

Meeting of the Board of Governors

4.00 - 6.00 pm on Thursday, 22 July 2021
in room PC-C101, Passmore Centre

3.30 – 4.00pm: Pre-Board presentation on student outcomes and portfolio

Agenda

No.	Item	Pages	Presenter
1.	Welcome and apologies		JC
2.	Declarations of Interest <i>Governors are required to declare any interest in any item of business at this meeting</i>		JC
3.	Minutes of previous meeting	3 - 14	JC
4.	Matters arising	15 - 16	JC
Chair's business			
5.	Re-appointment of Chancellor	17 - 18	JC
6.	Committee update: GARC	Verbal Report	DB
7.	GARC effectiveness review	19 - 22	DB
Items to discuss/for approval			
8.	VC report	23 - 36	DP
9.	CFO report <ul style="list-style-type: none"> • Draft LSBU budget 2021/22 	37 - 62	RF
10.	EDI annual report 2020/21	63 - 94	MMJ
11.	2015-20 strategy review	95 - 106	DJ
12.	LSBU Global: partnership risk framework	107 - 120	PI
13.	Standing orders review	121 - 138	JS
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>			
14.	Corporate risk report	139 - 142	RF
15.	Board effectiveness review: final report	143 - 150	JS

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
16.	Reports and decisions of committees <ul style="list-style-type: none"> • Remuneration Committee terms of reference 	151 - 164	JS

Date of next meeting
Strategy day: 10.00 am on Thursday, 23 September 2021
Board meeting: 4.00pm on Thursday 21 October 2021

We are pleased to invite you to drinks in the Technopark garden from 6:00pm with members of the Executive.

Members: Jerry Cope (Chair), Duncan Brown, John Cole, Maureen Dalziel, Ruchika Kumar, Mark Lemmon, Nicki Martin, Jeremy Parr, David Phoenix, Rashda Rana, Tony Roberts, Deepa Shah, Maxwell Smith and Vinay Tanna

Apologies: Michael Cutbill and Peter Fidler

In attendance: Michael Broadway, Richard Flatman, Paul Ivey, Deborah Johnston, Marcelle Moncrieffe-Johnson and James Stevenson

Supplement – SBC Board minutes of:

- 4 May 2021
- 9 June 2021 (Strategy Day)
- 21 June 2021

**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 20 May 2021
via MS Teams**

Present

Jerry Cope (Chair)
Michael Cutbill (Vice-Chair)
Duncan Brown
John Cole
Peter Fidler
Mark Lemmon
Nicki Martin
Jeremy Parr
David Phoenix
Rashda Rana
Tony Roberts
Deepa Shah
Maxwell Smith
Harriet Tollerson
Vinay Tanna

Observer

Ruchika Kumar

Apologies

Maureen Dalziel
James Stevenson

In attendance

Pat Bailey
Michael Broadway
Richard Flatman
Paul Ivey (for items 8 and 9)
Nicola Louis
Dominique Phipp

1. Welcome and apologies

The Chair welcomed the members and observer to the meeting. The above apologies were noted.

The Board had just received an informative pre-Board presentation on the portfolio and curriculum review.

The Board congratulated Max Smith for his appointment as President of the Students' Union, and Ruchika Kumar for her appointment as Council Chair of the Students' Union. Ruchika would join the Board as a Student Governor from 1 July.

The Board noted that this is Harriet Tollerson's last meeting. The Chair thanked Harriet for her valuable contribution to the Students' Union and the Board of the University in 2020/21.

2. Declarations of Interests

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

3. Minutes of the previous meetings

The Board approved the minutes of the meeting of 25 March 2021.

4. Matters arising

The Board noted the update on matters arising from the previous meeting.

5. Chair's business

The Chair reported that governors were supportive of resuming face-to-face board meetings from July 2021, provided adequate covid-safety measures are in place and in line with government guidance. Planning would begin to hold the July Board meeting on campus, subject to government guidance.

6. Committees update

The Chair of FPR updated the Board on the committee's work, including regular review of the management accounts and of the recruitment position, recent reviews of the infrastructure required to deliver the corporate strategy, and a continuing focus on the student experience.

The committee is confident that the university's financial position is reasonably stable.

The committee is currently focused on student experience and plans to review the response to the findings of the latest Graduate Outcomes survey and National Student Survey at a future meeting.

The Board noted that the committee discussed IT and campus infrastructure at its last meeting. The IT and Estates teams have set out their needs and are developing plans for 2020/21 within their budgets.

The Board noted that uncertainties remain about student recruitment due to postponement of the UCAS cycle. Despite this, the Chair of the committee was optimistic that recruitment numbers would remain stable and the committee expected a reasonable outcome for 2021 entry.

The Board noted that the committee approved a Group Equality Statement at its last meeting.

7. VC report

The Board discussed the Vice Chancellor's report.

The Board noted the strategic and operational importance of the portfolio and curriculum review. The purpose of the review is not cost-saving, but to encourage more efficient use of staff time. Simplifying the portfolio would alleviate the burden on staff, who are under increasing pressure due to the coronavirus pandemic and IT incident, and allow academic staff more time to carry out research and enterprise activities.

The Board noted that a small number of students have contacted the Vice Chancellor with concerns that LSBU may be indirectly investing in the Israeli-Palestinian conflict. The Vice Chancellor confirmed to the Board that there is an ethical investment strategy for the university's endowment fund.

The Board noted that there had been a 'groundbreaking' ceremony on 19 May 2021 for the development at SBC's Vauxhall site, to be known as South Bank Technical College. Representatives from the Department for Education, Greater London Authority and SBC attended.

The Vice Chancellor updated the Board on the restoration of systems following the IT incident in December 2020. A new IT Director is now in post and a review of the University's response to the incident would be carried out in due course.

The Board noted that staff are expected to return to campus in September 2021, subject to business need and working arrangements agreed with their managers, and government guidance. Most students' lectures would remain online, but seminars and smaller group working would resume onsite.

The Board noted the headline results of the Mid-Semester Modular Evaluation survey. The results showed that student satisfaction levels had not changed

significantly compared to Semester 1 despite the impact of the IT outage, and 80% of students agreed that the University has delivered what it had promised to deliver.

The Board noted the results of a review of compliance with consumer protection law, which was requested by the OfS. A detailed report on the results would be prepared for the Group Audit and Risk Committee.

