject to any amendments that the Committee may in its discretion approve for and on behalf of LSBU) subject to (i) LC’s board confirming that it is ready to complete; (ii) there being no material change to the redlines or the position of Lambeth; and (iii) the Committee keeping the Board updated;
 2. any two Governors (or any Governor in the presence of a witness) in the case of an agreement to be signed as a deed and any one Governor in the case of an agreement to be signed under hand are authorised to execute and complete the following for and on behalf of LSBU:
 - (a) the Governance Agreement;
 - (b) the Collaboration Agreement; and
 - (c) any other deeds, instruments, contracts or other documents necessary in order to give effect to the Transaction; and
- any Governor be authorised to take any other action that may be required (or authorise certain individuals to do so on the LSBU's behalf) as may be necessary or desirable to complete the Transaction for and on behalf of LSBU.

9. **Any other business**

In relation to the concerns raised by the FE Commissioner to LC executives on Monday 11 June 2017, LSBU executive is reviewing the level of resource allocated to joint activity prior to further clarification being received.

In addition, LSBU will quickly develop the agreed joint strategic vision with LC about an innovation zone in LSBU's three local boroughs.

Date of next meeting
4.00 pm, on Thursday, 13 July 2017

Confirmed as a true record

..... (Chair)

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**BOARD OF GOVERNORS - THURSDAY, 18 MAY 2017
ACTIONS**

Agenda No	Agenda/Decision Item	Action	Date	Officer	Action Status
7.	Vice Chancellor's report	Circulate breakdown of student withdrawals to the Board	Before next meeting	David Phoenix	Completed
		Report to Finance, Planning and Resources committee on employee engagement "pulse" survey results	27 June 2017	Mandy Eddolls	Completed
11.	Reports on decisions of committees	Revised versions of corporate roadmaps to be circulated to the Board for information	Before next meeting	David Phoenix	Completed

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	CONFIDENTIAL
Paper title:	Independent governor recruitment
Board/Committee	Board of Governors
Date of meeting:	13 July 2017
Author:	Michael Broadway, Deputy University Secretary
Board sponsor:	Jerry Cope, Chair of the Board
Purpose:	To update the Board on independent governor recruitment
Recommendation:	The Board is requested to note the update

Independent governor recruitment

As noted at the last Board meeting, the Nomination Committee agreed that up to three individuals with the following skills and experience should be recruited to the Board:

- audit and financial experience to succeed Steve Balmont as Chair of the Audit Committee;
- experience in digital economy and international business; and
- higher education experience.

Three candidates have been recommended to, and approved by, the Appointment Committee for appointment as independent governors:

- Duncan Brown, ex Assurance Partner at PwC, effective from 1 August 2017;
- Julie Chappell, Chief Digital Officer at London and Partners, effective from 1 July 2017; and
- Peter Fidler, ex Vice Chancellor of Sunderland University, effective from 1 August 2017

In addition, Andrew Owen, Vice Chair and Neil Gorman retire from the Board on 31 July 2017.

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	CONFIDENTIAL	
Paper title:	Board composition, committee membership and Academic Board membership	
Board/Committee:	Board of Governors	
Date:	13 July 2017	
Author:	Michael Broadway, Deputy University Secretary	
Board sponsor:	Jerry Cope, Chair of the Board	
Purpose:	To update the Board on its membership and membership of the Academic Board	
Recommendation:	<p>That the Board notes:</p> <ul style="list-style-type: none"> • the Board membership for 2016/17 • Academic Board membership for 2016/17 	
Matter previously considered by:	The Board	Annually

Executive Summary

The Board is asked to note the Board and committee membership for academic year 2017/18 and to note the recommended changes. Membership of the Academic Board for 2017/18 is included for information.

The following changes have previously been noted:

- Douglas Denham St Pinnock – Vice-Chair of the Board and Pro Chancellor
- Hilary McCallion – Chair, Finance, Planning and Resources committee
- It is also proposed that Shachi Blakemore becomes Chair of the Honorary Awards committee

New governors:

The following new governors have been appointed for the new academic year:

- Duncan Brown (subject to approval by Appointments Committee)
- Julie Chappell
- Peter Fidler



Chair's changes to committee membership for new governor:

- Following Neil Gorman's retirement from the Board, Peter Fidler joins the Finance, Planning and Resources Committee.
- Following Hilary McCallion becoming Chair of Finance, Planning and Resources Committee, it is proposed that Julie Chappell joins the Major Projects and Investment Committee.
- Following his appointment as an independent governor, it is proposed that Duncan Brown joins the Audit Committee.



Board composition and membership for 2017/18

The Board is composed of up to 13 independent governors (currently 12 for 2017/18), the Vice Chancellor, 2 student governors and 2 staff governors. Its current membership is:

Independent Governors

Jerry Cope

Douglas Denham St Pinnock

Steve Balmont

Shachi Blakemore

Duncan Brown

Julie Chappell

Michael Cutbill

Peter Fidler

Carol Hui

Hilary McCallion

Kevin McGrath

Mee Ling Ng

Chair of the Board

Vice Chair of the Board

Vice Chancellor

David Phoenix

Student Governors

Sodiq Akinbade

Suleyman Said

SU President

Chair of Student Council

Staff Governors

Jenny Owen

Tony Roberts

Committee membership

Audit Committee

Steve Balmont – Chair
Duncan Brown
Shachi Blakemore
Mee Ling Ng
Roy Waight (co-opted member)

Finance, Planning and Resources Committee

Hilary McCallion – Chair
Sodiq Akinbade
Jerry Cope
Michael Cutbill
Peter Fidler {as replacement for Neil Gorman}
Mee Ling Ng
Jenny Owen
Dave Phoenix

Major Projects and Investment Committee

Douglas Denham St Pinnock – Chair
Sodiq Akinbade
Julie Chappell {As replacement for Hilary McCallion}
Jerry Cope
Carol Hui
Kevin McGrath
Dave Phoenix
Tony Roberts
Suleyman Said

Honorary Awards Joint Committee

Shachi Blakemore – Chair {As replacement for Hilary McCallion}
Sodiq Akinbade
Jerry Cope
Carol Hui
Jenny Owen



**London
South Bank
University**

EST 1892

Dave Phoenix

Tony Roberts

(It would be good practice to have an additional independent governor on this committee – if anyone is interested, please signal to the Chair)

Nomination Committee

Jerry Cope – Chair

Steve Balmont

Shachi Blakemore

Hilary McCallion

Douglas Denham St Pinnock {As replacement for Andrew Owen}

Dave Phoenix

Remuneration Committee

Mee Ling Ng – Chair

Jerry Cope

Carol Hui

Douglas Denham St Pinnock {As replacement for Andrew Owen}

South Bank Academies Board

Dave Phoenix (Chair)

Rao Bhamidimarri

Adam Crossley

Douglas Denham St Pinnock

Richard Flatman

Tony Giddings

Steve McGuire

Richard Parrish

James Stevenson

South Bank University Enterprises Limited Board

Paul Ivey – Chair

Michael Cutbill

Gurpeet Jagpal

Richard Flatman

Board Equality, Diversity and Inclusion champion

Michael Cutbill



Academic Board membership

Holders of Senior Posts (3)	Deputy Vice Chancellor (Chair)	Pat Bailey
	Pro Vice Chancellor (Education and Student Experience)	Shân Wareing
	Pro Vice Chancellor (Research and External Engagement)	Paul Ivey
Senior Academic Staff and Professors (8)	Deans (x7)	Craig Barker Charles Egbu Janet Jones Patrick Callaghan (<i>From September 2017</i>) Shushma Patel (<i>Interim Dean from 1 July 2017</i>) Mike Molan Warren Turner
	Nominated professor (x1)	Shushma Patel
	Academic and Research staff (2)	Nominated academic staff member (x1) Nominated research staff member (x1)
Non-teaching staff (4)	Director of Research and Enterprise	Gurpreet Jagpal
	Director of Academic Quality Development	Janet Bohrer
	Director of Student Support and Employment	Kirsteen Coupar
	Nominated member of professional staff	Lesley Roberts
Technician (1)	Nominated member of technical staff	Tony Roberts
Students (2)	Students' Union President	Sodiq Akibade
	Students' Union Vice President (Education)	Patricia Godwin



	CONFIDENTIAL
Paper title:	Vice Chancellor's Report
Board/Committee	Board of Governors
Date of meeting:	13 July 2017
Author:	David Phoenix, Vice Chancellor
Executive sponsor:	David Phoenix, Vice Chancellor
Purpose:	To update the Board on University matters
Recommendation:	To note the report.

Matter previously considered by:	Board of Governors	At each meeting
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Executive Summary

Since the last Board meeting we have had four major successes, the Silver TEF rating, achieved 4 stars overall in QS stars submission, entered into the top 100 in the Guardian league table and made an appearance for the first time in the QS World University Rankings at rank 801-1000. These will have reputational and potential financial impact on LSBU and act as a tool to market courses in an ever competitive market.

Full-time undergraduate recruitment is steady and on the measure of 'firm accepts' is at a comparable position to last year. This is led by gains in EU acceptances. Home is currently behind prior year but only by 32 acceptances (-2.6%). Overseas recruitment was previously tracking ahead of prior year. However, performance has dipped over recent weeks to -8%.

The main UCAS undergraduate cycle has now completed and we are in the latter stage of the second round prior to clearing. Management focus continues to be on late application generation, conversion and planning for clearing.

Full-time postgraduate recruitment is currently at 94% of target so we expect to achieve target over the remaining months leading up to enrolment.

Both part-time markets are down year-on-year and require attention over the summer to ensure we meet target for Semester One. There is potential for late recruitment.

Overall we are in a reasonable position and expect to achieve target across the board.

Vice Chancellor's Report July 2017

This report has been formatted around the three key outcomes listed in the corporate strategy followed by a review of activity related to the enablers.

1.0 Corporate Strategy Outcome 1: Student Success

The focus of this outcome is developing the learning pathway to improve student engagement and the outcomes they achieve.

1.1 Teaching Excellence Framework

I reported in June that we have been awarded a silver award against the Teaching Excellence Framework (TEF). A number of LSBU's key competitors received Bronze ratings including East London, Kingston, London Met, Roehampton and Westminster. Below is a break-down of London and UK performance. We will be delivering a staff event in September to celebrate our success and identify best practice.

London Analysis

Rating	Post 92		Pre 92		Total	
Gold	4	25%	3	19%	7	22%
Silver	7	44%	8	50%	15	47%
Bronze	5	31%	5	31%	10	31%
Total	16		16		32	

UK Analysis

Rating	Post 92		Pre 92		Total	
Gold	19	28%	25	38%	44	33%
Silver	38	56%	28	43%	66	50%
Bronze	11	16%	12	18%	23	17%
Total	68		65		133	

1.2 Longitudinal Education Outcomes (LEO) data

On 12th June LEO data was released. This is an analysis of employment and earning outcomes based on UK domiciled, first degree graduates from HE providers in the UK. It looks at outcomes one, three and five years after graduation and is based on tax data from HMRC and student datasets. Results showed that Median Annualised Earnings were a strong point for LSBU and improve as the years after graduation increase. By year 5 after graduation over half of LSBU subjects are in the top 50% of the sector rank for median annualised earnings. This includes Architecture building & planning (£31200 – 14th rank) and Nursing (£30900 – 10th rank) which are also above the sector in years 1 and 3. Other key highlights include:

- Median Annualised Earnings are higher in London compared to the Sector, however, by year 5 four subjects are above the London average including Creative arts & design (£21500) and Engineering (£30300).
- LSBU's highest ranking subjects in the Sector for % with graduate outcomes in year 1 after graduation are Education (rank 41st) and subjects allied to medicine (excluding nursing) (rank 39th) which are both above 50th percentile.
- By 5 years after graduation three subjects are above 50th percentile for % with graduate outcomes: Psychology (rank 13th), subjects allied to medicine (excluding nursing) (rank 24th) and Physical sciences (rank 43rd)
- Comparing graduate outcome performance in London some additional subject areas perform slightly better than compared to the London average e.g. Nursing at 83.9% in year 5 is above the London average by 3.6%.

LSBU's achievements were highlighted in an online THE article which is quoted below:

“Comparing the median salaries after five years for each band with average earnings across all English universities does appear to reveal whose graduates entered higher education with lower grades but still went on to earn relatively high salaries. Conversely, it also shows the institutions whose graduates earned less than average despite leaving school with top grades. In some subject areas such crossover rarely, or never, occurs: notable examples include law and finance-related subjects such as economics. But the analysis shines a light on universities that do buck the prior attainment trend elsewhere, especially those that do it repeatedly. For example, in six different subject areas London South Bank University produces graduates that earn more at the median than average despite admitting those with the lowest grades. On the reverse side of the coin, Lancaster University has six subjects where its graduates earn less than average after five years, despite admitting those with the highest A-level grades.”

1.3 Student Retention

Withdrawals and interruptions have increased in comparison to this time in previous years; please see the table below for comparison. As previously reported the increased attrition that has occurred between December 2016 and June 2017 is thought to be due to the implementation of a new model for withdrawing/interrupting students due to lack of engagement. For the year to date 1144 students have withdrawn or interrupted versus 979 in 15/16 and 1067 in 14/15 for the equivalent periods. It is still expected that this will result in Exam Boards withdrawing fewer students due to non-engagement.

The new model of engagement monitoring that we have introduced ensures that students that have been withdrawn receive a minimum of 5 attempts to contact them regarding their lack of engagement. All of the withdrawals, due to lack of engagement, are discussed in detail with the relevant Schools with action plans put in place for each student, prior to their eventual withdrawal.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
14/15	4	43	80	122	176	78	93	175	106	98	92	1067
15/16	2	28	91	119	131	61	70	136	178	59	104	979
16/17	36	21	81	121	165	86	114	253	67	111	89	1144

2.0 Corporate Strategy Outcome 2: Real World Impact

This outcome focuses on the applied nature of our teaching research and enterprise and the way the three interact to ensure we have a real world focus and impact.

2.1 QS Stars 2017

LSBU achieved 4 stars overall in the recently completed QS stars submission hence meeting its 2020 target. This is based on achieving 560 points, which exceeds the 4 star threshold of 550 points but below the 5 star threshold of 700 points. In 2014 we were awarded 509 points which led to a 3 star rating. QS Stars is a complementary companion to rankings - a rating system that facilitates the evaluation of universities and schools across a much broader range of criteria and with respect to established thresholds rather than the performance of others. Audits are valid for 3 years and the current audit will be valid until July 2020.

Over 30 criteria contribute towards the overall assessment grouped into several categories: Research, Employability, Teaching, Facilities, Online/Distance learning, Internationalization, Social Responsibility, Innovation, Inclusiveness, Arts & Culture and the institution's standing in Specialist subject.

LSBU's scores for each category and 2014 scores in brackets:

- Overall: 4 Stars (3)
- TEACHING: 5 Stars (5)
- EMPLOYABILITY: 4 Stars (4)
- RESEARCH: 1 Star (1)
- INTERNATIONALIZATION: 5 Stars (4)
- FACILITIES: 5 Stars (5)
- SOCIAL RESPONSIBILITY: 4 Stars (did not submit for this category but achieved 3 star for Innovation)
- INCLUSIVENESS: 5 Stars (5)
- SPECIALIST CRITERIA: 2 Stars (2)

Similar to being awarded Silver in TEF the benefits to LSBU of gaining four stars is significant as it is expected to provide recognition of institutional excellence, improve international recognition, increased web presence and media awareness

2.2 Research and Enterprise and Innovation

For the 2016/17 academic year we have to date secured £2.3m of research income against a target of £2.6m. For the remainder of the year we have contracted research income of £567k, leaving a potential surplus of £267k. There are currently 77 projects in the pipeline with a total value of £11.6m. To date we have £6.5m of enterprise income against a budget target of £9.9m (excluding Transnational Education). For the remainder of the year we have contracted enterprise income of £2.7m giving us total income with some certainty of £9.2M. This leaves a shortfall against budget of £700k for which we have an enterprise bid pipeline of £9.9m.

3.0 Corporate Strategy Outcome 3: Access to Opportunity

This outcome focuses on the need to work in partnership with key organisations to deliver our strategy and the civic engagement aspects of our vision. Its outcomes include measures such as recruitment of students that can succeed as well as international activity.

3.1 Recruitment

3.1.1 Undergraduate (As at 26/06 /2017)

Our current position remains at -17% (or 3,943 applications) versus prior year, reducing to -6% (662 applications) when excluding HSC courses. This is set against a national decline of -4% (- 106,574 applications). Our competitor groups applications remain at -10% (-14,681 applications) behind on last year. Not all of the comparator group have NHS contracts.

As we approach confirmation and clearing, areas of concern are:

- HSC: -28% on applications and -30% on firm accepts
- APS: -15% on applications and -6% on firm accepts
- ENG: -13% on applications and -6% on firm accepts

Opportunities to off-set performance / mitigate risk through clearing are likely to come through BUS and ACI. Additionally, we are still processing a number of HSC late applications which have not yet been tested.

Overall, conversion this cycle is slightly up against LYTD figures despite a reduction in the volume of applications. To date we have had 1,729 firm accepts 0.5% (8 FAs) up on LYTD. Excluding OS, we are 2% or 29 FAs up on last cycle.

In line with the fall in applications (in line with the national UCAS decline post switch from bursaries to loans) our firm accepts are down also, but not across the whole range of courses. We are on target for most of our large nursing intakes (Adult, Mental Health are doing very well) Child Nursing is down and will be in clearing. Learning Disability has a small target for which Firm Accepts are significantly down (this reflects a national decline in this area). We are on target for all allied health courses except for Therapeutic Radiography which will be in clearing.

Direct entry offers currently show firm acceptances as -25% (35 FAs) down on last year. Undergraduate part-time applications are also behind by -21% (65 FAs).

The following up-weighted activities are planned to support application generation and conversion for Home Students ahead of clearing:

- Bus side campaign
- Email communications including promotion of TEF outcome
- Enhanced PPC / Digital Display / Geo targeting around key schools
- Recruitment events; open days and taster days
- Outbound telemarketing calls to applicants currently in process

We will also start our Clearing operation early this year (Monday 3 July) in order to maximise the conversion of applicants ahead of results day targeting:

- Students who already have the academic pre-requisite to join a degree course

- Those students who get their results earlier than the 17 August (Access / BTEC's)
- Applicants that will be going into clearing and want to register their interests in LSBU

3.2 Postgraduate As at 26/06 /2017

Full-time postgraduate recruitment continues to progress, with 5,686 applications having been received to date (2,675 from International applicants, 3,011 from Home / EU applicants). So far this has resulted in 1,199 firm acceptances, which is down - 15% (218 acceptances) on the previous cycle.

That said, and as noted in the summary, full-time postgraduate recruitment is currently at 94% of target so we expect to achieve target over the remaining months leading up to enrolment.

That the postgraduate market for most London universities and specifically for LSBU is a "late" market and the bulk of acceptances will be seen in the latter part of the cycle. We have targeted acquisition (application) and conversion (acceptance) activity scheduled throughout cycle and will continue to monitor application, and acceptance levels.

Like the undergraduate part-time market, the post-graduate part-time acceptances are also -15% (31 FAs) behind LYTD. Both part-time markets (PG and UG) will require attention over the summer to ensure we meet target for Semester One.

3.3 International Recruitment

A very different picture is emerging from the end of last quarter when recruitment was close to 40% up on last year. It is now on a par with 2016 but with more deposits paid. While there is no proven cause and effect new applications have slowed and students with offers are slowing in accepting them. This may be because of recent events against an unsettled landscape. An intensive conversion programme and chasing of enquiries is now underway aided by comprehensive scholarships and the good news over TEF. In addition an agent incentive package is about to be launched which made a considerable difference for the January 2017 entries and should have the same impact on September 2017 entry. EU, on the other hand, continues to do well but as the students have their fees paid by the UK Government and the Pound is down against the Euro this is a very different context to the international students. There have been no CASs issued in the last quarter so the refusal rate remains the same, this will be reported on in the next quarter.

3.4 Partnerships

The new partner approval process has been passed by the Operations Board and should see a more rigorous approach to partner management being pursued. Additionally the latest round of partner reviews has seen the closure of those partnerships which were difficult to manage or where there was a perceived risk to quality or student experience. The Pentecostal University in Accra has now been fully signed off as a partner and should start recruiting this year to Management top-ups. Management Boards for BUE (British University Egypt) and ASU (Applied Science University, Bahrain) will be held in the next few weeks where further planned expansion will be mapped out for both.

3.5 Apprenticeships

The government's pausing of apprenticeship funding for companies which do not pay the Apprenticeship Levy is likely to have a very negative impact on the involvement of most companies in apprenticeships (those with a pay bill of under £3m), at least in the short term. This issue is exacerbated by the government's delay in approving many of the new apprenticeship standards, particularly those most relevant to LSBU's employer contacts in construction and related industries. These two factors are likely to impact on our ability to increase numbers of construction-related apprenticeships. However, we remain hopeful of meeting the target of 400 apprentices for 2017/8 if we can secure significant numbers in health and social care as the number apprentices in that sector grows.

3.6 South Bank Academies Update

The Chief Financial Officer has resigned from the Trust to move to another Multi-Academy Trust. He will leave at the end of July 2017. We are in the process of recruiting a replacement. The Interim Principal left the Academy on 29th June to take up another role. The CEO will be the Acting Principal until the permanent appointee, John Taylor, will take up the post on 1st September 2017.

Construction of the permanent building for the UTC is on target for hand over on 18th September 2017. We are procuring science, engineering and ICT equipment to ensure that the UTC will have the facilities ready for the new school term.

The Academy and the UTC were established as two independent entities. As they both are now part of the same Trust, we harmonised the staffing structures and pay scales across both schools and these were shared with all staff. The new pay scales will be effective from 1st September 2016.

We have recruited staff to meet the requirements of increased student numbers at both schools except in Engineering, which continues to prove to be a difficult area to recruit staff.

There have been a number of initiatives to promote collaboration between the schools and the University. LSBU student ambassadors have been providing mentoring for the Year 12 students and they are also providing advice on UCAS process and career choices. The Academy of sport is supporting the joint sports day of the two schools. LSBU Academic staff has been conducting workshops on app development.

3.6.1 South Bank Engineering UTC

The DfE team visited the UTC on 23rd June for their Term 3 review of the UTC. The meetings and the lesson observations went well. The leader of the team (an Ofsted Inspector and ex Head teacher) gave us feedback at the end of the day. The feedback was generally positive, but concerns were raised with regard to availability of the permanent accommodation in time for the new school year.

Student recruitment for the new school year is positive but remains challenging. We received 230 applications so far including 50 into Year 10. We are confident that these numbers will continue to grow through July and August.

3.6.2 University Academy of Engineering South Bank

The Academy was inspected by Ofsted on 9th and 10th of May 2017. The two day process was rigorous and covered all aspects of the school's operations. The informal feedback from the Lead Inspector at the end of day 2 was positive and the provisional rating for the school as indicated in the confidential draft report is "Good" across all areas. This Inspector's report including the confirmed rating will be formally communicated to us following the approval by the Ofsted Board.

3.7 Public Affairs and Civic Engagement

This has been a quiet period in terms of engagement with Whitehall and Westminster due to the purdah period around the general election. However the election did see two further LSBU alumni elected as MPs, namely Marsha de Cordova (Lab, Battersea) and Bambos Charalambous (Lab, Enfield Southgate). Another alumna, Anne Milton (C, Guildford) was appointed a junior Minister for Education with responsibility for Skills, including Further Education and Apprenticeships, and we are seeking a meeting with her as soon as possible. Justine Greening and Greg Clark were reappointed Secretaries of State for Education and BEIS respectively and Jo Johnson as Universities Minister. This provides some continuity for our ongoing discussions regarding Lambeth College.

We have maintained our ongoing engagement with the borough councils of Lambeth and Southwark. We strengthened our positioning as a key part of the local area when HEFCE accepted our *Leading Places* which focuses on generating growth in the Creative and Digital Industries in collaboration with Lambeth Council, Young Lambeth Coop, Lambeth College, Southwark Council and University of the Arts.

On 4 July we launched a paper on the LSBU Family of Educational providers.

4.0 Strategic Enablers

4.1 School of Business restructure

Under the restructuring proposal for the Business School 38 senior lecturer posts were disestablished and replaced with range of 43 grade 11, 9, 8, 7 and 6 posts more closely aligned with the future teaching needs of the School, and the strategic objective of achieving accreditation for the School in the next 3 to 5 years bringing us in line with our competitors. 26 senior lecturers applied for posts in the new structure, 10 indicated that they wanted to explore an enhanced redundancy settlement, and 2 did not respond either way. Following the consideration of applications and interviews, 22 members of staff have been appointed to new posts in the School, and 10 are continuing to negotiate enhanced redundancy. The remaining 6 colleagues who were not appointed to new posts have been invited to attend contemplation of redundancy interviews which should be completed by the end of June.

4.2 Fire Safety

London South Bank University will be submitting a response to the HEFCE Fire Safety Survey following the Grenfell Tower Fire.

Measures being taken include the commissioning of an independent company to review the university fire safety risk in light of all emerging issues from the Grenfell incident, working with our Health Safety and Resilience Team and Estates and Academic Environment Department. Specialist input will include external fire safety opinion and review by Trenton Fire Limited, particularly focusing on Halls of Residence. Further additional specialist review will be undertaken of fire stopping measures. Consultation has also taken place with an in house academic who specialises in fire safety and explosion, and was widely featured in the media post Grenfell.

All owned and managed residential accommodation blocks are brick built with no cladding. Estates and Academic Environment are continuing to carry out wider checks across the campus on all buildings.

5. LSBU Successes

- HEFCE has accepted LSBU's [Leading Places](#) bid for Creative and Digital Industries, securing inclusive jobs growth across local boroughs. In collaboration with LCC/UAL, Lambeth Council, Young Lambeth Coop, Lambeth College and Southwark Council the project will run until March 2018, and continuing as a blueprint for further collaborations.
- In May we achieved our best placing in the last ten years at the British University and Colleges Sport League table finishing in 89th position. Is a significant leap up the table from previous years and testament to the effort and talent #teamLSBU has put in this year.

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	CONFIDENTIAL
Paper title	Report from the Chief Financial Officer
Board/Committee	Board of Governors
Date of meeting	13 July 2017
Author	Richard Flatman, Chief Financial Officer
Executive Sponsor	Richard Flatman, Chief Financial Officer
Purpose	To update the Board on financial matters and approve the 2017/18 budget and future financial forecasts.
Which aspect of strategy will this help deliver	Financial performance and future financial sustainability
Recommendation	<p>The Board is requested to:</p> <ul style="list-style-type: none"> • note the current year financial performance • approve the group budget for 2017/18 • approve the future financial forecasts for submission to HEFCE by the deadline of 31 July. <p>Both the budget and future financial forecasts have been reviewed by Finance, Planning and Resources Committee and are recommended to Board for approval.</p>

Matter previously considered by	Executive	Various
	Board strategy day	26 April 2017
	Finance, Planning and Resources Committee	27 June 2017
Further approval	N/A	



**London
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EST 1892

Attachments:

Appendix 1: Management accounts summary to 31 May 2017

Appendix 2: Budget for 2017/18

Appendix 3: Financial results and forecasts 2017 – July 2017 submission

Report from the Chief Financial Officer: July 2017

1. Current financial performance

The latest summary management accounts to 31 May 2017 are included as Appendix 1.

The full year forecast as at 31 May 2017 is trending towards a surplus of £1.0M, this would deliver the University on budget.

In terms of income, the University continues to performing strongly. Research Income is 22% ahead of the comparable position in 15/16, Post Graduate Income is 20% ahead, Overseas and TNE income is 16% ahead, HSC Contract income is 3% ahead and each of these 4 income streams is expected to finish ahead of budget.

The YTD income forecast of £132.9M is £6.5M higher than the equivalent period last year but £0.8M behind budget, reflecting reduced student recruitment (Home & EU and overseas) and challenges on enterprise income. Tight cost control and the mid-year budget review process however means that we are reporting a forecast surplus that remains on budget.

In terms of staffing costs, although the forecast is that we will spend £80.2M, it is increasingly likely that the final figure for the year will be £77.5M. This would deliver staffing costs equivalent to 53.6% of income and so is well within the expectations of our Board of Governors. This will have a positive impact on the expected surplus for the year.

Based on the latest full year forecast, the University will grow its normal operating income by £7.3M year on year, and will be investing an additional £5.2M in staff year on year. EBITDA at 12.0% is ahead of target. Following the 3rd Tuition Fee payment from the SLC, our balance of cash and investments now stands at £55.0M, although this is forecast to reduce to £42.5M by the year end.

We continue to hold a contingency of £500K in our forecast to cover any provision required for bad debt. The University also has funds set aside in the budget to cover in year re-structuring costs (£1.5M).

2. Financial matters for approval

Budget 2016/17

The budget proposal for 2017/18 is included as Appendix 2. This was reviewed in detail by Finance, Planning and Resources Committee and is recommended to Board by Committee for approval.

Following a detailed planning and budgeting process, the University is proposing a budget for 2017/18 with income of £150.5M and a minimum surplus requirement of £1.5m (with an ambition to move toward target surplus of £3.0M). The level of income and surplus is consistent with the 5 year forecast that was presented to the Executive and subsequently to Board at the Strategy Day in April.

The budget, which includes income growth of 4%, reflects our aspiration of growing our income to £170m, delivering an operating surplus of 5% and an EBITDA margin (our ability to generate cash) of 15% by 2020 in line with the targets set out in our corporate strategy.

The University is holding £3M flexibility in the staffing cost line and the Budget continues to include specific revenue funds for Investment. In addition to the £1.5M re-structure fund the budget also includes:

- a general £1M revenue Investment fund
- £0.5M People & Organisation fund
- A general contingency of £0.5M.

Consistent with our agreed corporate financial objectives, we need to target an improved level of surplus in 2017/18. The Executive is recommending a minimum surplus of £1.5M (1% of income) with an ambition to move in year closer toward £3M (2%) which would assume that we meet our income target and commit no more than 50% of the £3M flexibility as in year cost.

Financial results and forecasts – July 2017 submission

We are required to submit to HEFCE by 31 July 2017 our future financial forecasts for the period to 31 July 2020 as approved by the Board. Our submission is included as Appendix 3. This was reviewed in detail by Finance,

Planning and Resources Committee and is recommended to Board by Committee for approval.

This outlines our Statement of Income and Expenditure, Balance Sheet and Cash flow forecast for the period 2014/15 – 2019/20. In terms of future performance, the forecast assumes that over the period 2016/17 to 2019/20 the university will grow its income from £144M to £168M and increase its surplus from the current £1.5M in 2016/17 to £4M by 2019/20. The submission is as per the 5 Year forecast presented to the Board of Governors in April with the exception that the surplus in 2017/18 has been increased from £1.2M to £1.5M in line with the budget in order to not show a deterioration compared to current year forecast.

There are risks around income growth particularly in later years of the forecast. The area where target growth is most aggressive is Enterprise income which is assumed to grow from £9.5m in 16/17 to £15.0m in 19/20. However whilst this is challenging, we have also been prudent in terms of Home/EU full time students where a steady recruitment target of 2,500 has been maintained throughout.

Although we have assumed Home/EU Undergraduate recruitment remains static we have made assumptions about our ability to increase fees above £9,000. We intend to charge a fee of £9,250 to all new students and returning YR2 students from 17/18 and to all continuing students from 18/19. Notwithstanding our TEF2 silver rating, we have maintained Full Time Undergraduate fees at this level for the duration of the forecast.

The other key risk to the income forecast is the change to funding methodology within the School of Health & Social Care. These students will now be funded through student fees rather than through the NHS Contract beginning in 17/18. There may be a potential negative impact on recruitment as these students switch from receiving Bursaries to paying Fees. Given historic levels of applications for this school however, our expectation is that HSC income will be flat over the period of the 5 year forecast and that Home and EU domicile fees paid by the Department of Health will be replaced by Full time UG Fees as these Health students transition to the new arrangement.

The forecast does not try to model:

- *the impact of bringing Lambeth College into the LSBU family* although considerable work has been done to model the potential impact as reported separately to Executive and Board. In the event that the acquisition does proceed, we will overlay the transaction on these financial

forecasts. We have at this stage however provided to HEFCE a consolidated I&E showing Lambeth within the LSBU group (based on these forecasts and the TU financial model) to indicate the business turnaround challenge, the need for short term support by way of financial grant and the route to profitability

- *potential costs associated with the wider estate development programme.* The forecasts take no account of additional depreciation or loan interest costs. However, the expectation of the Executive is that with the planned level of investment (£150m+) on the estate we should assume a return to 2,750 Home/EU YR1 students over the next 3-4 years. Together with further improvements in progression and fee inflation this would significantly offset the additional costs arising.