The Vice Chancellor updated the Board on the results of the HESA Graduate Outcomes survey for the Year 2 graduate cohort of 2018/19. LSBU achieved 74.6% overall, a decrease of 1.1% from 2017/18.

The Vice Chancellor updated the Board on current government HE policy. The government's focus remains on Level 4 to 5 technical pathways, 'low value' courses, and the cost of student loans on the taxpayer. A new 'proceed' success measure, aiming to show the chance of obtaining a graduate job following study on a particular course, is being consulted on. The Board discussed the challenges for LSBU of the government's focus on the use of absolute measures to assess the quality of a university or course. The Board re-emphasised LSBU's commitment to providing opportunities for those in the local community to achieve their full potential.

8. CFO report

The Board discussed the CFO report, which included updates on the current financial position, budget planning for 2021/22, and the University's response to the OfS recurrent funding consultation.

The Board noted that the recovery process of the financial records continues. The management accounts to 31 March 2021, which had been reviewed by FPR, forecast a £2m surplus with an additional £2.2m headroom as contingency, which would be ahead of budget.

The Board noted that SBC was likely not to be able to deliver to its budget. There was potential for up to £1m of clawback from the ESFA due to behind target achievement rates. The Board noted that the Central Leadership Group are actively reviewing this key area.

The Board noted the potential impact of the OfS's proposal for recurrent funding. The university had responded to the consultation which included strong disagreement with the proposal to remove funding for London Weighting.

The Board noted that the cash flow position remains on target and an additional Revolving Credit Facility of £15m was being negotiated with Allied Irish Bank (AIB). It also noted that the most recent valuation of security for an existing loan with AIB was

higher than expected (£67m) and would provide more than adequate coverage on a loan to value threshold of 65%.

The Board noted that the OfS's regulatory reporting timeline has been extended. The OfS finance return submission would now be due at the end of February 2022.

The Board asked if any unexpected financial impact had resulted from the IT incident. The CFO confirmed that no surprises had come to light and noted that control procedures would not be relaxed to speed up resolution of the remaining issues affecting LSBU's accounting processes.

The Board noted that the new Group Defined Contribution pension scheme had been implemented from 1 April 2021.

The Board noted that there is an option for the university to provide security, of around £100m, to the London Pensions Fund Authority in order to reduce the university's level of cash contributions by up to £2m per year. The finance team is reviewing.

9. Annual research and enterprise report

Paul Ivey, Chief Business Officer, joined the meeting.

The Board discussed the first annual research and enterprise report.

The Board noted that challenging targets have been set for research and enterprise activity, including increasing overall Group turnover to £250M by 2025, with third-stream income to make up 20%. The three sectors of focus for third-stream income are STEM, health, and inclusive growth.

The Board noted the extent of growth in research since LSBU's last REF (Research Excellence Framework) submission in 2014, from development of new external partnerships, to sabbaticals for academics, and a suite of research centres. Areas for improvement include research infrastructure and B2B environmental development.

The Board noted that staff are the most important resource for realising the research ambitions in the Corporate Strategy. It noted the link to the portfolio review discussed earlier, which would enable academic staff to undertake more research and enterprise activities.

The Board welcomed the report and requested to be kept informed of progress to meeting the research and enterprise targets in the corporate strategy.

10. LSBU Hub construction – delegation of authority

The Board noted that delivery of the LSBU Hub project has been challenging and it is unlikely that the project would be completed on time and within the original project budget. Completion was now expected in October 2021, rather than June 2021 as originally projected.

The Board noted that the cost overrun remains unclear, but the likely range for overspend was estimated to be between £4.6M and £8.0M. The final figure is being negotiated with the contractor.

The Board noted that the anticipated upper limit of £8.0m (assumed worst case) has already been built into the latest cashflow forecast, but is hoped that the final cost negotiated would be rather lower.

The Chair of MPIC reported that the committee had discussed the project's development at its last meeting on 6 May 2021 and agreed that the estimated range of overspend is realistic.

The Board agreed to delegate authority to MPIC to approve additional unbudgeted expenditure of up to £8.0M to accommodate cost overruns with the LSBU Hub refurbishment project. The Board requested that a post-investment review of the project is carried out after completion to share lessons learned.

Paul Ivey left the meeting.

11. Corporate risk report

The Board noted the updated risk register.

12. LSBSU election results

The Board noted the Student Union election results and returning officer's report which demonstrated that the election was run in a fair and democratic manner as required under the Education Act 1994.

The Board noted that the election turnout was lower than in previous years and hoped that turnout improves next year.

13. Reports and decisions of committees

The Board noted the reports from committees and the Group Equality Statement, which was approved by the FPR committee at its meeting on 27 April 2021.

14. Board strategy day report 22 April 2021

The Board noted the report from the Board strategy session of 22 April 2021.

15. Last meeting of Pat Bailey

The Board formally said goodbye to Pat Bailey, who leaves LSBU at the end of June to pursue new opportunities. The Board thanked him for his significant and invaluable contribution to the university and the Group.

**Date of next meeting
4.00 pm, on Thursday, 22 July 2021**

Confirmed as a true record

..... (Chair)

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**Minutes of the extraordinary meeting of the Board of Governors
held at 4.00 pm on Thursday, 24 June 2021
via MS Teams**

Present

Jerry Cope (Chair)
Michael Cutbill (Vice-Chair)
John Cole
Peter Fidler
Mark Lemmon
Nicki Martin
Jeremy Parr
David Phoenix
Rashda Rana
Tony Roberts
Maxwell Smith
Kate Stanton-Davies (co-opted MPIC member)
Vinay Tanna
Harriet Tollerson

Apologies

Duncan Brown
Maureen Dalziel
Deepa Shah
Fiona Morey

Invitee

Ruth Farwell (SBC Chair)

In attendance

Michael Broadway
Richard Flatman
Paul Ivey
James Stevenson
Stephen Lamont

1. Welcome and apologies

The Chair welcomed members to the meeting.

The above apologies were noted. The Chair advised the meeting that Duncan Brown had indicated his broad support for the proposals on the agenda, subject to today's discussion.

2. Declarations of Interest

The committee noted the advice on conflicts of interest, which confirmed that there was no conflict of interest in the proposed transaction for the Group CEO as a director/trustee of both LSBU and SBC.

No member of the meeting declared an interest in the proposed transaction.