3. Funding the wider estates programme

In addition to modelling the potential I&E impact of spending £160m on the estate we have also reviewed the capital financing requirements. More detailed analysis will be provided to MPIC in the autumn. We have at this early stage however received the results of our initial pre- qualifying questionnaire (PQQ). The key messages to note are as follows:

- There is an appetite for additional LSBU debt (albeit subject to more information, for instance cash flows and more details on the property strategy and rationale behind the potential Lambeth acquisition)
- The quantum of increased borrowing at which banks will feel 'comfortable' is probably within the £30 to £40m range. This is not inconsistent with earlier discussions around borrowing capacity within existing covenants (especially in the event that we were to acquire LC). Borrowing limited to the £30m-£40m range could potentially leave a funding gap of £15m although there are other options to close that gap. It could also cause cashflow issues and throws into focus the importance of the timing of assumed disposals. Borrowing more might be an option although the cost would be significantly higher given the perceived risk
- The proposal for the acquisition of Lambeth College is creating increased uncertainty with potential borrowers. If proceeding, we will need to spend additional time working through the forecasts in some detail at the next

stage in the process to ensure that this uncertainty is not priced into the margin

- The preferred borrowing/structure is a revolving credit / term loan facility. It is clear that a Private placement is not a viable option at this stage
- The Barclays response does make clear that it would be possible to re-structure our existing debt. It is assumed that the same might apply to any Lambeth debt but this is not clear in the response
- The margin will be in the region of 1.25 to 1.5% for a 5 year RCF and this indicates a total borrowing cost of around 1.55 to 1.80% when adding 3 month LIBOR (0.30%) to the margin. This is good to know and our assumed cash flows in the business case are based on an all in borrowing cost of circa (prudent) 3%
- Non utilisation fees will be around 50% of margin
- Arrangement fees will be negotiable, but for cash flow/cost purposes should be taken as circa 0.50% of the principal (say £40m = £200k)
- There may also be a consequential impact in terms of increased cost for our Allied Irish Bank (AIB) debt as AIB hold a negative pledge and would want some return for reduced security on their loan.

Before proceeding further with any loan restructure or new loan arrangements, we are also arranging for a proper external legal due diligence review of our existing loan agreements. This will ensure that we are not in breach and obtain the necessary consents.

4. Other matters

Year-end planning

A timetable and plan for production of the 2017 Financial Statements and year-end audit has been agreed with KPMG, our new external auditors. KPMG will be onsite for an interim review from 3rd July for 1 week and the main onsite visit will start on 25th September. The External audit plan was agreed by Audit Committee in June.



**London
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APPENDIX 1

Management accounts summary to 31 May 2017

May Executive Summary

1) This Executive Summary reports on the Financial position of London South Bank University as at 31 May 2017

2) RAG Status

Income Growth	5.3%	Staff Cost Growth	7.0%	Staff Cost %	55.5%	Opex Growth	0.6%	FYF Surplus	0.7%	EBITDA	12.0%
	<i>excluding Hanban</i>		<i>excluding restructuring</i>		<i>excluding restructuring</i>		<i>excluding Hanban</i>				

3) Summary

The full year forecast as at 31 May 2017 is trending towards a surplus of £1.0M, this would deliver the University ahead on budget.

The key reasons for this months change are additional expenditure within the Schools including Overseas Agent Fees, additional investments with Student Services in terms of Disability and Dyslexia support and investments to support the establishment of the LSBU Family.

The University is performing strongly and we are on track to exceed the £1M budgeted surplus. Research Income is 22% of the comparable position in 15/16, Post Graduate Income is 20% ahead, Overseas and TNE income is 16% ahead, HSC Contract income is 3% ahead and each of these 4 income streams is expected to finish ahead of budget. In terms of staffing costs, although the forecast is that we will spend £80.2M, it is increasingly likely that the final figure for the year will be £77.5M. This would deliver staffing costs equivalent to 53.6% of income and so is well within the expectations of our Board of Governors. In terms of operating expenditure this is forecast to finish ahead of budget as we look for opportunities to bring strategic investments forward, as well as take the opportunity to review our balance sheet and write off assets.

In terms of liquidity, after the receipt of the third SLC payment, the University is holding £55M in cash and cash equivalents.

4) Table 1: Full Year Forecast vs. Budget

8,069

Financial Summary in £'m	15/16 Actuals	16/17 Budget	Change to 15/16	Change %
Funding Grants	13.3	12.8	-0.5	-4%
Health - Contract	25.1	25.5	0.4	2%
Income / EU UG Fees	57.2	60.7	3.5	6%
Income / EU PG Fees	7.7	8.2	0.5	7%
Overseas + TNE Fees	9.8	10.7	0.9	9%
Research Activities	3.7	4.4	0.7	18%
Enterprise Activities	7.8	9.9	2.2	28%
Student Related Income	11.1	11.4	0.4	4%
Other Operating Income	1.4	1.3	-0.0	-3%
Endowments & Interest	0.3	0.2	-0.1	-40%
Income	137.3	145.3	8.0	6%

Apr 16/17 Forecast	Monthly Move	May 16/17 Forecast	variance to Budget	Budget variance%
12.9	0.0	12.9	0.1	0%
25.7	0.3	26.0	0.5	2%
59.2	0.2	59.4	-1.3	-2%
9.0	0.0	9.1	0.8	10%
11.2	-0.0	11.2	0.5	5%
4.2	0.0	4.2	-0.2	-4%
9.3	-0.3	9.0	-0.9	-9%
11.4	0.0	11.4	-0.0	-0%
1.5	-0.2	1.3	-0.0	-3%
0.2	0.0	0.2	0.0	3%
144.6	-0.0	144.6	-0.7	-0%

May 15 / 16 YTD	May 16 / 17 YTD	variance to 15/16	variance to 15/16
11.5	10.7	-0.8	-7%
20.8	21.5	0.7	3%
57.5	59.8	2.3	4%
7.7	9.3	1.6	20%
9.5	11.0	1.5	16%
3.0	3.7	0.7	22%
6.3	6.2	-0.1	-1%
9.1	9.6	0.5	6%
0.9	0.9	0.1	8%
0.2	0.2	-0.0	-16%
126.4	132.9	6.5	5.1%

in £'m				
Academic Staff Costs	38.4	42.6	4.1	11%
Support & Technicians	33.6	38.1	4.4	13%
Third Party Staff	2.9	1.6	-1.3	-44%
Restructuring Provision	-0.5	1.6	2.0	
Depreciation	9.7	11.1	1.3	14%
Operating Expenses	45.1	43.9	-1.1	-2%
Interest Payable	4.8	4.8	0.0	0%
Exceptional Items	0.0	0.7	0.7	0%
Expenditure	134.1	144.3	10.2	8%

	41.0	-0.2	40.7	-1.8	-4%
	37.2	-0.2	37.0	-1.0	-3%
	2.2	0.2	2.4	0.8	50%
	1.4	0.1	1.5	-0.0	-1%
	11.2	-0.1	11.1	0.0	0%
	44.7	0.6	45.3	1.4	3%
	4.8	0.0	4.8	0.0	0%
	0.7	-0.0	0.7	0.0	0%
	143.3	0.4	143.6	-0.6	0%

	31.4	32.5	1.1	3%
	27.6	29.9	2.3	8%
	2.0	2.1	0.1	6%
	0.2	0.2	0.0	
	8.1	8.0	-0.1	-1%
	30.7	33.3	2.6	9%
	4.0	3.7	-0.3	-8%
	0.0	0.0	0.0	0%
	104.0	109.8	5.7	5%

Surplus for the year	3.3	1.0	-2.3	-69%
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	1.4	-0.4	1.0	-0.0	-3%
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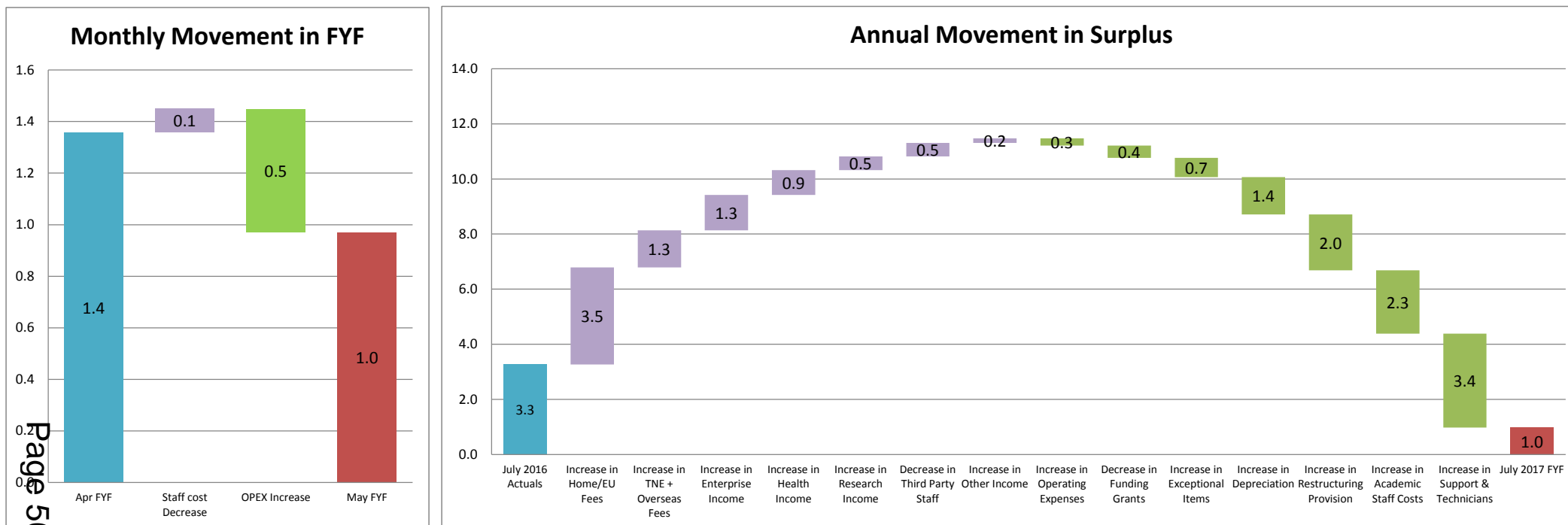
	22.4	23.1	0.8	3%
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Surplus as % of income	2.4%	0.7%	0.9%	0.7%
Surplus per student FTE	£221.1	£71.4	£109.6	£71.5

	81%	80%	YTD Staff Cost %
	68%	73%	YTD OPEX Cost %
	78%	76%	Total YTD Cost %

5) Forecast Summary

As compared to 15/16 we are now forecasting a £7.3M increase in Income, a £9.6M increase in total expenses and so a reduction of £2.3M in our annual surplus.



The key movements this month, were an overall decrease in staffing costs of £54K although the staffing forecast still remains almost £2.5M overstated. There was an increase in our full year operating expenditure forecast which relates to additional Overseas Agent fees, LSBU Family costs and expenditure that has been brought forward to ensure that we do not overshoot our budget. There was no overall change to our income forecast which remains at £144.6M, just ahead of the Corporate KPI of £144.5M.

In terms of our year on year position, the University is now forecasting a £3.3M increase in Home/EU fees, a £1.4M increase in Overseas and TNE income, a £1.3M increase in Enterprise income, a £0.9M increase in Health Contract income, a £0.5M increase in research and a decrease in Third Party staff of £0.5M. The University has forecasted further income increases of £0.2M in Other income. These income increases and expense reductions are being used to fund a planned reduction of £0.4M in HEFCE funding grants, a £0.7M increase in exceptional items, a £1.4M increase in depreciation, an increase of £2.0M in our restructuring provision, a £2.3M increase in academic staff and a £3.4M increase in support staff. The University is also now forecast to increase its Operating expenses year on year by £0.3M

The increase in exceptional items relates to monies put aside for the £1M Investment Pot and for the research pump priming funds.

6) Risks and Contingencies

The Full Year Forecast still contains a number of risks. Student withdrawals in Semester 3 should not have a financial impact, so that risk has reduced, however we do still have to find funds for our year end Bad Debt provision and to cover any Pension Interest costs. In order to balance these risks we are currently holding an OPEX contingency of £0.5M, and whilst there are no funds remaining in the Investment Pot, there are significant funds that we can release from our staffing forecast.

7) Contribution Analysis

The current forecast contribution for the year is £2.3M behind the 15/16 position. This reduction in surplus is due to finishing 15/16 in a much better position than anticipated rather than a deliberate reduction in contribution. Delivering to this forecast will deliver EBITDA at 12.0% which is an improvement on the 11.8% delivered in 15/16. Although our recurring staff cost expressed as a % of income is forecast at 55.6% which is slightly ahead of the 55% target set by the Board of Governors, it is unlikely that the University will deliver to this forecast and we are more likely to underspend by over £2.5M. We will review our processes following this budgeting round in order to improve the robustness of our staffing forecast. The forecast also assumes that the University will end the year with cash and investments of £42.5M a decrease of £12.5M from our current position.

Note: In the last month of 15/16 the University recognised £1M of costs associated with the redevelopment of Caxton House and £1M of funding income from Hanban. To avoid any year on year distortions these have been ignored in this analysis.

Contribution per School across Teaching, Research and Enterprise activities

	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF
Income (M)	£11.3	£11.2	£9.5	£10.5	£16.3	£18.2	£16.6	£17.4	£19.1	£18.5	£32.7	£34.1	£14.6	£14.8	£120.2	£124.7
Expenditure (M)	£5.2	£5.5	£4.2	£5.1	£6.8	£7.6	£7.3	£7.7	£9.2	£9.7	£17.5	£19.4	£6.5	£7.0	£56.8	£62.5
Contribution (M)	£6.1	£5.7	£5.3	£5.4	£9.5	£10.6	£9.2	£9.8	£9.9	£8.8	£15.2	£14.2	£8.1	£7.8	£63.4	£62.2
Contribution %	54%	51%	56%	52%	58%	58%	56%	56%	52%	48%	46%	42%	56%	53%	53%	50%

In 15/16, 5 of the 7 Schools delivered better than budget and the Schools portfolio as a whole finished the year £1M or 2% better than budgeted contribution. In 16/17 we are forecasting the Schools to deliver £4.5M of additional income to fund £5.7M of additional expenses and so continue the current strategy of investing in the Schools to deliver a better academic experience for students.

The 7 Schools have different levels of Research and Enterprise activities which can mask differences in Staff / Students ratios and contribution and so the teaching only levels of contribution is shown below.

Contribution per School across Teaching activity only

	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF
Teaching Income (M)	£10.8	£10.5	£9.2	£10.2	£15.7	£16.9	£16.3	£17.2	£17.2	£16.2	£28.6	£29.9	£14.0	£14.3	£111.8	£115.2
Teaching Staff (M)	£3.2	£3.1	£2.4	£2.7	£3.9	£4.4	£4.9	£5.0	£4.5	£4.7	£11.6	£13.0	£4.4	£4.6	£35.0	£37.6
Teaching Expenditure (M)	£1.5	£1.9	£1.4	£1.9	£2.0	£2.1	£2.5	£2.3	£2.6	£2.8	£4.0	£5.1	£1.7	£2.1	£15.6	£18.1
Teaching Contribution (M)	£6.1	£5.6	£5.4	£5.5	£9.8	£10.4	£8.9	£9.9	£10.2	£8.7	£12.9	£11.8	£7.9	£7.6	£61.2	£59.5
Contribution %	56%	53%	59%	54%	62%	61%	55%	57%	59%	54%	45%	39%	56%	53%	55%	52%
Student FTE	1,180	1,120	1,043	1,108	1,724	1,845	2,131	2,172	1,671	1,600	3,807	4,108	1,662	1,624	13,218	13,577
Contribution per Stud FTE	£5,200	£5,000	£5,200	£5,000	£5,700	£5,600	£4,200	£4,500	£6,100	£5,500	£3,400	£2,900	£4,700	£4,700	£4,600	£4,400
Return on Academic Investment	191%	179%	223%	202%	249%	235%	184%	197%	226%	188%	111%	90%	179%	166%	175%	158%

In terms of Staff / Student ratios as a whole we are forecast to maintain the current SSR position. The Teaching staffing costs reported above exclude any technicians, administration or research staff and demonstrate that the Schools of the Built Environment & Architecture, Arts & Creative Industries and Business are significantly ahead of the School's average when measured in Return on Academic Investment, whilst the School of Health & Social Care is significantly behind the other Schools. In terms of contribution per student, the Schools of the Built Environment & Architecture, Engineering and Arts & Creative Industries are significantly ahead of the average School position although their costs do not include the cost of centrally funded Labs and Technicians.

8) Student Number Analysis

In terms of Student headcount, we have now recruited 8,069 New Home / EU Students which is 2% ahead of the 15/16 total recruitment position and have 8,666 Continuing Home/ EU students which again is 2% ahead of last year. There has been a decline in Overseas student recruitment which is 7.5% down on 15/16 although we have recruited more Overseas Post Graduate students than last year. In terms of continuing Overseas students we have more undergraduates than last year whilst our Full time post graduate population is broadly the same as 15/16.