3. **SBC estate disposal and development**

The Board discussed in detail the proposal from London Realty for the disposal and development of LSBU's subsidiary SBC's Clapham and Vauxhall sites.

The Board noted that the London Realty proposal comprised an offer worth £94m, which would fund the building of a purpose-built Gateway centre at Clapham to replace the current "S block", plus a cash offer of £77,925,000. The Board noted that the cash receipt would cover the match funding requirement for the NESC as well as the construction and fit out of Blocks B and D. London Realty would also gift back the freehold of the proposed Gateway centre to SBC.

Due diligence

The Board discussed the due diligence report and the updated responses to questions from Board members. There was a satisfactory position in relation to M&G and Optivo Housing Association, both mainstream participants.

The SBC Chair reported that the SBC Board had noted the risks and mitigations around the London Realty partners, specifically Parkside Clapham Holdings Ltd (PCH), and had requested continued due diligence be carried out, but on the basis of current information the SBC Board was content to proceed with the transactions with all the three participants.

The Board noted that the initial £30m payment from PCH would be held in an escrow account and used to meet construction costs as they fall due.

Heads of Terms

The Board discussed the draft Heads of Terms. The Board noted that both parties could negotiate changes to the Heads of Terms up until the contract is formally entered into, which would not happen until planning permission was granted, expected no earlier than Spring 2022.

The Board noted that a separate exclusivity agreement and confidentiality agreement were being negotiated.

The Board noted that, should planning permission be varied or refused, London Realty would be liable for costs incurred so far. The SBC estates strategy would have to be then reconsidered.

The Board discussed the protections in relation to the building of the brand new Gateway centre at Clapham by London Realty. In particular, the payment by London Realty of c.£16m into an escrow account.

The Board discussed the sequencing of payments and construction as set out in the draft Heads of Terms. The Board noted the pressure on Group cashflow and requested that cashflow projections be reviewed to ensure the ability to fund both Blocks B and D, and that **London Realty** be pressed further to look at the cash-flow options. The Board requested that a note on cashflow be circulated.

After further discussion, the Board agreed that an independent review of the draft Heads of Terms by a senior partner in Eversheds would be prudent.

Report from SBC Chair

The SBC Chair reported on the SBC Board meeting held on 21 June 2021. The SBC Board had concluded that the **London Realty** proposal is on the best terms that can, overall, reasonably be obtained, and would raise sufficient funds to deliver the SBC estates strategy.

The Board noted that the SBC Board was satisfied that it had fulfilled its duties as a Board under charity and company law.

In addition, the Board noted the legal advice from VWV that LSBU's and SBC's interests were aligned in this proposal and accordingly, LSBU was meeting its fiduciary duty as member of SBC.

Report from Chair of MPIC

The Chair of MPIC confirmed that the committee had thoroughly reviewed the proposals at every stage. The Chair of MPIC considered that there were no additional points, on overall viability, to cover given the thorough discussion at today's meeting.

5. Consideration of recommendation

In conclusion, the Chair of the Board summarised the Board's decision as follows: The Board:

- noted the due diligence report prepared by Avison Young and the responses to the queries raised;
- noted its duties under charity and company law for the sale of the properties;
- noted that the SBC Board had resolved on 21 June 2021 that "the terms of the disposal are the best that can reasonably be obtained" for SBC (as required under the asset deed with the DfE);
- consented to SBC entering into the draft Heads of Terms in substantively the form presented; and
- delegated to a sub-committee of the Chair of the Board, the Chair of MPIC, the Chair of FPR and the Vice Chancellor to give prior consent to SBC to any subsequent substantive variation to the agreed Heads of Terms and to consent to any related agreements.

subject to:

- i) ongoing due diligence focused on the wider context of the transaction as a whole;
- ii) an urgent review of Group cashflow and, as appropriate, further discussions with **London Realty** in respect of alternative cash-flow options ; and
- iii) a risk assessment on the current draft Heads of Terms by a senior partner at Eversheds to ensure that they are both balanced and appropriate.

{Secretary's note: the CFO provided a review of cashflow to the Board on 25 June 2021.}

**Date of next meeting
4.00 pm, on Thursday, 22 July 2021**

Confirmed as a true record

..... (Chair)

**BOARD OF GOVERNORS - THURSDAY, 20 MAY 2021
ACTION SHEET**

Agenda No	Agenda/Decision Item	Action	Date Due	Officer	Action Status
5.	VC report	Detailed report on the results of the review of compliance with consumer law, requested by the OfS, to be taken to the June 2021 meeting of GARC.	15 June 2021	PVC (Education)	Complete
9.	Annual research and enterprise report	Board to be kept informed of progress on meeting the research and enterprise targets in the corporate strategy	Ongoing	CBO	Ongoing
10.	LSBU Hub construction – delegation of authority	Post-investment review of the LSBU Hub project to be carried out after completion, to share lessons learned.	Winter 2021	CBO	In progress

**EXTROADINARY BOARD OF GOVERNORS - THURSDAY, 24 JUNE 2021
ACTION SHEET**

Agenda No	Agenda/Decision Item	Action	Date Due	Officer	Action Status
3.	SBC estates development and disposal	Urgent review of group cashflow to be circulated to the Board	June 2021	CFO	Complete
4.	Consideration of recommendation	Ongoing due diligence to be carried out Risk assessment on the current draft Heads of Terms to be carried out by a partner at Eversheds	Ongoing Ongoing	CBO CBO	Update to be provided under matters arising.

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	CONFIDENTIAL
Paper title:	Re-appointment of University Chancellor
Board/Committee:	Board of Governors
Date of meeting:	22 July 2021
Author(s):	Michael Simmons, Group Director of Strategy and Corporate Affairs
Sponsor(s):	Jerry Cope, Chair of the Nomination Committee
Purpose:	For Approval
Recommendation:	The Board is requested to approve the re-appointment of Sir Simon Hughes as Chancellor for a second term of four years, as recommended by the Nomination Committee.

Executive summary

The four-year term of LSBU's Chancellor, Sir Simon Hughes, comes to an end in July 2022.

It is generally agreed that Sir Simon has been an asset to the University in numerous ways – participating in University events such as graduations, contributing advice and direct support in external negotiations and fundraising, representing the University at external events and being accessible to and supportive of our students, interacting in particular with our Students' Union officers. Sir Simon has expressed a willingness to continue as Chancellor and it is proposed that we thank him for his generous service and formally ask him to undertake a further four year term from 1 August 2022 to 31 July 2026.