9) Student Withdrawal Analysis

In 15/16 we refunded £3.6M in income to students who Withdrew or Interrupted. We had budgeted for £3.5M of refunds in 16/17 but our current forecast is just over £4.1M

Academic year	YTD Withdrawals
13/14	999
14/15	975
15/16	875
16/17	1,055

'Lost Income' in £000K	Forecast	YTD	% Lost		Forecast	YTD	% Lost
Applied Science	£485	£481	99.2%	Engineering	£851	£752	88.4%
Arts and Creative Industries	£375	£415	110.7%	Health & Social Care	£230	£215	93.5%
Built Environment & Architecture	£652	£605	92.8%	Law & Social Sciences	£639	£600	93.9%
Business	£917	£877	95.6%	Total	£4,149	£3,945	95.1%

Overall income lost has increased from £3,686k in April to £3,945 in May an increase of £259K. In terms of head count, withdrawals and interruptions have increased by 111 in the month which is slightly ahead of the comparable position in 15/16. We are now likely to finish the year with the highest number of withdrawals and interruptions since 2013/14.

Students are refunded 100% of their Fee if they leave within the first 2 weeks of term, otherwise they are charged 25% for Semester 1, 25% for Semester 2 and the final 50% for Semester 3.

10) Income Analysis

There has been no real change in our income forecast this month, however the mix of income has changed. There was a reduction in Enterprise income within the School of Health & Social Care but this was offset by an increase in NHS contract income and so the position of the school is unchanged. There was an increase in income within the School of Arts & Creative Industries and within the School of Engineering which is related to the reduction in the risk of students withdrawing. There was a reclassification of income within Finance, whereas in the past the VAT rebate from HMRC has been treated as income, it has been proposed that it should be treated as a reduction to our expenses as it relates to refunds on expenditure and this has been implemented this month.

11) Staff Cost Analysis

In terms of staffing, the total YTD position shows a positive variance of £3.9M of which just £2.0M has been recognised. Even after this reduction in forecast, the University is still expecting to invest an additional £2.3M in Academic staff and £3.4M in Support staff and Technicians whilst reducing our Third party Staff cost by £0.5M to give a net investment of £5.2M. It should be noted that this represents a total year on year investment of 8.6% in the schools and a 6.9% investment in the professional functions. The YTD investment is 6.9% in the schools and 4.9% investment in the professional functions and although some areas are forecasting a dramatic investment in the last 6 weeks of the year, these investments are unlikely to be realised and we expect the full year forecast to end the year in line with the YTD investment. This would release some £2.7M to the I&E.

12) Operating Expense Analysis

In terms of Operating Expenses, we are currently forecasting a year on year increase of £0.3M. This follows a review of spending within the Schools in order to identify if there are investments that can be brought forward. Once our staffing forecast has been reduced we may take the opportunity to write down some of the demolition costs associated with Hugh Astor Court or some of the development costs associated with the St George's Quarter estate development and so it is likely that we will overspend our Opex budget. At present there are just 5 areas of Operating Expenses that are overspent YTD against budget; Student Recruitment costs due to increased Overseas Agent fees as a result of beating our overseas recruitment targets, Bursaries and Scholarship costs as we invest in individual students, Utilities costs particularly electricity and water, Financial Costs which are due to some early categorisation of bad debts, and Internal Recharges which relate to additional Elixir expenses.

13) Budget Analysis

There are 28 distinct areas of the University that have separate budgets and each area is expected to deliver to their Budget. 4 of the 7 Schools are forecast to deliver on or ahead of budget, as are 14 areas within the Professional Functions whilst 7 areas within this grouping are expected to finish the year in a deficit position.

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)
			2016 Forecast (£)	2016 Budget (£)	Variance - Forecast to Budget (£) %	Note	2016 Actuals (£)	2016 Budget (£)	Variance - Actuals to Budget (£) %	Note	
(138,327,251)	(126,413,826)	Total Income	(144,609,369)	(145,283,689)	(674,320) (%)		(132,913,457)	(133,706,891)	(793,434) (1%)		(11,695,912)
74,501,119	61,233,869	Total Staff Costs	81,751,587	83,798,361	2,046,774 2%		64,765,482	68,688,582	3,923,100 6%		16,986,104
9,749,153	8,131,635	Total Depreciation	11,109,348	11,096,040	(13,308) (%)		8,026,487	8,013,179	(13,307) (%)		3,082,861
46,052,241	30,667,813	Total Other Operating Expenses	45,321,534	43,933,870	(1,387,664) (3%)		33,285,748	35,999,827	2,714,079 8%		12,035,786
4,755,431	4,012,309	Total Interest Payable	4,777,152	4,777,152	%		3,687,532	3,980,960	293,428 7%		1,089,620
		Total Exceptional Items	678,867	678,867	%						678,867
		Total Internal Allocations	(28,518)		28,518						(28,518)
(3,269,308)	(22,368,199)	Contribution	(999,399)	(999,399)	() (%)		(23,148,208)	(17,024,342)	6,123,866 36%		22,148,809
(54.0)% 2.4%		Recurring Staff costs as % of income Contribution %	(55.5)% 0.7%	(56.6)% 0.7%			48.7% 17.4%	51.4% 12.7%			



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APPENDIX 2

Budget for 2017/18

Recommendation;

The Executive recommends the budget as follows:

Income and expenditure	£M's
Income	150.5
Staff costs (including re-structure)	84.0
Staff cost %	55.8%
Other opex (2.8% increase)	46.5
Depreciation	11.1
Interest and financial costs	4.4
Additional contingency	3.0
Minimum surplus requirement	1.5
Surplus (%)	1%
Surplus ambition (target)	3.0
Target Surplus (%)	2%

2017/18 Proposed Budget

Income and expenditure	Forecast 2016-17 £000	Forecast 2017-18 £000
1. Income		
1a. Tuition fees and education contracts	105,141	109,626
1b. Funding body grants	15,135	14,075
1c. Research grants and contracts	2,388	2,200
1d. Other income	21,763	24,491
1e. Investment income	197	150
1f. Total income before donations and endowments	144,624	150,541
1g. Donations and endowments	0	0
1h. Total income	144,624	150,541
2. Expenditure		
2a. Staff costs	81,954	86,990
2b. Fundamental restructuring costs	0	0
2c. Other operating expenses	45,217	46,514
2d. Depreciation	11,175	11,130
2e. Interest and other finance costs	4,777	4,408
2f. Total expenditure	143,124	149,041
3. Surplus/(deficit) before other gains/losses and share of surplus/(deficit) in joint ventures and associates	1,500	1,500
4. Gain/(loss) on disposal of fixed assets	0	0
5. Gain/(loss) on investments	0	0
6. Share of operating surplus/(deficit) in joint venture(s)	0	0
7. Share of operating surplus/(deficit) in associate(s)	0	0
8. Surplus/(deficit) before tax	1,500	1,500
9. Taxation	0	0
10. Surplus/(deficit) for the year	1,500	1,500
11. Unrealised surplus on revaluation of land and buildings	0	0
12. Actuarial gain/(loss) in respect of pension schemes	0	0
13. Change in fair value of hedging financial instrument(s)	0	0
14. Total comprehensive income for the year	1,500	1,500

All items of income and expenditure relate to continuing activities



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APPENDIX 3

Financial results and forecasts 2017 – July 2017 submission

Financial results and forecasts updated for July 2017 Forecast and New 5 Year forecast

Financial indicators (automated table)

Financial indicators are shown for indicative purposes only. They will be reviewed after the data has been analysed.

	Actuals 2014-15	Actuals 2015-16	Forecast 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20
Surplus/(deficit) as a % of total income	-0.8%	2.4%	1.0%	1.0%	1.4%	2.4%
Discretionary reserves exc. pension asset/(liability) as a % of total income	72.4%	55.0%	53.6%	52.5%	52.0%	50.8%
External borrowing as a % of total income	19.1%	19.5%	17.9%	16.5%	15.3%	13.7%
Net cash flow as a % of total income	4.3%	17.3%	11.9%	11.2%	11.4%	11.9%
Net liquidity days	139	154	126	101	81	65
Staff costs exc. Restructuring as a % of total income	52.8%	54.3%	55.7%	56.8%	57.2%	57.6%

Description

Earnings before interest, tax, depreciation and amortisation (EBITDA) - (partially automated table)

Please complete cells in blue font. All other values will be completed as you fill in table 1.

	Actuals 2014-15 £000	Actuals 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000
Surplus/(deficit)	-1,166	3,282	1,500	1,500	2,200	4,000
Share of surplus/(deficit) in joint venture(s) and associates	0	0	0	0	0	0
Interest payable	4,724	4,755	4,777	4,408	4,408	4,408
Depreciation	8,759	9,749	11,175	11,130	11,256	11,714
Release of deferred capital grants (accruals model only, please enter as negative)	-1,759	-1,059	-1,059	-914	-909	-909
Amortisation	0	0	0	0	0	0
Change to pension provisions within staff costs	0	0	0	0	0	0
EBITDA	10,558	16,728	16,393	16,123	16,955	19,214

Adjusted operating cash flow (automated table)

	Actuals 2014-15 £000	Actuals 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000
1. Net cash flow from operating activities	6,073	23,844	17,255	16,888	17,764	20,023
2. Add: cash received from investment income	311	313	197	150	100	100
3. Add: endowment cash received	0	0	0	0	0	0
4. Deduct: cash paid on interest on borrowings	-4,724	-4,755	-4,777	-4,408	-4,408	-4,408
5. Deduct: cash paid on interest element of finance leases	0	0	0	0	0	0
6. Adjusted operating cash flow	1,660	19,402	12,676	12,629	13,456	15,715

Balance of outstanding financial commitments and agreed financial commitments (includes long-term and short-term) not yet drawn down as at 31 July 2016

Description

y201516 y201516 y201617 y201718 y201819 y201819

	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	£000	£000	£000	£000	£000	£000
Table 1: Consolidated statement of comprehensive income and expenditure						
1. Income						
1a. Tuition fees and education contracts	99,338	99,840	105,141	109,626	113,765	120,010
1b. Funding body grants	17,583	15,684	15,135	14,075	12,658	12,638
1c. Research grants and contracts	2,358	2,232	2,388	2,200	3,001	5,002
1d. Other income	20,932	19,915	21,763	24,491	26,534	29,832
1e. Investment income	311	313	197	150	100	100
1f. Total income before donations and endowments	140,522	137,982	144,624	150,541	156,058	167,582
1g. Donations and endowments	599	195	0	0	0	0
1h. Total income	141,121	138,177	144,624	150,541	156,058	167,582
2. Expenditure						
2a. Staff costs	74,558	74,501	81,954	86,990	90,748	98,075
2b. Fundamental restructuring costs	0	0	0	0	0	0
2c. Other operating expenses	54,252	45,901	45,217	46,514	47,446	49,384
2d. Depreciation	8,759	9,749	11,175	11,130	11,256	11,714
2e. Interest and other finance costs	4,724	4,755	4,777	4,408	4,408	4,408
2f. Total expenditure	142,293	134,907	143,124	149,041	153,858	163,582
3. Surplus/(deficit) before other gains/losses and share of surplus/(deficit) in joint ventures and associates	-1,172	3,270	1,500	1,500	2,200	4,000
4. Gain/(loss) on disposal of fixed assets	0	0	0	0	0	0
5. Gain/(loss) on investments	6	12	0	0	0	0
6. Share of operating surplus/(deficit) in joint venture(s)	0	0	0	0	0	0
7. Share of operating surplus/(deficit) in associate(s)	0	0	0	0	0	0
8. Surplus/(deficit) before tax	-1,166	3,282	1,500	1,500	2,200	4,000
9. Taxation	0	0	0	0	0	0
10. Surplus/(deficit) for the year	-1,166	3,282	1,500	1,500	2,200	4,000
11. Unrealised surplus on revaluation of land and buildings	0	0	0	0	0	0
12. Actuarial gain/(loss) in respect of pension schemes	-9,285	-29,519	0	0	0	0
13. Change in fair value of hedging financial instrument(s)	0	0	0	0	0	0
14. Total comprehensive income for the year	-10,451	-26,237	1,500	1,500	2,200	4,000
15. Total comprehensive income for the year represented by:						
15a. Endowment comprehensive income for the year	6	12	30	30	30	30
15b. Restricted comprehensive income for the year	0	0	0	0	0	0
15c. Unrestricted comprehensive income for the year	-10,457	-26,249	1,470	1,470	2,170	3,970
15d. Revaluation reserves comprehensive income for the year	0	0	0	0	0	0
15e. Total	-10,451	-26,237	1,500	1,500	2,200	4,000
16. Surplus for the year attributable to:						
16a. Non-controlling interest	0	0	0	0	0	0
16b. University	-10,451	-26,237	1,500	1,500	2,200	4,000
17. Total comprehensive income for the year attributable to:						
17a. Non-controlling interest	0	0	0	0	0	0
17b. University	-10,451	-26,237	1,500	1,500	2,200	4,000

All items of income and expenditure relate to continuing activities

Table 1a: Analysis of income

	Actuals 2014-15 £000	Actuals 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000
1. Tuition fees and education contracts						
1a. Full-time UG home and EU	49,588	50,415	51,907	61,686	70,604	79,961
1b. Full-time postgraduate home and EU	3,080	3,947	5,942	7,198	7,467	8,545
1c. Part-time fees - home and EU	8,859	10,567	10,396	10,173	10,271	10,226
1d. Home and EU domicile fees paid by the Department of Health	27,201	25,096	25,717	18,561	11,407	4,254
1e. Non-EU domicile students	10,610	9,814	11,179	11,000	12,000	14,000
1f. Other fees and support grants	0	0	0	1,008	2,016	3,024
1g. Total tuition fees and education contracts	99,338	99,840	105,141	109,626	113,765	120,010
2. Funding body grants						
2a. HEFCE - teaching grant	14,811	10,446	9,163	10,789	9,372	9,352
2b. HEFCE - research grant	1,141	1,820	1,766	1,766	1,766	1,766
2c. HEFCE other grants	1,586	3,418	4,205	1,520	1,520	1,520
2d. SFA funding	0	0	0	0	0	0
2e. NCTL funding	45	0	0	0	0	0
2f. Capital grants recognised in the year	0	0	0	0	0	0
2g. Total funding body grants	17,583	15,684	15,135	14,075	12,658	12,638
3. Research grants and contracts						
3a. BIS Research Councils	675	350	375	579	550	917
3b. UK-based charities	378	700	749	396	416	693
3c. Other research grants and contracts	1,305	1,182	1,264	1,225	2,035	3,392
3d. Total research grants and contracts	2,358	2,232	2,388	2,200	3,001	5,002
4. Other income						
4a. Other services rendered	0	0	0	0	0	0
4b. Residences and catering operations (including conferences)	0	0	0	0	0	0
4c. Income from health and hospital authorities (excluding teaching contracts for student provision)	0	0	0	0	0	0
4d. Other operating income	20,932	19,915	21,763	24,491	26,534	29,832
4e. Total other income	20,932	19,915	21,763	24,491	26,534	29,832
5. Investment income	311	313	197	150	100	100
6. Total income before donations and endowments	140,522	137,982	144,624	150,541	156,058	167,582
7. Donations and endowments	599	195	0	0	0	0
8. Total income	141,121	138,177	144,624	150,541	156,058	167,582

Note: 'UG' = 'undergraduate'; 'EU' = 'European Union'; 'NCTL' = 'National College of Teaching and Leadership'; 'SFA' = 'Skills Funding Agency'; 'BIS' = 'Department for Business, Innovation and Skills'.

Table 1b: Analysis of staff costs

	Actuals 2014-15 £000	Actuals 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000
1. Salaries and wages	60,680	56,994	61,192	65,000	67,829	73,397
2. Social security costs	5,251	6,749	7,246	7,671	8,032	8,692
3. Employer pension costs	8,627	11,249	12,077	12,818	13,387	14,486
4. Changes to pension provisions	0	0	0	0	0	0
5. Other staff related costs	0	-491	1,438	1,500	1,500	1,500
6. Total staff costs	74,558	74,501	81,954	86,990	90,748	98,075
7. Staff numbers (FTEs academic and other)	1,367	1,375	1,476	1,567	1,636	1,771

Note: FTE = full-time equivalent.