Recommendation

The Board is requested to approve the re-appointment of Sir Simon Hughes as Chancellor for a second term of four years, as recommended by the Nomination Committee.

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	CONFIDENTIAL
Paper title:	Group Audit and Risk Committee effectiveness review: final report
Board/Committee	Board of Governors
Date of meeting:	22 July 2021
Author:	Peter Fidler, Senior Independent Governor Kerry Johnson, Governance Officer
Sponsor:	Duncan Brown, Chair of the Group Audit and Risk Committee
Purpose:	For information
Recommendation:	The Board is requested to note the results of the GARC effectiveness review and the related action plan.

Executive summary

Following best practice and recommendation by the CUC in Element 6 of the new HE Audit Committee Code of Practice, a Group Audit and Risk Committee effectiveness review has been carried out.

Overall, responses have been positive, with all respondents agreeing that the committee is properly constituted with appropriate membership, and is effective in addressing its duties and reporting requirements

In general it is considered that as the committee has substantively revised terms of reference (October 2019) to work across the LSBU Group, drawing together the work and oversight of the audit matters relevant to each entity, the 'early life' of the committee has been very positive. It is felt that there are areas where improvements can be identified but no major concerns are raised.

Recommendation

The Board is requested to note the results of the GARC effectiveness review and the related action plan.

The effectiveness review process

At its meeting of 11 February 2021, the committee agreed to carry out an effectiveness review using the CUC's self-assessment guide as a basis for the review.

GARC members, Executive attendees and internal and external auditors were asked to complete the self-assessment questionnaire. We received responses from:

- All GARC members
- The Chair of the Board
- Committee chairs
- Members of the Executive team and senior officers who regularly attend the meetings
- Internal and external auditors.

Follow-up interviews were then held with selected respondents in order to explore the answers in more depth. As the review requires a degree of independence, these interviews were conducted by the Senior Independent Governor.

Key positives

- All respondents agreed that the committee has the right balance of skills and experience.
- Overall, the committee was seen as a highly effective and high-quality committee.
- In particular, the role, contribution and effectiveness of the Chair of the committee has been emphasised by respondents. Respondents believe the Chair's performance has been very strong and has made a highly positive impact on the committee's operation and effectiveness.

Key areas identified for action

- *The Balance of Audit and Risk.* The duties of the committee are wide-ranging across all audit and risk matters of the constituent entities of the LSBU Group and their respective audit and risk committees. It has been remarked upon that the Group Audit and Risk Committee can get drawn into the detail and operational dimensions of audit matters, and would benefit from a stronger focus on matters of corporate and strategic risk.
- *Supporting Integrated Audit and Risk arrangements across the Group.* It is recognised that the integration of the LSBU Group is still evolving. To support this integrated working it is recommended that further work should be done to improve communication between GARC and the subsidiary entity audit committees.
- *The Heavy Workload of the Committee.* This is a matter which should be kept under review. While some attention has already been given to increasing the number and duration of meetings, the remit and workload of the committee has proved extensive, and may need further consideration in conjunction with the above areas identified for action above.

- *Improving Integration of Co-opted Committee Members.* It is considered that more could be done to ensure that co-opted members are adequately inducted and kept informed.

Recommendations and action plan

The Governance Team, the Executive and the Chair will begin work on the required actions during summer 2021. A progress update will be provided to the 5 October 2021 meeting of the committee. Some actions are already underway, as noted below.

Recommendation	Proposed action
Balancing risk and audit	<p>Detailed risk discussion currently on the annual workplan once per year. Increase this to twice a year.</p> <p>Risk to be added as an agenda item for a future Board strategy day.</p> <p>Annual GARC workplan to be reviewed and reworked where necessary.</p>
Group integration	<p>Investigate options for improving communication between GARC and subsidiary audit committees, including:</p> <ul style="list-style-type: none"> • an annual meeting between the chairs • audit committee chairs invited to attend other audit committee meetings as observers. <p>Continue work on Group integration, specifically to review subsidiary audit committee remits.</p> <p>Continue to include SBA and SBC internal audit reports and audit committee meetings as supplements for information.</p>
Committee workload	<p>Consider whether the current meeting calendar (and length of meetings) remains appropriate.</p> <p>Further guidance on the form and content of papers to the Committee (as well as Board and other committees) to be circulated to Executive members and Auditors.</p> <p>Feedback on internal audit reports to be reported back to BDO.</p> <p>Annual workplan to be re-evaluated as above.</p>

Engagement of co-opted members	<p>The induction process for new co-opted members has been expanded, but more thought needs to be given to ensuring that co-opted members remain engaged and informed. Governance team to consult more widely.</p> <p>Ensure co-opted members are included in regular updates to the Board.</p> <p>Continue to invite co-opted members to Board strategy days and occasional Board meetings, in consultation with co-optees</p>
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	CONFIDENTIAL
Paper title:	Vice Chancellor's Report
Board/Committee	Board of Governors
Date of meeting:	22 nd July 2021
Author:	David Phoenix, Vice Chancellor and CEO
Executive sponsor:	David Phoenix, Vice Chancellor and CEO
Purpose:	To update the Board on University matters
Recommendation:	To note the report.

Executive Summary

The OfS published a new experimental measure, “**Projected completion and employment from entrant data**” (**Proceed**). This measure is intended to provide prospective students with an understanding of student outcomes but has potential for future regulatory and reputational impact. This and measures such as employment data emphasise the importance of our work on retention and graduate outcomes.

Development of the Croydon campus project is progressing well with practical completion scheduled for 25th August 2021. Plans are in place for an informal opening with the local MP on 17th September prior to a more formal opening.

Dr. Peter McRory has been appointed as a consultant to lead the GMC accreditation process as part of the development of proposals for LSBU's medical school. We are strengthening our existing academic provision and resources for medicine by developing a paediatric intensive care medicine course with Evelina Children's Hospital and have appointed 15 paediatric medical consultants as Visiting Fellows. In addition, Prof Chris Flood has been appointed as Chair of Healthcare Practice which is a jointly funded post between Central London Community Health NHS Foundation Trust and LSBU which will further develop the research base.

Vice Chancellor's Report: July 2021

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 The Integrated Student Development Framework

The Integrated Student Development Framework (ISDF) project is taking place as part of the LEAP programme and aims to map our future ways of working with regard to how both academic and non-academic services support the development of our students. Following a successful discovery phase, involving all schools and PSG directorates within LSBU, as well as a detailed competitor analysis, the project has now begun work on the design of the ISDF itself. Enabled by technology being implemented via LEAP, the ISDF will ensure that we leverage systems such as Salesforce to provide consistent, proactive, joined-up support and development opportunities to our students, which will improve student outcomes across the university. We expect that full implementation of the ISDF will improve student progression, awarding gaps and student experience. Much remains to be done but a demonstration of the CRM will be given at the next strategy day

1.2 Year 2 Graduate Outcomes Results and NSS

The publication of sector results of the second iteration of the Graduate Outcomes survey, covering the 2018/19 graduate cohort, is due on 20th July. Individual provider data will be published on 27th July. HESA confirmed in June that weightings will not be applied to Graduate Outcomes results.

A report on LSBU's performance relative to the sector and competitors will be provided to the next Board meeting. The results are expected to be used by the Guardian and Times university league tables in their September 2021 editions.

The NSS data will be released on the 15th July. Again an update will be provided at the Board and the data is expected to feed into the September League Tables.

1.3 QS World University Ranking

In the latest edition of the QS ranking, LSBU has declined in overall rank from 751-800 to 801-1000. This is a return to the 2018 position, resulting from a decline in LSBU's standardised scores in the majority of QS metrics following a 30% increase in the number of ranked institutions even though on a number of measures LSBU improved in absolute terms. The increased level of competition within these tables is likely to continue in the near future. The largest score declines were in Faculty Student Ratio and Citations per Faculty, although raw citation counts have increased. More positively, LSBU's scores for Employer Reputation and International Students have improved.

There are now 81 UK institutions ranked within the top 1000. Of these, 33 have declined, 28 improved and 20 maintained rank in the 2022 edition. All London Modern institutions included in this table have either declined or maintained rank.

The London Modern institutions ranked above LSBU are Kingston, Middlesex, Westminster and Greenwich.

1.4 Proceed Summary

The OfS published a new experimental measure, “**Projected completion and employment from entrant data**” (**Proceed**), on 19 May 2021. This measure combines projected completion rates and graduate outcomes of UK domiciled, full-time, first degree students into a compound percentage score which is intended to provide prospective students with an understanding of student outcomes across the whole student lifecycle. The Proceed measure was published by provider overall and at subject level.

LSBU performance:

- LSBU’s overall Proceed score of **52.9%** is -8% below sector average and equates to rank 96 out of 131 providers (73rd percentile).
- LSBU’s overall score is **-5.4%** below the OfS benchmark, with 9 out of 13 subject scores also below benchmark and all 13 subjects below sector average.
- Among London Moderns LSBU is mid-ranked 5th out of 10 but has the second highest adverse variance to benchmark after London Met and the third highest proportion of subjects below benchmark.
- Based on internal analysis of 2019/20 entrants’ continuation rates and Graduate Outcomes Year 2 results, we do not expect LSBU’s Proceed score to improve in the next iteration of the metric.

While the OfS has stated there are no immediate plans to use Proceed for regulatory purposes, the publication must be viewed in context of the DfE and OfS aim to eliminate low quality provision. It also has reputational implications given the extensive media coverage which focussed on low performing institutions, in particular those with scores below 50%.

Improving student outcomes is at the centre of LSBU’s 2025 Strategy. The Portfolio and Curriculum Review in particular will support this goal by refining our offer and implementing a consistent framework to ensure LSBU degrees consistently deliver against learning outcomes that will enable our students to complete their studies and thrive in their future careers. These scores need to exceed 60% and the most significant short-medium term impact will be via increased retention.

1.5 Longitudinal Employment Outcomes (LEO)

The latest annual LEO data release in June 2021 covered provider level employment and earnings outcomes for the 2018/19 tax year for graduates 1, 3 and 5 years after graduation.

LSBU’s relative performance has improved slightly on the previous release, with a greater number of subjects now in the top 50th percentile for the sector for the ‘Sustained employment, further study or both’ measure, particularly for the 1 year after graduation cohort. However, at 3 and 5 years after graduation, the majority of subjects rank in the bottom quartile. Performance in the median annualised earnings metric is better due to the high proportion of LSBU graduates working in London.

Similar to LSBU, the majority of London-based competitors perform below the sector average for sustained employment or further study outcomes while many are above the sector average for median annualised earnings.

LEO metrics were tested as core metrics in the most recent TEF subject level pilot, however it is not yet known whether LEO will feature in the new TEF process.

1.6 Retention

Withdrawals and Interruptions remain significantly lower than last year in terms of both absolute numbers and proportion of students, particularly for UG students:

Table 1: 20/21 YTD Withdrawals and Interruptions comparison with 19/20

		Headcount			Proportion of students		
		19/20	20/21	Change	19/20	20/21	Change
Withdrawals	UG	406	262	-144	3.4%	2.0%	-1.4%
	PG	103	83	-20	2.9%	2.8%	-0.1%
	Total	509	345	-164	3.3%	2.2%	-1.1%
Interruptions	UG	453	280	-173	3.8%	2.2%	-1.7%
	PG	218	134	-84	6.2%	4.6%	-1.6%
	<i>Not known</i>	<i>1</i>	<i>1</i>	<i>0</i>			
	Total	672	415	-257	4.3%	2.6%	-1.7%
Grand Total		1181	760	-421	7.6%	4.8%	-2.8%

YTD lost income due to withdrawals and interruptions currently stands at £3.1 million, 27% lower than last year (£4.2 million). The year-on-year reduction in withdrawn and interrupted student headcount is higher 36%. Average lost income per student has therefore increased in 20/21; this is because, on average, a higher proportion of the full year fee has been refunded this year.

LSBU initiated withdrawals are significantly lower than in the previous year as these have been paused during the pandemic and IT outage. Student initiated withdrawals are significantly higher than last year.

It should be noted that the headcount figures may need to be revised upwards following final exam board decisions which will occur at the end of June and the end of August (for resit students). The boards have the ability to withdraw students due to lack of academic attainment and/or not attempting assessments. Furthermore, proportional figures are based on the total student headcount as at November 2020, pending the recovery of the MIKE business information tool following the IT incident last December. This means that the withdrawal and interruption rates may be slightly overstated from not including January starters in the student population.