Description	d310716	d310716	d310717	d310718	d310719	d310719
Description	d310716	d310716	d310717	d310718	d310719	d310719

Table 2: Consolidated balance sheet

	Actuals Year ended 31-Jul-16 £000	Actuals Year ended 31-Jul-16 £000	Forecast Year ended 31-Jul-17 £000	Forecast Year ended 31-Jul-18 £000	Forecast Year ended 31-Jul-19 £000	Forecast Year ended 31-Jul-20 £000
1. Non-current assets						
1a. Intangible assets	0	0	0	0	0	0
1b. Goodwill	0	0	0	0	0	0
1c. Negative goodwill	0	0	0	0	0	0
1d. Net amount of goodwill and negative goodwill	0	0	0	0	0	0
1e. Fixed assets	216,165	225,735	234,560	243,430	252,174	260,460
1f. Heritage assets	0	0	0	0	0	0
1g. Investments	38	38	38	38	38	38
1h. Investment in joint venture(s)	0	0	0	0	0	0
1i. Investments in associate(s)	0	0	0	0	0	0
1j. Total non-current assets	216,203	225,773	234,598	243,468	252,212	260,498
2. Current assets						
2a. Stock	71	11	11	11	11	11
2b. Trade and other receivables	12,778	14,956	14,956	14,956	14,956	14,956
2c. Investments	16,363	16,465	17,207	17,207	11,464	7,179
2d. Cash and cash equivalents	34,552	36,238	28,172	20,801	20,000	20,000
2e. Other (e.g. assets for sale)	0	0	0	0	0	0
2f. Total current assets	63,764	67,670	60,346	52,975	46,431	42,146
3. Creditors - amounts falling due within one year						
3a. Bank overdrafts	0	0	0	0	0	0
3b. Loans repayable to funding council	0	0	0	0	0	0
3c. Bank loans and external borrowing	1,309	1,325	1,309	1,309	1,309	1,309
3d. Obligations under finance leases and service concessions	0	0	0	0	0	0
3e. Other (including grant claw back)	33,479	42,993	43,009	43,009	43,009	43,009
3f. Total creditors (amounts falling due within one year)	34,788	44,318	44,318	44,318	44,318	44,318
4. Share of net current assets/(liabilities) in associate	0	0	0	0	0	0
5. Net current assets/(liabilities)	28,976	23,352	16,028	8,657	2,113	-2,172
6. Total assets less current liabilities	245,179	249,125	250,626	252,125	254,325	258,326
7. Creditors: amounts falling due after more than one year						
7a. Loans repayable to funding council	0	0	0	0	0	0
7b. Bank loans and external borrowing	26,934	26,989	25,906	24,897	23,897	22,897
7c. Obligations under finance leases and service concessions	0	0	0	0	0	0
7d. Other (including grant claw back)	26,311	23,658	24,741	25,750	26,750	27,750
7e. Total creditors (amounts falling due after more than one year)	53,245	50,647	50,647	50,647	50,647	50,647
8. Provisions						
8a. Pension provisions	89,732	122,512	122,512	122,512	122,512	122,512
8b. Other provisions	0	0	0	0	0	0
8c. Total provisions	89,732	122,512	122,512	122,512	122,512	122,512
9. Total net assets	102,202	75,966	77,467	78,966	81,166	85,167
10. Reserves			0	0	0	0
Restricted reserves						
10a. Income and expenditure reserve - endowment reserve	742	754	754	754	754	754
10b. Income and expenditure reserve - restricted reserve	0	0	0	0	0	0
Unrestricted reserves						
10c. Income and expenditure reserve - unrestricted	72,767	47,243	48,743	50,243	52,443	56,444
10d. Revaluation reserve	28,693	27,969	27,969	27,969	27,969	27,969
10e. Total restricted and unrestricted reserves	102,202	75,966	77,466	78,966	81,166	85,167
11. Non-controlling interest (enter as negative)	0	0	0	0	0	0
12. Total reserves	102,202	75,966	77,466	78,966	81,166	85,167

	Actuals 2014-15 £000	Actuals 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000
1. Cash flow from operating activities						
1a. Surplus for the year	-1,166	3,282	1,500	1,500	2,200	4,000
2. Adjustment for non-cash items						
2a. Depreciation	8,759	9,749	11,175	11,130	11,256	11,714
2b. Amortisation of intangibles	0	0	0	0	0	0
2c. Benefit on acquisition	0	0	0	0	0	0
2d. Amortisation of goodwill	0	0	0	0	0	0
2e. Loss/(gain) on investments	0	0	0	0	0	0
2f. Decrease/(increase) in stock	-26	60	0	0	0	0
2g. Decrease/(increase) in debtors	-4,110	-2,178	0	0	0	0
2h. Increase/(decrease) in creditors	-2,032	8,241	0	0	0	0
2i. Increase/(decrease) in pension provisions	164	-191	0	0	0	0
2j. Increase/(decrease) in other provisions	0	0	0	0	0	0
2k. Receipt of donated equipment	0	0	0	0	0	0
2l. Share of operating (surplus)/deficit in joint venture	0	0	0	0	0	0
2m. Share of operating (surplus)/deficit in associate	0	0	0	0	0	0
2n. Other: enter details in the text box under validation check 8	0	0	0	0	0	0
3. Adjustment for investing or financing activities						
3a. Investment income (enter as negative)	-311	-313	-197	-150	-100	-100
3b. Interest payable	4,724	4,755	4,777	4,408	4,408	4,408
3c. Endowment income (enter as negative)	0	0	0	0	0	0
3d. Loss/(gain) on the sale of fixed assets	71	438	0	0	0	0
3e. Capital grant income (enter as negative)	0	0	0	0	0	0
4. Net cash inflow from operating activities	6,073	23,844	17,255	16,888	17,764	20,023
5. Cash flows from investing activities						
5a. Proceeds from sales of fixed assets	0	0	0	0	0	0
5b. Proceeds from sales of intangible assets	0	0	0	0	0	0
5c. Capital grants receipts	0	0	0	0	0	0
5d. Disposal of non-current asset investments	0	0	0	0	0	0
5e. Withdrawal of deposits	0	0	0	0	0	0
5f. Investment income	311	313	197	150	100	100
5g. Payments made to acquire fixed assets	-6,524	-19,757	-20,000	-20,000	-20,000	-20,000
5h. Payments made to acquire intangible assets	0	0	0	0	0	0
5i. New non-current asset investments	0	0	0	0	0	0
5j. New deposits	0	0	0	0	0	0
5k. Total cash flow from investing activities	-6,213	-19,444	-19,803	-19,850	-19,900	-19,900
6. Cash flows from financing activities						
6a. Interest paid	-2,714	-2,612	-4,777	-4,408	-4,408	-4,408
6b. Interest element of finance lease and service concession payments	0	0	0	0	0	0
6c. Endowment cash received	0	0	0	0	0	0
6d. New secured loans	0	0	0	0	0	0
6e. New unsecured loans	0	0	0	0	0	0
6f. Repayments of amounts borrowed	0	0	0	0	0	0
6g. Capital element of finance lease and service concession payments	0	0	0	0	0	0
6h. Total cash flow from financing activities	-2,714	-2,612	-4,777	-4,408	-4,408	-4,408
7. Increase/(decrease) in cash and cash equivalents in the year	-2,854	1,788	-7,324	-7,371	-6,544	-4,285
8. Cash and cash equivalents at beginning of the year	53,769	50,915	52,703	45,379	38,008	31,464
9. Cash and cash equivalents at the end of the year	50,915	52,703	45,379	38,008	31,464	27,179
Movement in cash & Investments check	2,854	(1,788)	7,324	7,371	6,544	4,285

	Actuals 2014-15 £000	Actuals 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000
1. Identification of items included in other operating expenses (Table 1 heading 2c)						
1a. Operating leases and other long-term operating expense commitments	356	356	356	356	356	356
1b. Annual contract cost of PFI deals	0	0	0	0	0	0
1c. Maintenance expenditure	6,500	6,500	6,500	6,500	6,500	6,500
2. Transitional adjustments						
2a. Balance of research related deferred capital grants as at 31 July 2015 taken to reserves						

Note: 'PFI' = 'Public Finance Initiative'.

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	CONFIDENTIAL
Paper title:	Further development of SBUEL and potential joint venture
Board/Committee	LSBU Board Of Governors
Date of meeting:	13 th July 2017
Author:	Paul Ivey
Executive/Operations sponsor:	Paul Ivey
Purpose:	Approval / Discussion
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Corporate strategy Outcome 1, goal 1 Outcome 2, goal 4 Outcome 3, goal 6
Recommendation:	The Board of Governors is asked to: <ol style="list-style-type: none"> 1. approve a name change set out under Appendix 1; 2. support in principle (only) the development of a joint venture commercial partnership with the Applied Science University, Bahrain, as set out under Appendix 2; and 3. approve the revised composition of the SBUEL Board, as set out under Appendix 3.

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London South Bank University Enterprise (LSBU - e)

1. Re-positioning

It is proposed to the Board of Governors that South Bank University Enterprise Ltd. (SBUEL), be renamed (see appendix 1) and established as a more arms-length company conducting commercial business of a type that otherwise would breach the University status as a charity, and/or present a clear operational benefit not available if delivered via the University.

2. Board Structure

Executive reviewed the board structure of the company and are proposing to the Board of Governors adding a further member from Executive to strengthen its oversight role. This change taken together with the governance link to the University Board of Governors, would establish the SBUEL board as set out below:

- Chair - Paul Ivey
- Chief Executive Officer - Gurpreet Jagpal
- Director - Richard Flatman
- Director - Mandy Eddolls
- Non-Executive Director - Michael Cutbill (Governors)
- 2 Independent Non-Executive Directors tbc
- Company Secretary - Michael Broadway

3. New Business

The current business of SBUEL (accounting for some £2M) will continue. Current new business areas are an **Employment Agency** to improve the number of LSBU graduates entering the workforce at graduate level, re-profiling the workforce of the **HSC Institute of Vocational Learning** with qualified and experienced 'trainers' or 'demonstrators' at commercially competitive delivery costs, and a potential **consultancy joint venture** with the Applied Science University in Bahrain (see appendix 2).

Recommendations.

The Board of Governors is asked to:

1. approve a name change set out under Appendix 1;
2. support in principle (only) the development of a joint venture commercial partnership with the Applied Science University, Bahrain, as set out under Appendix 2; and
3. approve the revised composition of the SBUEL Board, as set out under Appendix 3.

Appendix 1

Given that SBUEL is a wholly owned subsidiary of London South Bank University established to conduct enterprise activity the University either cannot or should not undertake, then a direct reference to the full University title is thought to be preferable. The proposition is to rename to London South Bank University – enterprise (LSBU-e).

London South Bank establishes the geographical reference (important certainly for international considerations but also for the South London Innovation District initiative), enterprise sets in place the company function (as distinct from teaching and research) and the retention of the term University reflects the wholly owned subsidiary status.

Appendix 2

LSBU has developed an academic partnership with the Applied Science University (ASU) in Bahrain. At present LSBU has validated a suite of Engineering courses and a LLB in International Law, all leading to the award of a LSBU degree. Some two years ago the Executive sought Board of Governors support in principle before developing this academic partnership

The University corporate strategy challenges the Executive under Access to Opportunity to establish “**three overseas research and enterprise centres in collaboration with key international partners**”. ASU is a good candidate for this collaboration. Consequently in development is a proposal for a research centre for sustainable futures linked to the LSBU School of Built Environment and Architecture, and together with an enterprise joint venture company as a subsidiary to SBUEL, may form a suitable response to this strategic challenge.

Considerations at this stage for this JV initiative are the following (not an exhaustive list):

- Is there currently sufficient international/technical JV capacity at SBUEL board level to support this JV as a subsidiary organisation?
- What financial and reputational protection is necessary in respect of the JV?
- What will be the perceived brand association between the JV and LSBU?
- What arrangements are necessary to monitor investments, extract income and close the JV if required?
- How can LSBU ensure its probity in commercial transaction is upheld by the JV?

Further work in respect of this joint venture is necessary, specifically **what** type of business structure is preferable (due diligence, governance and accountability), **why** this approach delivers overall benefit (essentially the business case), and **how** should any launch of this venture be undertaken to ensure success (marketing and relationships).

Three parallel projects are in development to answer these what, why and how questions and these will require external professional advice regarding (but not limited to) company registration, market permissions, employment and income/tax treatment.

However initial scoping discussions with the Bahraini Economic Development Board, and the UK Department for International Trade based in the UK Embassy in Bahrain, suggest a Bahraini consultancy formed in this case by Gulf Educational Projects (holding company for ASU) and SBUEL, registered to conduct consultancy services in prescribed market sectors for clients in Bahrain and across the Gulf region would be a viable prospect.

Possible markets are events, environment, computing, education support, research and management. Further a possible business model is to use freelance consultants to deliver packages of work for clients sourced by the company which holds responsibility for business development, due diligence, warranties and indemnities, invoicing and closure.

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Composition of the Board of Directors of South Bank University Enterprises Ltd

This document is intended to complement the Articles of Association. If the two conflict, then the Articles shall prevail.

Composition

1. The Board of Directors, when fully complemented, shall consist of the following:
 - (a) The Pro Vice Chancellor (Research and External Engagement) (or equivalent) of the University (*ex officio*)
 - (b) one director who is an Independent Governor of London South Bank University (the University)
 - (c) up to ~~three~~two directors who are independent non-executive directors
 - (d) The Chief Financial Officer (or equivalent) of the University (*ex officio*)
 - (e) The Director of Enterprise (or equivalent) of the University (*ex officio*)
 - (f) Up to three Deans of the UniversityThe Executive Director of People and Organisation (or equivalent) of the University (*ex officio*)
2. The Chair of the Board of SBUEL shall make appointments within the framework in 1.

Appointment

3. The Board of Governors of the University shall appoint the director under 1(b).
4. The Board of Directors of the Company shall appoint the directors under 1(c) and 1(f).

Term of Office

5. The term of office of the director appointed under section 1(b) shall be for the period of three years or until their period of office as an Independent Governor of the University shall end, whichever is sooner.
6. The term of office of the directors appointed under section 1(c) and 1(f) shall be for the period of three years.
7. Directors appointed under sections 1(c) and 1(f) may be reappointed for a second term.
8. The terms of office of the *ex officio* directors shall be until they cease to hold the position as specified in sections 1(a), 1(d) and 1(e) respectively.

Chair of the Board

9. The director appointed under section 1(a) shall be the Chair of the Board of Directors of SBUEL.



	CONFIDENTIAL
Paper title:	Mini Competition for Cleaning & Waste Services at LSBU
Board	Board of Governors
Date of meeting:	13 July 2017
Author:	Simon Francis, Head of Estates Services, Estates and Academic Environment (EAE)
Executive/Operations sponsor:	Ian Mehrtens, Chief Operating Officer
Purpose:	To award a new three-year contract to Churchill Contract Services Ltd for the provision of Cleaning and Waste Services at LSBU with effect from 1st August 2017. The total cost of the three year contract is £7.626m with an option to extend by a further 2 X 1 year periods.
Recommendation:	MPIC has reviewed this contract by email and recommends that the Board of Governors gives approval to the awarding of the cleaning and waste contract to Churchill Contract Services Ltd for the period 1 st August 2017 to 31 st July 2020 with an option to extend for a further 2 X 1 year periods at a total cost of £7,626,728 including VAT.

Executive Summary

Cleaning and full waste services are currently provided by Interserve Ltd for our Campus buildings and Principles Ltd for our Residences

Both contracts expire at the end of June 2017 (although a one month extension is due to be issued to both to allow for a two month mobilisation period for the changeover in contracts) and a fully compliant tender exercise has been undertaken for a new three year contract utilising the London Universities Procurement Consortium framework. In order to improve efficiency and effectiveness and to ensure best value, a decision has been taken to combine the two separate campus and residences cleaning and waste contracts into one overall contract. Following a fully compliant mini-competition exercise, Churchill Contract Services Ltd was found to have submitted the most economically advantageous tender.

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Background information

Currently cleaning and waste services are provided at LSBU as follows:-

Southwark and Havering Campuses

Cleaning and full waste services are currently provided by Interserve Ltd. This includes the removal of both recyclable and non recyclable waste.

Four off-site student residences

Cleaning services only are provided by Principles Ltd. Non recyclable waste is collected by Interserve Ltd. The collection of all recyclable waste is undertaken by Southwark Council, currently at no charge.

Both contracts expire at the end of June 2017 (although a one month extension is due to be issued to both to allow for a two month mobilisation period for the changeover in contracts) and a full tender exercise has been undertaken for a new three year contract. In order to improve efficiency and effectiveness and to ensure best value, a decision has been taken to combine the two separate campus and residences cleaning and waste contracts into one overall contract.

As there is no longer any legal requirement for the Council to remove waste from student residences without charge, this additional cost has been included as a requirement in the tender but will not be activated until formal notification of either discontinuance of or charging for this service is received from the Local Authority

Tender Exercise

In conjunction with Procurement Services, Estates and Academic Environment (EAE) undertook a mini-competition exercise under the London University Purchasing Consortium (LUPC) Framework for Cleaning. Five companies were invited to bid

- Interserve Ltd
- Office & General
- Emprise Ltd
- Churchill Contract Services Ltd
- Noonan

Emprise Ltd failed to submit a bid so were excluded from the process.

The tender documents were issued at the end of February 2017 and returned on the 31st March 2017. Evaluation took place during April with tender presentations on the 2nd May 2017.

The evaluation of the tender documents were considered by :

- Simon Francis - Head of Estates Services, EAE
- Anisa Salim - Senior Executive Administrator, HSC
- Martin Fenner - Category Manager, Procurement
- Ernst Weisbrod - Contracts Operations Manager, EAE

The responses were evaluated against set criteria with price weighted at 30% and a range of other evaluative categories covering quality earning differing percentages. Following the evaluation, Churchill Contract Services Ltd was found to have submitted the most economically advantageous tender. The full evaluation results are shown in the Authority to Award Report (CPU 5) attached as Appendix A.

Strategy

The EAE current Local Delivery Plan states one of the top three challenges for the Service in 2016/17 as being 'To provide a first class environment which is responsive to academic needs and positively contributes to and supports the social and learning experience of students'. To this end, key LSBU stakeholders, including students, academics and other professional services, were consulted during this tender process as part of the development of an improved tender specification with particular focus being given to developing customer focused service level agreements with robust and challenging KPIs.

Benchmarking exercises against other HEI's are carried out periodically to ensure that LSBU is receiving value for money/best value from this and other contracts. The latest Tribal benchmarking survey has indicated that cleaning spend is within the normal range.

Monitoring and ongoing evaluation of the contract

To ensure that the contractor is fulfilling the terms of the contract and providing an effective and efficient service, formal monthly meetings are held between the Contracts Manager and the on-site Operations Manager. Quarterly minuted contract review meetings are held with the contractors' Area Manager. Performance is discussed and any issues highlighted. In accordance with the terms of the contract, appropriate action would be taken should the required standard not be attained including, as a worst case scenario, the termination of the contract.

Financial breakdown

The total cost of the contract over the three year period is £6,355,606 excluding VAT. This is formed of £2,041,996 + vat in the first year (which is within the EAE 2017/2018 budget allocation for cleaning and waste), £2,117,260 + vat in the second year and £2,196,348 + vat in the third year.

The pricing schedule is as follows:

Cleaning & Waste Cost	Excl VAT	VAT	TOTAL
Year 1	£2,041,997	£408,400	£2,450,397
Year 2	£2,117,260	£423,452	£2,540,712
Year 3	£2,196,349	£439,270	£2,635,619
TOTAL Contract Cost	£6,355,606	£1,271,122	£7,626,728

The contract includes a requirement for all contracted staff to be paid at least the London Living Wage (LLW), which currently amounts to £9.75. The contract does include an allowance for an annual uplift of 4% to cover annual increases to the LLW. This will be reviewed annually once the actual percentage increase is announced by Central Government. Should the annual uplift be greater than 4% and central funding not be

available to cover the cost, the contract will be re-visited and adjustments made as necessary.

A cost of £36,348 plus vat per annum for recyclable waste collection at the four off site residences is included within the contract. This element will only be activated when the Local Authority withdraws its free service.

Student Experience

EAE is committed to ensuring that the University provides a clean and well-kept environment in which students can study and socialise. The provision of a comprehensive cleaning and waste service is seen as essential and the formulation of an appropriate and well researched tender specification reflects this commitment.

Conclusion and Recommendation

Following a fully compliant mini-competition exercise, Churchill Contract Services Ltd were found to have submitted the most economically advantageous tender.

It is recommended, therefore, that the Board of Governors give approval to the awarding of the cleaning and waste contract to Churchill Contract Services Ltd for the period 1st August 2017 to 31st July 2020 with an option to extend for a further 2 X 1 year periods at a total cost of £7,626,728 including VAT.

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Authority to Award Report (CPU 5)

Report Title: Cleaning & Waste Management Contract
Report Author: Martin Fenner
Report Date: 10th May, 2017

This report contains commercially sensitive information – please treat as confidential

When and how to use this document

This document should be used to formally document a Procurement process and related tender outcomes. It should be used for all Procurements exceeding £50,000 over the contract term (in accordance with table 2, section 9 of Financial Regulations and Business Case delegations).

All relevant sections of this report should be completed. Irrelevant sections should be marked 'not relevant' and should not be deleted. A sample document is available for reference to assist you when completing this document.

Report

High Level Summary:

Key Area	Outcome
Purpose of Report	Authorisation to Award
Tender Process	Non OJEU
Proposed Provider	Churchill Contract Services Group Ltd
Evaluation Approach	Most Economically Advantageous Tender
Cost (inc.VAT)	£7,626,728
VFM objectives achieved	Yes
Potential Risks	Delay in start date plus any significant rise in the London Living Wage during the life of the contract

Detailed Summary:

1. Summary

Details of what needs to be approved and a list of key areas covered by the report

- 1.1 This report seeks approval for the award of Cleaning & Waste Management Contract

2. Recommendations

Details of who the contract is to be awarded to, proposed contract term and extensions, and other relevant contract arrangements such as framework contract arrangements

- 2.1 It is recommended that the Contract for the delivery of Cleaning & Waste Services for the Southwark and Havering Campuses plus the Halls of Residence awarded to Churchill Contract Services Group Ltd following the evaluation of the bids received and presentations given by all bidders.

3. Current Service Provision

Details of current supplier, contract arrangements, expiry dates, and potential exit issues.

- 3.1 Currently there are two individual contracts for cleaning and waste management. One for the Southwark and Havering Campuses and one for the Halls of Residence. These both expire on 30th June, 2017.

4. The Procurement Process

Details of corporate strategy alignment; previous business case submissions, overview of the tender process including PQQ and ITT outcomes; evaluation criteria and weighting, evaluation outcomes including overview of top 3 ranked suppliers; and details of briefings and other relevant steps in the process.

4.1 Tender Process

The decision was made to consolidate the contracts into one to cover the whole cleaning and waste management provision across all sites and buildings. This also provided the opportunity to use an OJEU compliant framework.

A London Universities Purchasing Consortium framework was used for the tender process. All five companies on the framework were invited to bid and to visit both campuses in order to assist them in preparing their bids. This also ensured that any possible ambiguity within our written specification was avoided.

Following the visit one prospective bidder pulled out of the process. The remaining four companies all provided a tender response.

4.2 Tender Evaluation

The initial evaluation of the tender response documentation provided by the four bidders was carried out by representatives from Estates, Procurement and one of the Schools Executive Administrators. The scoring against each evaluation criteria is detailed at Appendix 1 of this report

4.3 Tender Results

Rank 1	Churchill Contract Services Group Ltd
Rank 2	Office & General Environmental Services Ltd
Rank 3	Noonan Services Group Ltd
Rank 4	Interserve (Facilities Management Services) Ltd

5. Financial Implications

Pricing overview, including cost type (fixed cost, schedule of rates call off etc), high level overview of recommended supplier price (with cost element breakdown), and final whole life cost in relation to approved budget,

- 5.1 The University's Financial Regulations state that contracts for supplies and services exceeding £50k shall require completion of an Authority to Award report for authorisation of the award of the contract. The estimated value of this contract is over this threshold and approval is therefore sought.

6. Legal Implications

Details of whether or not EU regulations apply.

- 6.1 London Universities Purchasing Consortium OJEU Compliant Framework used.

7. Background Papers

List of relevant papers that support this report

- 7.1 All documents associated with this tender exercise can be found on the Bravo Solutions e-tendering portal.

Contact Details for Further Information

Name and contact details of Project Lead, Project Sponsor and Procurement team lead, if applicable

Simon Francis Head of Estates Services

Ernst Weisbrod Estates Contracts Manager
Martin Fenner Procurement Category Manager

[End of Report]

Approval Sign Off

Completed reports should be circulated for approval using the University's [electronic Authority to Award approval flow](#). After saving the completed Authority to Award report, select the approval flow link to complete the e-form, attach the saved report, and submit for approval.

Appendix 1: Final Evaluation Score Summary

Screen shot of completed evaluation matrix.

Cleaning and Waste Management Contract

0	Unacceptable	(Complete failure to grasp / reflect the core issue)
1	Poor	(Lower than required reflects limited understanding)
2	Acceptable	(Reflects adequate understanding of all issues and aspects)
3	Good	(Reflects good understanding and interpretation of requirements)
4	Very Good	(Reflects very good understanding and interpretation, with some innovative ideas)
5	Excellent	(Reflects excellent understanding and interpretation, innovative and proactive with sound strategy)

Criteria	%	Churchill		Interserve		Noonan		O & G	
		Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score
Cleaning Cost	30		27.16		*		24.10		30.00
Quality Assurance	10	5	10.00	1	2.00	3	6.00	3.5	7.00
Flexibility	5	5	5.00	2	2.00	3	3.00	3.5	3.50
Staffing	5	5	5.00	2	2.00	2	2.00	4	4.00
Motivation and Supervision	10	5	10.00	4	8.00	3	6.00	4	8.00
Training and Development	5	4	4.00	5	5.00	3.5	3.50	2.5	2.50
Customer Service	10	4.5	9.00	3.5	7.00	3.5	7.00	3.5	7.00
Innovation	4	4.5	3.60	4.5	3.60	4	3.20	3.5	2.80
Contract Mangement	10	4	8.00	3	6.00	3	6.00	4	8.00
Management Information	5	3	3.00	3	3.00	3	3.00	3	3.00
Institute of Customer Service	2	3	1.20	3	1.20	3	1.20	3	1.20
Corporate Social Responsibility	2	3	1.20	3.5	1.40	4	1.60	3.5	1.40
Complaints Handling	2	3.5	1.40	4.5	1.80	3.5	1.40	3.5	1.40
Total	100		88.56		43.00		68.00		79.80

* The price provided by Interserve was based on the London Living Wage (LLW) that expired on 31st March, 2017 and therefore was below the LLW that will be in place at the commencement of this contract. Inclusion would have skewed the cost in their favour and would not be representative of the actual costs to be paid.



	CONFIDENTIAL	
Paper title:	Report on decisions of Committees	
Board/Committee	Board of Governors	
Date of meeting:	13 July 2017	
Author:	Michael Broadway, Deputy University Secretary	
Board sponsors:	Relevant committee chairs.	
Purpose:	To update the Board on committee decisions.	
Recommendation:	To note the report.	
Matter previously considered by:	As indicated	N/A
Further approval required?	No	N/A

Executive Summary

A summary of Committee decisions is provided for information. Minutes and papers are available on modern.gov.

The Board is requested to note the reports.

Summary of Committee decisions

Academic Board – 7 June 2017

The Board approved revised terms of reference for the Research Committee.

The Board discussed:

- Educational Framework
- Part-time student issues
- Development of academic portfolio and environment
- Research structures
- Annual ethics report
- Changes to academic regulatory framework
- International partnerships: Link Tutors

The Board noted:

- Board Strategy Day notes
- Progress against Academic KPIs
- Professor Emeritus appointments
- Sub-committee reports

Audit Committee – 8 June 2017

The committee approved:

- External audit plan for the 2016/17 year end. N.B. this is the first audit undertaken by new external auditors, KPMG;
- Key performance indicators for KPMG;
- the write-off of tuition fee debt of £768k, which had been fully provided for in the year end accounts;
- Internal audit plan for 2016/17. The plan includes an audit of the new HR system, international partnerships, ICT and health and safety.

The committee discussed:

- An update on the previous internal audit on placements;
- Progress report from PwC, the internal auditors. The implementation rate of recommendations was good;
- Continuous auditing reports on financial data and student data;

- The committee discussed the internal audit report on apprenticeships which was rated as high risk. The executive considered that this was a result of being in the start-up phase where new processes were being developed;
- The corporate risk register, noting that the rating of the new risk on Project Larch would be reviewed if Lambeth College joined the LSBU Family of Institutions;
- A light touch committee effectiveness review. An area to develop was training for committee members. It was agreed that all committee members would be registered with the KPMG Audit Committee Institute.

The committee noted:

- TRAC(T) return to HEFCE;
- The anti-fraud, bribery and corruption report. No issues had arisen since the last Audit Committee meeting.
- A review of the anti-fraud policy. The policy remained unchanged from last year.
- The speak up report. No new matters had arisen under the speak up policy.
- The resignation letter of Grant Thornton, the previous external auditors. The letter had been circulated to governors by email in April 2017.

Finance, Planning and Resources Committee – 27 June 2017

The committee discussed:

- Budget 2017/18
- Five-year forecasts
- Management Accounts to 31 May 2017
- Student recruitment update
- Key performance indicators – strategic enablers
- Employee Engagement Pulse survey
- Workforce planning
- Chief Operating Officer's report
- Financial regulations
- Insurance renewals

The committee approved:

- Finance, Planning and Resources committee recommended the Budget 2017/18 and the Five-Year Forecasts to the Board of Governors.

Major Projects and Investment Committee – July 2017 – by email

The committee recommended the Cleaning and Waste Services contract to the Board for approval.

South Bank University Enterprises Ltd Board – 4 July 2017

The Board discussed:

- SBUEL+ and Bahrain Joint venture and agreed to recommend in principle to the Board.
- Management Accounts to 30 June 2017
- Debtors' report
- Company risk register
- Shareholdings

South Bank Academies Board – 11 July 2017

The Board will discuss and be asked to approve:

- The company's strategic plan;
- Recruitment strategy;
- Risk register;
- Company budget for 2017/18

	CONFIDENTIAL
Paper title:	Corporate Risk Register
Board/Committee	Audit Committee
Date of meeting:	13 July 2017
Author:	John Baker – Corporate & Business Planning Manager
Executive/Operations sponsor:	Richard Flatman – Chief Financial Officer
Purpose:	To provide Board with the current corporate risk register.
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	All aspects as the risk entries on the register are aligned to the goals of the Corporate Strategy.
Recommendation:	Committee is requested to note: <ul style="list-style-type: none"> • the risks and their ratings, • the allocation of risks to corporate objectives

Matter previously considered by:	Audit Committee	On: 8 June 2017
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Executive Summary

The latest version of the Corporate Risk Register is attached for review. This has also been reviewed by the May meeting of the Strategic Risk Review Group.

An overview of the updates and changes is provided in the middle column of the summary table on pages 2 -4, with notes on overdue actions on the right, and the risks are grouped by Corporate Objective.