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 Research

The value of new research awards won to end of May 2021 stands at £3.87m, comparable with £2.9m at the same point for 2019/20. This is on track to achieve income of £4.27m, £430K more than the revised 19/20 forecast of £3.84m. Recent awards of significant value include an EU Horizon 2020 project titled 'ENOUGH: Testing and Demonstrating systemic innovations in support of the Farm to Fork Strategy', with an award value to LSBU of approx. £1m. The project supports the European Green Deal a globally impactful project that aims to make Europe a carbon neutral continent.

Recent research proposal submissions of note include an application for a two year extension to the NIHR funded PHIRST project, requesting an additional £1m of funding to deliver a further 4 sub projects. Another proposal to note is the application on 'Transforming Research Pathways for Black, Asian and Minority Ethnic PGR students', submitted to a Research England and Office for Students joint call, with requested funding of £323k to LSBU.

The majority of submissions for research are from the School of Engineering and 33% are for grants over a value of £250K. The number of applications to prestigious funders is steady which represent 40% of bids by volume and 67% by value.

2.2 Enterprise

In May the total funding for successful Enterprise bids is up 32% to £3.42m on last year's position (£2.58m). This is on track to achieve £7.1m (Actuals and Contracted) against a budget of £8.57m. Enterprise wins during 19/20 have been severely impacted by the pandemic, however we are seeing positive signs of engagement with businesses, now that restrictions are easing. Recent significant wins include:

- LSBU were awarded Higher Level Skills contracts by the GLA. This was to deliver the Aspire project, progressing learners into level 4 provision. The total value of the contract is worth £5m with approximately £1.7m directly allocated to LSBU.
- Renewal of the prestigious Darzi Fellowship in Clinical Leadership with an income value of £215K, in addition to a third cohort for the MA Strategic Clinical Leadership Apprenticeship Programme with income of £480K.
- 3 proposals submitted to Health Education England, each with an income value of £150K have been successful. The awards will provide an Integrated Clinical Academic (ICA) Awards programme which includes three lots for Internships and Pre-Doctoral and Post-Doctoral Bridging Programmes for healthcare professionals.

The number of submissions has been positive, with an overall increased average value of £215K for submitted bids, and an expected value of £864K to be achieved from recent submissions. There is a large increase in the number of submissions YoY for Enterprise (+38%). The majority of submissions are from the School of Health and Social Care making up 65% of total submissions for Enterprise.

The team is developing four Innovation Networks, two in Stem (Net Zero Transmission, and Digital & Networked Futures) and two in Health (Person Health & Wellbeing, and Community Healthcare) to increase the level of activity across these areas to meet the LSBU strategic targets. The team has also taken on a new Business Development Manager who will focus solely on building the Knowledge Transfer Partnership portfolio which is a key funding source that supports university – business engagement on operation issues of importance to industry.

The Inclusive Growth team are working closely with partners to identify new sources of regeneration funding. The ESIF (European Structural and Investment Funds) replacement funds will be rolled out later this year with the launch of the UK Shared Prosperity Fund (UKSPF) due in spring 2022. The team are working towards a proposition focused on the Green Economy in South London utilizing the Croydon Innovation Centre - a co-working hub and high-performance computing facility led by the School of Engineering - as the physical hub to leverage capital funds from the Levelling up Fund and revenue funds from UKSPF. In addition, LSBU is through to interview stage to lead the BIG Innovation Support Programme (c£200k) which will engage hard to reach businesses with HEIs in South London.

2.2.1 Student Enterprise

The team has been supporting Engineering School students entering the Mayors Entrepreneur Competition. 2 teams secured places in the Grand Final, beating over 500 other applicants. StreetCharge, a team of first year students won the Judge's Choice award, securing £20K in funding to help progress their idea further.

Student Enterprise have designed and coordinated a training programme incorporating expertise from the School of Business, the Digital Skills team and LSBU's Entrepreneurs in Residence to support 13 new Business Solutions Centre Advisors. Training started in June 2021 and will be delivered throughout the summer to ensure all new advisors are prepared to support SMEs in early 2021/22

2.3 Tenancy

Income for tenancy will be reduced by approximately £177k due to the pandemic as a number of tenants have either left or downsized with occupancy at 65%.

The team continues to receive enquiries for office space and hope to increase levels to pre-pandemic levels by the end of the next academic year, the extension of lockdown has decreased the number of enquiries, but the tenants are starting to return more regularly to the offices. Further work is being done to evaluate the current tenancy model in line with expected future ways of working.

2.4 Global Delivery

At the British University in Egypt a number of new courses have been brought on and increasing numbers from maturing courses have contributed to growth. As the most mature operation in LSBU Global it remains stable and no dramatic rise in volume is expected over the next few years but a steady increase to around a thousand more students is a realistic projection. There is some uncertainty still around the direction of BUE which, it is hoped, will be resolved by the arrival of the new President which is expected imminently. I have to date had a Teams meeting with the President and will meet him for lunch this month. We also now have Baroness Perry, previous VC at LSBU, on the Board and chairing the governance review and I met with her recently.

The Applied Science University, Bahrain, continues to engage well with LSBU and while there have been modest projections in student numbers the recent successful validations in business, law and engineering may well be more fruitful than current projections indicate.

There is a phasing out of our current Swedish and Paris operations but this will be replaced with a more productive strategy for Europe. The resource required by these small TNE operations is not justifiable and sticking with our strategy of “pruning” will help the bottom line in coming years.

The TEAM University partnership in Tashkent now has a range of courses validated for September and it suits the entrepreneurial nature of the founders to look closely at where they can expand in the region with LSBU. The close contact between employers represented by the founders and the education offer lends itself again to looking at an LSBU group offer within Uzbekistan and probably other major markets close by.

The first online validation with IU in Germany will happen in the autumn. With them the quality of the teaching operation and administrative functions provide us with an excellent model to learn from.

In terms of expected partners, the European area is a priority and LSBU global is working with Serenita to create an umbrella agreement to validate programs within the universities owned by them. The first is likely to be Vistula University in Poland but others may quickly follow as the Serenita is extending across Europe as far as the south of Spain.