The Board is requested to note:

- the risks and their ratings
- the allocation of risks to corporate objectives

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

Date: 25th May 2017

Author: John Baker – Corporate & Business Planning Manager

Executive Lead: Richard Flatman – Chief Financial Officer

Paragraph 7	4 Critical <i>fail to deliver corporate plan / removal of funding or degree awarding status, penalty /</i>		2: Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (IM)	
	3 High <i>significant effect on the ability for the University to meet its objectives and may result in the failure to achieve one or more corporate objectives</i>	37: Affordability of Capital Expenditure investment plans (RF) 305: Data not used / maintained securely (IM) 494: Inconsistent delivery of Placement activity across the institution (SW) 495: Higher Apprenticeship degrees (PB)	6: Management Information perceived as unreliable, doesn't triangulate or is not presented (RF) 14: Loss of NHS contract income (WT) 362: Impact of Low staff engagement (ME) 3: Increasing pensions deficit reduces flexibility (RF) 467: Progression rates don't rise (SW) 457: Anticipated international & EU student revenue unrealised (PI) 519: Negative Quality Assessment (SW)	
	2 Medium <i>failure to meet operational objectives of the University</i>	1: Capability to respond to change in policy or competitive landscape (DP) 402: Unrealised research & enterprise £ growth (PI)	398: Academic programmes not engaged with technological and pedagogic developments (SW)	517: Impact of EU Referendum result on regulation & market trends (DP) 518: Failures in core student systems (SW)
	1 Low <i>little effect on operational objectives</i>		530: Impact on HE business of LSBU family acquisition projects (DP)	
		1 - Low	2 - Medium	3 - High
		<i>This risk is only likely in the long term</i>	<i>This risk may occur in the medium term.</i>	<i>The risk is likely to occur short term</i>
		Residual Likelihood		
Executive Risk Spread: VC – 3, DVC – 1, CFO – 3, PVC-S&E – 5, PVC-R&EE – 2, COO – 1, CMO -1, Dean Health – 1, ExD-HR – 1, US - 0				

Changes since presentation at February Audit Committee, and overdue action progress updates detailed below:

Reference	Risk title	Completed Actions & Risk Changes	Overdue Actions
Goal 1: Teaching & Learning: Ensuring teaching is highly applied, professionally accredited & linked to research & enterprise			
398 (SW)	Low engagement with tech or pedagogic developments	New actions added.	DEL Appointments progress note: Interviews for Academic Developer & Learning Technology Developer took place in February, but we were not able to appoint to either position. The CRIT team are now reviewing the JDs for these roles.
467 (SW)	UG Progression rate doesn't rise	New actions added. Learner Analytics environment now live: The rollout of the Dashboard occurred in January, with it now available to all academic staff, and to Professional Services staff working in student support. Course validation review action implemented: CRIT worked with the AQDO team to review and develop validation processes. Regulations amendment completed: The regulations were amended to update procedures around withdrawal.	
Goal 2: Student Experience: Seeing students as learning participants & encouraging and listening to the student voice.			
508 (SW)	Failure in Core Student System operations	New action added.	My LSBU staffing progress note: Developer role not filled during Feb. A service review has been conducted, and work is underway with ICT to implement the changes.
519 (SW)	Negative Quality Assessment	Course review action implemented: CRIT worked with AQDO team to develop alternative to validation event-based model. New action for workshop series to develop revised quality processes for 17/18:	
Goal 3: Employability: Ensuring students develop skills, aspiration and confidence.			
494 (SW)	Inconsistent delivery of Placement activity across institution	Policy & Agreement ProForma action completed: Agreement pro-forma completed. Quality assurance action completed: Quality assurance templates and processes for placement providers now signed off.	
Goal 4: Research & Enterprise: Delivering outstanding economic, social and cultural benefits from our intellectual capital.			
402 (PI)	2020 £ growth through	Rating revised. (impact & likelihood reduced)	

	Research & Enterprise		
Goal 5: Access: Work with local partners to recruit, engage and retain students with the potential to succeed.			
495 (PB)	Impact of Higher Apprenticeship degrees	New actions added. Internal Audit review completed.	
530 (DP)	Impact of LSBU family acquisition projects	New risk entry.	
Goal 6: Internationalisation: Developing a multicultural community of students & staff through alliances & partnerships.			
457 (PI)	International & EU student £income unrealised		
517 (DP)	Impact of EU Referendum	Rating revised. (impact reduced) Research strategy review implemented: Research Institutes are now established, and new action for 2017/18 to add 4 academic leads to these, who will be tasked with building strategic relationships with UKRI and UK research Councils as well as other UK (Russell Group) HEIs to support us to partner and secure funding we may not otherwise have access to.	
Goal 7: People & Organisation: Attracting proud, responsible staff, & valuing & rewarding their achievements.			
199 (DP)	Response to environmental change & reputation	Rating revised. (impact reduced)	
302 (ME)	Poor Staff Engagement	New actions added. Action plan review completed: Controls updated to include champions, campaigns and Ops Board review of plans	
Goal 8: Resources & Infrastructure: Investing in first class facilities and outcome focused services, responsive to academic needs.			
2 (IM)	Home UG Recruitment income targets		
3 (RF)	Pensions deficit	New actions added.	
6 (RF)	Quality and availability of Management Information	New action added around MIKE. Scenario planning action completed: To address concerns around conversions rates, a University-wide unconditional offer scheme has been put in place, with candidates being phoned personally by tutors to discuss this, supporting an extensive range of 'personalised' communications with applicants.	

14 (WT)	Loss of NHS income		
37 (RF)	Affordability of Capital Investment plans		Student Centre negotiations action progress update: Programming expert engaged to adjudicate on the decisions taken in respect of the refused extension of time claim. We await a meeting with the senior Director of Balfour Beatty early in 2016.
305 (IM)	Corporate and personal data not used appropriately or maintained securely	<p>Rating revised. (likelihood reduced)</p> <p>New actions & controls added</p> <p>Mandatory training action completed: An online mandatory training programme for 'Data Protection, Info security & FOI' has been developed with the ODT team, and has now been made available to all staff through the new 'Learning Station' online modules: available via OurLSBU or https://learningstation.lsbu.ac.uk/my/</p>	

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
398	Academic programmes do not employ suitable technological and pedagogic developments to support students and promote achievement	Shan Wareing	<p>Cause: Sustained underinvestment in expertise and dedicated human resource to support utilisation of learning technologies, comparative to new and existing competitors.</p> <p>Effect: LSBU does not effectively exploit the learning potential of new technologies, impacting negatively on student retention, achievement, or cost base (eg in terms of physical estate, inability to use virtual facilities) and our ability to delivery new provision such as apprenticeships Curriculum do not adapt sufficiently to remain relevant, jeopardising the employability of LSBU graduates. More flexible and efficient educational models which enable us to remain adaptable and competitive are out of institutional reach Support mechanisms do not provide some students with the learning support they need to navigate and succeed in the learning environment so retention does not meet the targets within the 5 year forecast. Market appeal of courses is impaired, impacting negatively on recruitment.</p>	I = 2 L = 2 Medium (4)	<p>CRIT (Centre for Research Informed Teaching) reports regularly to the Student Experience Committee & to the Quality & Standards Committee on the Achievements of work undertaken.</p> <hr/> <p>Delivery of the Technologically Enhanced Learning Strategy (TEL) through the Educational Framework and Quality Processes, monitored by Academic Board.</p>	I = 2 L = 2 Medium (4)	Saranne Weller	Complete activity to establish a baseline across all modules for core digital enhanced learning practice.	31 Jul 2018
							Saranne Weller	Increase organisational capability for utilising lecture capture technology, through champions in all divisions trained in appropriate technology.	31 Jul 2018
							Marc Griffith	Appoint to positions within DEL team to develop and support use of MyLSBU and Digitally Enhanced pedagogies.	23 Dec 2016
							Saranne Weller	Develop role clarity and deliver professional development for course directors.	31 Jul 2018

Standard Risk Register

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
467	Progression rate across undergraduate programmes does not rise in line with targets of Corporate Strategy	Shan Wareing	<p>Cause: Students admitted through clearing with lower tariff and less commitment to the course. High risk students are not identified in a timely way and supported sufficiently. Failures in timetabling, organisation and communication increase during periods of change, and high risk students are more vulnerable. New initiatives don't engage students. Provision fails to meet immediate needs of students entering through non-traditional access routes. Unable to finance student support adequately to meet level of demand.</p> <p>Effect: Progression rate fails to increase sufficiently . HEFCE, or OFS could view LSBU as high risk. Data could have negative impact in TEF metric assessment. Considerable loss of income from UG non-progression to level 5 and 6.</p>	I = 3 L = 2 High (6)	Study Support & Skills Sessions provided by the Library & LRC	I = 3 L = 2 High (6)	Shan Wareing	Review current Job Description for Course Directors, ensuring fit with current priorities and Career Pathway structure.	22 Dec 2017
					Student Welfare advice and support provided by Student Life Centre		Shan Wareing	Implement a minimum specification for personal tutoring, ensuring consistent student support & increasing progression rates.	31 Jul 2018
							Saranne Weller	CRIT to work with Schools and course teams to embed learning development in targeted courses or high impact modules with pass rates less than 40%.	31 Jul 2018
					Jamie Jones		Review impact of Engagement and Attendance Monitoring Strategy.	31 Jul 2017	

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
518	Failures in core student systems negatively impact student experience	Shan Wareing	<p>Cause: Core business processes and systems - e.g. QL, timetabling, Moodle, MyLSBU – already requiring manual and emergency interventions to function, or fail completely due to increased activity, e.g. January starts.</p> <p>Effect: Confusion amongst students and staff, NSS impact and reputational damage. students unable to attend teaching sessions, submit work on time or receive marks, so progression suffers Staff compensating for systems failures are distracted from other activity leading to failures elsewhere. Staff morale suffers and sickness rate and turnover rate increase.</p>	I = 2 L = 3 Medium (6)	SRS Replacement Project Updates scrutinised at Academic Board, to oversee progress and assess fit with strategy and existing practice. Operational Issues reported and tracked through ICT TopDesk system, with internal escalation protocols.	I = 2 L = 3 Medium (6)	Andrew Wignall	Review possibility of utilising the automated functions of timetabling system	01 May 2017
							Lisa Upton	Amend QL to mitigate known problems with Sessions with January starts.	28 Jul 2017
							Marc Griffith	Upgrade our Moodle VLE during the summer recess to improve the service further.	11 Sep 2017
							Kirsteen Coupar	Implement a modern student enquiry management approach, to deliver a holistic approach to information provision and query management	31 Jul 2018
							Marc Griffith	Allocate staffing to support my LSBU	30 Nov 2016
Shan Wareing	Complete review of requirements for new Student Record System, and complete procurement proposal.	31 Jul 2017							



Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
519	Negative Quality Assessment	Shan Wareing	<p>Cause: Reductions in staffing, or increase in activity could lead to overstretched teams and a failure to complete adequate quality processes in the Schools or PSGs. Academic staff are insufficiently prepared for quality processes, (because of being new to HE or not having had appropriate professional development) do not follow quality processes. High risk activity with partners (placement, international partners, UK partners (particularly FE or schools education) does not have adequate resource or expertise allocated to it to identify and manage risks.</p> <p>Effect: Failures in quality: Negatively impacts on Board of Governors ability to sign off HEFCE assurances, affecting income, reputation and university status. Negative affect on Annual Provider Review, and TEF outcome, impacting negatively on income through reputational impact on recruitment and through static fee levels. Could act as barrier to recruitment of international students, affecting income and reputation.</p>	I = 3 L = 3 High (9)	Academic Audit process monitored by Academic Board via periodic reports from Quality & Standards Committee (QSC).	I = 3 L = 2 High (6)	Janet Bohrer	Review approach to electronic document management, in conjunction with ARR and the Governance team, to seek to manage harmonisation of Curriculum details across the institution.	30 Sep 2017
							Janet Bohrer	Facilitate series of 3 workshops "Course Approval and Validation" with the aim to establish new Quality processes for implementation in 2017/18 that will meet the requirements for LSBU course approval and facilitate course enhancement and to put improved student experience at the centre of our new processes.	01 Aug 2017

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
494	Inconsistent delivery of Placement activity across institution	Shan Wareing	<p>Cause: Insufficient human resource allocation centrally and in Schools Insufficient expertise within LSBU. Lack of allocation of sufficient central and School human resource. Speed of implementation without underpinning project planning or learning from the sector. Lack of assurance over offsite workplace conditions.</p> <p>Effect: Placement practice may not comply with Chapter B10 of the Quality Code, so may be a quality risk. LSBU may not be able to provide a placement, internship or professional opportunity for all UG students entering in 2016 and after, leading to a CMA risk Placements may not deliver a good student experience, creating a risk to achievement of NSS improvement plans. Duty of care to students re workplace safety may not be met, creating a reputational risk. Potential insurance risk.</p>	I = 3 L = 2 High (6) 	Utilisation of new software platform 'InPlace' enables efficiencies in the Schools & the centre, and supports constancy of process and knowledge sharing.	I = 3 L = 1 Medium (3) 	Sukaina Jeraj	Establish Placements Steering Group; with representatives from each School and relevant PSGs, to review operations managed through InPlace system and develop practice and procedure across the university in relation to the recruitment guarantee.	28 Apr 2017
							Sukaina Jeraj	Oversee upload to OurLSBU of Placements agreement and assurance pro-formas, and related comms to staff.	31 May 2017

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
402	Income growth expected from greater research and enterprise activity does not materialise	Paul Ivey	<p>Cause:</p> <ol style="list-style-type: none"> 1) Challenging market environment with high competition for similar opportunities and funders. 2) Lack of proven forecasting systems & recent static performance 3) Aggressive and complex turnaround required carries intrinsic high risk. 4) Dependence on HSC CPPD income (circa 50% of enterprise£) 5) New structures fail to entice and encourage academic participation in activity. 6) Limitations of academic capacity and capability. 7) Internal competition for staff time over and above teaching. <p>Effect:</p> <ol style="list-style-type: none"> 1) Income growth expectations unrealised. 2) Undiversified enterprise portfolio. 3) Lower financial contribution, as an increased proportion of delivery is sourced outside core academic staff. 4) Increased dependency on generating enterprise opportunities via Knowledge Transfer outreach as opposed to an academic-led stream, results in higher opex costs. 5) The holistic benefits for teaching and the student experience are reduced. 6) Proportion of staff resource diverted to winning new funding is significantly increased. 7) Reduced research income adversely affects the research environment, publication rates, evidence of impact, student completions, & ultimately LSBU REF 2020 rating. 8) Inability to align academic resource with identified market opportunities. 	I = 2 L = 2 Medium (4)	<p>Operation of Sharepoint Enterprise Approval Process for authorisation of new income opportunities.</p> <hr/> <p>R&E activity Pipeline Reports (Financial & Narrative) will be provided to each Operations Board Meeting to aid constant scrutiny and review of progress against 5 year income targets.</p> <hr/> <p>Bid writing workshops for academic staff delivered routinely</p> <hr/> <p>Enterprise Business Plan & strategy submitted for approval annually to Operations Board.</p>	I = 2 L = 1 Low (2)	<p>Karl Smith</p> <hr/> <p>Gurpreet Jagpal</p> <hr/> <p>Graeme Maidment</p> <hr/> <p>Paul Ivey</p> <hr/> <p>Graeme Maidment</p>	<p>Complete 17/18 AURA Research Audit Process to review progress with Units of Assessment regarding REF2.</p> <hr/> <p>Gain approval for 17/18 Comms strategy focusing on Entrepreneurial University.</p> <hr/> <p>Conduct student led audit of operation of London Doctoral Academy.</p> <hr/> <p>Establish revised operating structure for new SBUEL+ enterprise subsidiary.</p> <hr/> <p>Oversee submission of bids for LURN partnerships.</p>	<p>22 Dec 2017</p> <hr/> <p>30 Sep 2017</p> <hr/> <p>30 Nov 2017</p> <hr/> <p>31 Jan 2018</p> <hr/> <p>22 Dec 2017</p>

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
495	Impact of Higher Apprenticeship degrees on existing recruitment markets	Pat Bailey	<p>Cause: The Introduction of Higher Apprenticeship degrees may present an opportunity for LSBU to grow student numbers in a new market. Offering and administrating apprentice schemes requires compliance with SFA funding regulations, with revised funding models depending on successful EPAs, and opens up new areas of the institution to scrutiny from Ofsted.</p> <p>Effect: These degrees could cannibalise existing employer sponsored students. This represents a risk to existing income and markets. LSBU currently has c.4,000 students on part-time courses, majority employer-sponsored & initial estimations are that income from 1,400 students (£3.3m of surplus) could be affected. SFA audit failure could lead to funding clawback, and Ofsted inspection failure could lead to reputational damage.</p>	I = 3 L = 1 Medium (3)	<p>6 monthly progress report from Apprenticeships Steering Group scrutinised by Academic Board covers IPTE and Passmore Centre.</p> <hr/> <p>Monthly meetings of Apprenticeships Committee review all related operational matters.</p>	I = 3 L = 1 Medium (3)	Pat Bailey	Oversee 'launch' events, planned during 16/17 to raise the profile of IPTE at key points in the recruitment cycle.	31 Oct 2017
							Matthew Amos	Complete recommendations for internal improvement arising from Internal Audit review.	31 Aug 2017

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
530	Impact on HE Business of LSBU Family Acquisition Projects	David Phoenix	<p>Cause: Executive and senior staff time taken up with exploration of project opportunities and negotiation and due diligence operations. Opportunity costs born outside of normal budgeting process. Unforeseen impacts of inherited assets. Impact of third party decisions on project progress. New regulatory requirements.</p> <p>Effect: Management focus pulled away from core HE business and issues. Flex of educational framework to stakeholders through anchor institution across South London. Additional pressure on budgets & resources. Additional pension burdens, and governance support requirements. Impairment to positive industrial relations. Economies of scale and resource efficiency.</p>	I = 1 L = 2 Low (2)	<p>Separate project team reviews progress monthly, with participation of only 50% of Executive team (DVC & PVCs focused on LSBU)</p> <hr/> <p>Project inception dependent on Board approval of full business case, developed with external input and full due diligence process.</p>	I = 1 L = 2 Low (2)	James Stevenson	Produce Heads of Terms document for potential Family Project partnerships for Executive Approval.	30 Jun 2017
							David Phoenix	Present formal business case relating to FE activity to Board of Governors meeting	13 Jun 2017
							David Phoenix	Develop overarching group strategy for Board approval.	22 Dec 2017