Following strategic discussions with Chinese authorities in Beijing the LSBU Vice Chancellor has been offered a prestigious partnership with an engineering Institute in Hangzhou which is also being followed up. w

Recruitment for this year and forecasts for next year are shown below. Income is expected to exceed £2M next year and the volume of overseas activity will place us in the 20 largest UK overseas providers. The benefits though will come if we can

leverage these partnerships to further increase recruitment to the UK and develop additional research capacity

Partner Type	Partner	2020-21 Actual	2021-22 Forecast	2022-23 Forecast
Current	ASU Bahrain	120	385	405
	BUE Egypt	5129	5385	5654
	FEI Sweden	34	10	0
	Highlands College Jersey	47	55	60
	IGS Paris (ES Hotels)	43	25	0
Current CEG	CEG	505	530	557
Expected	IU Germany	0	500	750
	TEAM Tashkent	0	275	570
Pipeline	CEG/IHEED Online	0	0	200
	LSBU Cairo	0	0	0
	LSBU Canada	0	0	0
	LSBU China	0	0	200
	LSBU Dubai	0	0	150
	Vistula Group Poland	0	0	90
Total		5878	7165	8636

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

LSBU has recruited 4.4k FAs vs 5.1k FAs last year (-13.9% or -700) which tracks 64% versus our target of 6.9k for September 21/22 entry. This tracks in line with last year to date, when the university stood 65% versus target. Clearing opened 5th July and the university has generated circa 200 applications in the first week, compared to 130 in the same period last year (up 54%). The growth is partially driven by the availability of Nursing courses, which currently remain open. The clearing operation on site is in place and reports will be provided to the Board during August.

3.2 Apprenticeships

The apprenticeship team organised seven employer events to promote LSBU apprenticeships and an event to promote Lambeth College apprenticeships in May and June. The Development and Design Engineer degree apprenticeship is validated and will start initially with a small cohort in partnership with SharkNinja. A number of additional apprenticeships are expected to be validated this academic year including Clinical Associate in Psychology (planned intake of 20), Psychological Wellbeing Practitioner (planned intake of 20), Acoustics Technician (planned intake of 20), Nursing Associate (planned intake of 50 in October 2021) and the Registered Nurse degree apprenticeship (planned intake of 50 in Dec 2021).

The schools have started the process of recruiting Skills Coaches which will improve apprentice and employer experience. They will play an integral part in ensuring high achievement rates and will help secure the 20% of the apprenticeship funding reserved for end point assessment.

The gap to fill is greater this cycle, but the Apprenticeship pipeline is strong and at present the apprenticeship team is confident that the target will be achieved.

In 2020/21 more than £7.6 million on programme payments and £95,000 completion payments will be received by LSBU.

The latest available achievement data show our position continues to improve and currently stands at 63.9% completion. These will change as more results are released following exam boards and should exceed our 65% target. Retention rates at LSBU remain strong with 96.92% across all of our programmes.

4.0 Group Issues and Environment

4.1 South Bank Academies

The replacement for the conventional summer examination series involving teacher assessed grades (TAGs) has been concluded. A carefully planned exercise to determine the content which will be assessed led to a comprehensive programme of assessments and examinations which were administered and marked in-house. A system of controls to ensure fair outcomes as well as accurate and robust marking was put in place. TAGs have been moderated and sent to examination boards, and the sampling process concluded so we await final confirmation of grades. Internal data indicates encouraging performance at GCSE and A level.

The schools continue to operate within Covid guidance, minimising risk against a backdrop of rising case numbers in the community. The delayed lifting of restrictions has altered activity on the ground, but work continues to ensure a positive end to the academic year. Forecasts for student numbers remain strong into Year 12 at both schools, with intakes into Years 7 and 10 more challenging particularly given local demographic change.

	South Bank UA	South Bank UTC
Year 7 intake forecast/budgeted no./ capacity	103/103/150	N/A
Year 10 intake forecast/budgeted no./ capacity	N/A	30/30/60
Year 12 intake forecast/budgeted no./ capacity	85/75/75	160/160/150

Both schools are refreshing logos and branding while UAE is being relaunched as South Bank University Academy with a fresh vision and mission to drive student applications and reputation aligned with the SBA and LSBU Group Strategy. The SBA People Strategy has been outlined and will benefit from LSBU value-add in the form of pedagogic development, training, qualifications pathways and more.

Curriculum development work for the new academic year has been finalised and benefits from closer links with LSBU. For example, South Bank UA are launching a new creative and digital media course in the sixth form with inputs and support from LSBU Arts and Creative Industries under Jenny Owen. The UTC Year 14 HNC programme will continue next year after a pilot this year and also builds on strong links with the school of Engineering at LSBU. Trust development continues with workstreams both internally (for example in alternative education pathways with SBC) and externally. The trust has strong reserves, and is projecting a £326k carry-forward from 2021-22 before depreciation.

4.2 South Bank Colleges

The focus at the College this term has been in supporting students to achieve their qualifications and to make up for lost learning as a result of lockdown. Over 1,000 teacher assessed grades have been submitted to awarding bodies and we are continuing to work with students on exam based courses throughout the summer.

The college finances remain challenging and work is underway to ensure that the college achieves a break-even budget by the end of 22/23 when the transition funding runs out. We have developed our curriculum response to a number of local and national skills needs and the impact of Covid on employment which has been significant for Lambeth residents.

We are working with colleagues at the university on a new level 4 offer including HTQs and HNCs for 22/23 as part of the launch of the new London South Bank Technical College. We are also working with SBA on the development of an alternative 14-16 year old offer.

The Nine Elms STEAM Centre (NESC) is under construction, all demolition challenges for the site are resolved. The project is within budget and the construction company have agreed a floor by floor fit out from 15th June 2022, to facilitate practical completion by the end of August for delivery starting in September. Consultations with the GLA to rephrase their grant payments are ongoing and include a much-welcomed extension of time for these payments to match the revised construction project plan. A financing plan for the entire development of the London South Bank Technical College (LSBTC) involving the developer London Realty has been tabled and Heads of Terms drafted. Work is underway to refine overall cash flow predictions for the project which will inform any phasing of construction and thereby delivery of the College's curriculum plan. It is anticipated that, subject to London Realty securing planning consent, an agreement will be tabled for consideration around mid 2022. The process of appointing a consultant team to undertake the remaining development of LSBTC will start soon.