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457	Anticipated international & EU student revenue unrealised	Paul Ivey	<p>Cause: UK government process / policy changes. Restriction on current highly trusted sponsor status. Issues connected with english language test evidence. Anticipated TNE growth does not materialise. TNE partnerships are not approved, present quality risks, or break down due to absence of adequate support structures, or when contacts relocate.</p> <p>Effect: LSBU unable to organise visas for students who wish to study here. International students diverted to other markets. Expected income from overseas students unrealised. Conversion impact of LSBU TNE students doesn't materialise. TNE enterprise expectations unrealised.</p>	I = 3 L = 3 High (9)	Regular reporting of Visa refusal rates to Director of Internationalisation by Immigration Team.	I = 3 L = 2 High (6)	Stuart Bannerman	Oversee Internationalisation campaign across LSBU Schools.	31 Jul 2018
					International Office runs annual cycle of training events with staff to ensure knowledge of & compliance with UKVI processes.		Paul Ivey	Ensure financial model for partnerships recognises the costs of managing risks to quality and the student experience.	01 Aug 2017
					International & EU recruitment Reports presented to each meeting of Ops Board.		Stuart Bannerman	Establish up to 5 overseas offices, with common management oversight and reporting lines.	31 Jul 2018
					Engagement between International Office, Registry & School Admin teams to ensure UKVI requirement compliance, specifically regarding:		Stuart Bannerman	Develop new institutional partnerships with EU partners.	31 May 2018
					- Visa applications and issue of CAS - English language requirements - Reporting of absence or withdrawal		Richard Duke	Oversee submission to QS for 4 Star rating, utilising 15/16 data.	31 May 2017



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517	Impact of EU Referendum result on operating conditions & market trends	David Phoenix	<p>Cause: Following the vote to 'Leave', the Government is working towards a plan to extract the UK from the European Union. Whilst we appear to be a long way from the triggering of article 50, itself a 2 year process, the news of the outcome of the plebiscite has already seen impact in markets and international opinion.</p> <p>Effect: Staff impact: The outcome could impact on the ability of some existing staff to remain in the UK, and could impair the ability for future recruitment, both from Europe, and from other overseas territories. Recruitment impact: Currently EU students pay home fees & can access the UK student loan system. It is likely that higher fees and removal of this access will have a significant impact on the appeal of the UK to European applicants long term. Additionally the reporting of the Brexit outcome is having a negative impact on the reputation of the UK as a welcoming destination. These impacts on the sector could also cause changes in recruitment patterns at well-ranked institutions, which could have a negative impact on applicant pools elsewhere. Research Funding: Leaving the EU is likely to remove the ability of LSBU to partner in EU research projects, and access Horizon 2020 funding opportunities. Legislative Compliance: There could be additional administration cost in updating many EU compliant processes if regulations are amended. Impact on bond yields could affect year end pension liabilities.</p>	I = 2 L = 3 Medium (6)			Gurpreet Jaggal	Add 4 academic leads to Research Institutes, to build strategic relationships with UKRI, UK research Councils and UK (Russell Group) HEIs.	30 Apr 2018
							David Phoenix	Continue to monitor closely, through UUK and other sector bodies, the potential impacts and responses.	31 Jul 2017
							Stuart Bannerman	Develop strategic plan for marketing and support of EU student cohort, preparing for future removal of student loan funding mechanism.	30 Mar 2018
							Mandy Eddolls	Monitor situation with regard to employment law and right to work, and ensure that appointments are made in compliance with any changes to regulation.	28 Jul 2017

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1	Failure to position LSBU to improve reputation & effectively respond to policy changes & shifts in competitive landscape	David Phoenix	Cause: - Changes to fees and funding models - Increased competition from Private Providers - TEF and Apprenticeship development - Failure to anticipate change - Failure to position (politically) - Failure to position (capacity/structure) - Failure to improve League Table position Effect: - Failure to recruit students - Failure to differentiate	I = 2 L = 3 Medium (6) 	Chief Marketing Officer appointed to Executive to advise LSBU on opportunities for strategic development of brand and portfolio.	I = 2 L = 1 Low (2) 	Nicole Louis	Review brand development mechanisms & supply chain for core UG & PG activity.	30 Nov 2017
					Pat Bailey		Oversee launch of new portfolio developments relating to Institute of Professional & Technical education.	30 Nov 2017	
					Janet Jones		Oversee introduction of new portfolio relating to new division of Creative Industries, including fashion promotion.	30 Apr 2018	
					PPA team provide Senior Managers with trend analysis & benchmarking against KPIs, and access to MIKE platform for information analysis.				
					Local Roadmap alignment with Corporate Roadmaps ensures linked strategic focus across operational areas, with 6 monthly Executive performance review meetings.				
					Horizon scanning report produced weekly by the Corporate Affairs Unit				
Corporate Affairs unit maintain relationships with key politicians and influencers, in local boroughs and amongst FE providers.									
Annual review of corporate strategy by Executive and Board of Governors through Corporate Roadmaps document.									

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362	Low staff engagement impacts performance negatively	Mandy Eddolls	<p>Cause:</p> <ul style="list-style-type: none"> •Systems and structure do not facilitate teamwork between areas of the University •Staff feeling that they do not have easy access to relevant information directly linked to them and their jobs •Poor pay and reward packages •Poor diversity and inclusion practises •Limited visibility of Leadership •Lack of quality physical estate <p>Effect:</p> <ul style="list-style-type: none"> •Decreased customer (student) satisfaction •Overall University performance decreases •Low staff satisfaction results •Increased staff turnover •Quality of service delivered decreases 	I = 3 L = 3 High (9)	Cascade messages from Ops Board circulated for Cascade / Congress / Town Hall Meetings within each School & PSG.	I = 3 L = 2 High (6)	Jennifer Hackett	Develop and approve Leadership Visibility plan.	30 Jun 2017	
								Mandy Eddolls	Develop employee value proposition strategy.	31 Jul 2017
								Cheryl King-McDowall	Conduct EES Pulse survey for key themes.	31 May 2017
					New social spaces and forums for staff established.					
					RAG progress reports from 3 themed institutional plans, and School & PSG action plans, are monitored at every other Operations Board meeting.					
					Planning process promotes golden thread connection from Corporate Strategy, through Roadmaps to Staff Appraisal.					
					Direct staff feedback is encouraged through the Continuing the Conversation VC events, & through discussions on Yammer.					
					Internal Comms campaign to promote Employee engagement using #wevalueyourvoice.					
					Employee engagement champions established for each Shools & PSG with regular network meetings to actively support engagement initiatives.					

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2	Course portfolio, or related marketing activity and admissions processes do not achieve Home UG recruitment targets	Nicole Louis	<p>Cause:</p> <ul style="list-style-type: none"> - Changes to UGFT fees & loan arrangements - Increased competition (removal of SNC cap in 15/16) - Failure to develop and communicate brand & lsbu graduate attributes - Lack of accurate real-time reporting mechanisms - Media bias and low league table position - Portfolio or modes of delivery do not reflect market need - Tighter tariff policy during clearing <p>Effect:</p> <ul style="list-style-type: none"> - Under recruitment - Related loss of income, and impact on corporate ambitions - Failure to meet related income targets - cost of legal challenge relating to CMA guidance 	I = 4 L = 3 Critical (12)	<p>Report on student applications is presented to every monthly meeting of Operations Board & reviewed by Board of Governors</p> <hr/> <p>Weekly Report linking student numbers to anticipated income levels circulated to Ops Board.</p> <hr/> <p>Advance predictions of student recruitment numbers informs the Annual five year forecast submitted to Hefce each July</p> <hr/> <p>Differentiated marketing campaigns are run for FTUG, PTUG and PG students on a semesterised basis.</p>	I = 4 L = 2 Critical (8)	Seth Stromboli	Develop revised School & College Outreach Strategy, with broader footprint outside local boroughs, and which includes LSBU Family institutions.	30 Sep 2017
							Pat Bailey	Develop scheme to incorporate market analysis into course validation process with defined operational timeframes.	31 Jul 2017
							Ian Mehrtens	Oversee transition of Marketing & Communications team to new Chief Marketing Officer - Nicole Louis.	31 May 2017

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3	Staff pension scheme deficit increases	Richard Flatman	Cause: - Increased life expectancies - Reductions to long term bond yields, which drive the discount rate - Poor stock market performance - Poor performance of the LPFA fund manager relative to the market - Further change to accounting requirements for TPS & USS schemes Effect: - Increased I&E pension cost means other resources are restricted further if a surplus is to be maintained - Balance sheet is weakened and may move to a net liabilities position, though pension liability is disregarded by HEFCE - Significant cash injections into schemes may be required in the long term - Inability to plan for longer term changes	I = 3 L = 3 High (9)	Regular monitoring of national/sector pension developments and attendance at relevant conferences and briefing seminars by FMI Management team.	I = 3 L = 2 High (6)	Mandy Eddolls	Review future options from wider HR perspective	30 Nov 2017
					Annual FRS 102 valuation of pension scheme		Richard Flatman	Obtain actuarial advise on costed options.	31 Jul 2017
					Regular participation in sector review activity through attendance at LPFA HE forum, BUFDG events & UCEA pensions group by CFO or deputy.				
					Reporting to every Board of Governors meeting via CFO Report				
					DC pension scheme for SBUEL staff.				
					Tight Executive control of all staff costs through monthly scrutiny of management accounts				
					Strict control on early access to pension at redundancy/restructure				

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6	Management Information is not meaningful, reliable, or does not triangulate for internal decision or external reporting	Richard Flatman	Cause: - Lack of strategic vision for ICT - Proliferation of technology solutions - Data in systems is inaccurate - Data in systems lacks interoperability - Resource constraints & insufficient staff capability delay system improvement - Lack of data quality control and assurance mechanisms Effect: - Insufficient evidence to support effective decision-making at all levels - Inability to track trends or benchmark performance - Internal management information insufficient to verify external reporting - unclear data during clearing & over-recruitment penalties - League table position impaired by wrong data - Failure to satisfy requirements of Professional, Statutory and Regulatory bodies (NHS, course accreditation etc)	I = 3 L = 3 High (9)	Data Assurance Group meets every 6 months to review matters of data quality and provides reports to Operations Board.	I = 3 L = 2 High (6)	Shan Wareing	Develop a specification for a new Student Record system, underpinned by configuration requirements and workflows.	29 Jul 2017
					Internal Auditors Continuous Audit programme provides regular assurance on student and finance information, including UKVI compliance.		Richard Duke	Deliver phase 2 of MIKE data programme, to incorporate Financial and HR data in management platform, with related dashboards for management teams.	29 Jun 2018
					Systematic data quality checks and review of external data returns prior to submission to HESA by PPA team.				
					Sporadic internal audit reports on key systems through 3 year IA cycle to systematically check data and related processes: - HR systems - Space management systems - TRAC - External returns				

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14	Loss of NHS contract income	Warren Turner	<p>Cause: NHS financial challenges/ structural change is resulting in a total review of educational commissioning by Health Education England with an expected overall reduction in available funding (affecting CPPD).</p> <p>Plus London Educational Contracts (pre-registration) are running out from Sept 2017 with students paying their own fees via student loan system. Recruitment to contracted programmes could dip following shift from bursaries to tuition fees. Applications numbers are down overall, but quality of applications generally higher.</p> <p>Effect: Reduction in income Reduced staff numbers Reduced student numbers</p>	I = 3 L = 3 High (9)	<p>Named Customer Manager roles with NHS Trusts, CCGs and HEE.</p> <hr/> <p>Monitor quality of courses (QCPM and NMC) annually in autumn (QCPM) and winter (NMC)</p> <hr/> <p>Support with numeracy and literacy test preparation.</p> <hr/> <p>Complete review in 2016/17 of all post-registration/ PG and CPPD courses and modules to ensure these remain leading edge and fit for the future. Review programmed to involve all stakeholders and to be employer driven.</p>	I = 3 L = 2 High (6)	Anthony Mcgrath	FE progression agreements - we are discussing with FE colleges in central, south and north-east London additional progression agreements and partnerships to encourage FE students into pre-reg/ UG health courses. We are also leading a project with Guy's & St Thomas's Hospitals NHS Foundation Trust to develop a 16-18 cadetship apprenticeship which will also provide links to FE providers locally and to health careers/ courses at LSBU	25 Sep 2017
							Sue Mullaney	Improve NSS participation & scores Develop action plans for Departments and School from results of 2015 NSS	28 Feb 2017
							Warren Turner	Havering lease - EAF dealing with negotiations with NHS Properties - extension of lease to 2021 had been offered. Potential for further/ alternative location at either Care City site (Barking) or Purfleet New Town site.	27 Sep 2021
							Warren Turner	Grow into new markets for medical and private sector CPPD provision - include as part of Ipsos Mori bi-annual survey to identify workforce/ education requirements. Include these in CPPD course review	25 Sep 2017
							Sheelagh Mealing	Increase uptake in band 1-4 activity Support Trusts in seeking external (non NHS) funding Work with NHS partners to meet demand for apprenticeship programmes/ Foundation Degrees (esp around Assistant/ Associate Practitioner roles)	31 Mar 2017

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37	Affordability of Capital Expenditure investment plans	Richard Flatman	Cause: - Poor project controls - Lack of capacity to manage/deliver projects - Reduction in agreed/assumed capital funding - Reduction in other government funding Effect: - Adverse financial impact - Reputational damage - Reduced surplus - Planned improvement to student experience not delivered - Inability to attract new students	I = 3 L = 3 High (9) 	Full Business Cases prepared; using Executive approved process - including clarity on cost and funding, for each element of Estates Strategy.	I = 3 L = 1 Medium (3) 	Ian Mehrtens	Complete report on the final Student Centre negotiations. Update: the 12 month defects liability period concluded & working through the final defect list. POE was due by Feb 14.	30 Apr 2013
					Financial regulations require all major (>£2m) capital expenditure to receive Board approval Major Projects & Investments Committee (MPIC) reviews all property related capital decisions, and is empowered to approve all unplanned capital expenditure > £500K but <£1M. Capex reporting is embedded into management accounts provided to each meeting of the FP&R Committee, & into financial forecasts approved annually by Board. Estates & Academic Environment PSG have local project methodology, with project controls, & governance applied to all Capex projects.		Ian Mehrtens	Creation and submission of business case for wider estate development programme to MPIC Board Committee.	29 Jun 2017

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305	Corporate & personal data not accessed or stored securely, or processed appropriately	Ian Mehrtens	Cause: Unauthorised access to data Inappropriate use of personal data Loss of unencrypted data assets Breach of digital security; either en masse (e.g. cyber attacks) or specific cases (e.g. phishing scams) Regulatory failure Use of unsupported storage locations Effect: Financial penalty under General Data Protection Regulations. Cost and impact of staff resource diverted to deal with issues, Staff downtime when systems unavailable Reputational damage, undermining academic credibility. Compromise of competitive advantage.	I = 3 L = 2 High (6)	Logical security protocols relating to passwords require change every 6 months, and multiple character combinations.	I = 3 L = 1 Medium (3)	Craig Girvan	Implement action plan developed in response to gaps identified through infrastructure penetration test.	31 Aug 2017
					Robust breach notification process to close down & contain any breach.		Craig Girvan	Oversee complete upgrade of all remaining Windows XP and Windows 2003 machines.	22 Dec 2017
					IT access permissions linked directly with live iTrent HR system records through Active Directory account synchronisation.		Joanna Jennings	Oversee PWC led Risk Assessment Tool (RAT) review, Special Characteristics and Game of Threats workshops.	29 Sep 2017
					A privacy impact assessment is a required stage of the ICT project initiation process.		Tom Kelly	Oversee development of Technical Roadmaps for all areas of the institution to ensure all data needs are met through central management & oversight.	31 Jul 2017
					Quarterly Mandatory Training Compliance reports are circulated to all Level 2 managers, which includes information on staff compliance with training on data protection and data security.				
Weekly running of infrastructure vulnerability management software test results reviewed by Head of Digital Security									
Weekly Change Control Board chaired by Director of ICT Services reviews all proposed technical changes to infrastructure prior to implementation.									

	CONFIDENTIAL	
Paper title:	Declaration of Interest	
Board/Committee:	Board of Governors	
Date:	13 July 2017	
Author:	Michael Broadway, Deputy University Secretary	
Sponsor:	James Stevenson, University Secretary	
Recommendation:	That the Board authorises the declared interest	
Matter previously considered by:	The Board	Annually

Declarations of Interest – Board of Governors

Under the Companies Act 2006, the Board is required to authorise potential situational conflicts for directors. The following declarations of interest have been made to the Secretary:

- Jerry Cope – Vice Chair of University and Colleges Employers Association (UCEA). NB. The Board has previously authorised Mr Cope position as a director of UCEA

In addition, Mr Cope’s term as Chair of NHS Pay Review Body has now ended.

The register of interests will be updated.

The Board is requested to authorise this declaration.

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