On 19 May we welcomed Gillian Keegan MP, Skills Minister; Jules Pipe, Deputy Mayor for London; Florence Eshalomi, MP for Vauxhall; and Cllr Jacqui Dyer, Deputy Leader of Lambeth Council to a ground breaking ceremony for our new technical college in Vauxhall. The event was featured in several local and trade news sites.

We had a positive informal meeting with the FE Commissioners office to update them on the progress of the Group vision and will be meeting with them again in the autumn term for a more in-depth update.

4.3 Croydon Campus

Practical Completion for this project is currently scheduled for 25th August 2021, although access to part of the building will be available from 4th August to support clearing and promote the anticipated student experience. The project remains within budget and HSC and the Business School are ready to start delivery in September.

Staff are expected to start occupying parts of the building on the 4th August. This timeline gives us 6 weeks period in order to complete kit installation and service set up for the whole campus. At this stage all looks on track for the first cohort of students in September, although there are current risks around the set-up of our fixed data network the impact of which is currently being reviewed. Recruitment to

staffing is going well, with the majority of the senior posts including the leads for schools and student facing services now finalised.

We have begun work to deliver on the Digital Community Hubs work linked to Business School activity at LSBU Croydon which will extend our enterprise activity. Our Innovation Centre, led by the LSBU School of Engineering, is scheduled to open in October this year and heads of terms have been agreed for space in the Whitgift Centre

I am due to visit the site with the Chair of the Board on 20th July and we are planning an informal opening with the local MP on 17th September. A larger more formal opening will be later in the year once we are established.

4.4 LSBU Institute of Health & Social Care

We are continuing to develop our proposals for LSBU's medical school. As part of this we have appointed as a consultant Dr. Peter McRory to lead the GMC accreditation process. He is a current GMC reviewer and has significant experience in establishing new medical schools and curricula, having previously worked to establish the Brighton-Sussex school and the St George's Medical School. We are strengthening our existing academic provision and resources for medicine as part of this roadmap and are developing a paediatric intensive care medicine course with Evelina Children's Hospital (Part of Guy's & St Thomas' NHS Foundation Trust) which will be accredited by the Faculty of Intensive Care Medicine. Evelina are UK-leaders in paediatric intensive care medicine. As part of this initiative we have appointed 15 paediatric medical consultants as Visiting Fellows of LSBU.

We have appointed Prof Chris Flood as Chair of Healthcare Practice which is a jointly funded post between Central London Community Health NHS Foundation Trust and LSBU. Prof Flood's role will be central to developing the research capacity and capability of the joint academy we are establishing with CLCH. CLCH is one of the UK's largest community health trusts and together we are developing a joint education and research strategy to meet the workforce needs of the NHS in North West London for the future. We are looking for opportunities to model this approach with Community Trust partners both in South London and North East London, as academic partnerships of this nature will be important for the future development of integrated care systems.

5.0 Strategic Enablers

5.1 Southwark Campus Development

The LSBU Hub (London Road) refurbishment is progressing with the contractor maintaining a focus on completion in October this year. If achieved this will facilitate use from semester two 2022 onwards as planned. I undertook a site visit this week and whilst significant work remains progress can be seen across the site and the interior has been transformed in terms of layout. Work has started on move plans for the staff teams affected. The dispute regarding construction costs continues. The LSBU SU is informing building use via a public consultation process to determine how

students anticipate studying post COVID. The development of the Chapel remains on hold until capital becomes available, but this will need to be resolved before late 2023 to comply with planning obligations. Discussions continue with LBS regarding LSBU purchasing their hostel adjacent to the Perry Library. Future use of the current Perry Library building after the move to the LSBU Hub is yet to be decided.

5.2 Tabard Street

Group use of this building is slowly growing and a consultation is underway with users to establish if there is a business case to extend the lease.

5.3 Public Affairs

Earlier in May, the University published a paper, in conjunction with Aston University, on Universities of Technology entitled "*Truly Modern Technical Education: unleashing the potential of universities of technology to really level up*" (circulated previously) and in July, Prof Alec Cameron, V.C. of Aston, and I will be meeting with Jack Thomlinson, Deputy Director for Higher Education Quality and Regulation at the DfE as well as civil servants working on the Lifelong Loan Entitlement and the Augar response, to discuss the paper and its recommendations.

Following on from the launch of my paper (previously circulated) on creating an English Social Mobility Index, I had a productive meeting with Times Higher Education Magazine, who have expressed interest in publishing a new iteration of the Index each year.

A number of commissions have been set up in recent months to look at various aspects of higher education and in June I contributed oral evidence to the UPP Student Futures Commission on '*Transitions to Learning*' and to the Higher Education Commission on '*University research and its role in tackling regional economy inequality*'. I have also been asked to serve as Commissioner on ResPublica's Lifelong Education Commission, which is being chaired by former Universities Minister, Chris Skidmore MP. I also spoke at the WonkFest HE Policy Conference on 10 June on the topic of '*Place and Place-Based Partnerships*'.

We are expecting consultations on the proposed Lifelong Learning Entitlement and the Government's full response to the Augar Review in the Autumn. There has been recent suggestion from Education Secretary, Gavin Williamson MP, that access to Student Finance may be restricted for learners who do not hold GCSEs in English and maths. We have begun examining what impact this may have on the University's recruitment. We are sponsoring a report by thinktank EDSK examining the issue of 'low value' higher education which we hope will make an important contribution to these consultations once published.

I have had recent meetings with the new Shadow Education Secretary, Kate Green MP, and Shadow Universities Minister, Matt Western MP, as well as the university's local MP, Neil Coyle.

On 24 June, I met with Cllr Kieron Williams, Leader of Southwark Council, to sign a new MOU with the borough. This updates our previous commitment, signed in 2014, and we are in the process of organizing a series of workshops with the Council to cope out new potential areas for collaboration. Southwark is also launching a new Anchor Network, bringing together large organizations that are invested in the borough (including LSBU). The first meeting of the network is on 5th July.

5.6 New JNCHES 2020-21

Following UCEA's final offer of at least 1.5% to the pay spine (higher percentage uplifts will be made to the pay points below Spine Point 22, up to a maximum of 3.6%) made on 11 May, UCU has lodged a dispute and the other unions are concluding their processes to determine their responses to the final offer. UCEA are organising dispute meetings for July with UCU and possibly the other unions, subject to their responses.

HEIs are asked not to implement the final 2021-22 offer until UCEA have concluded the disputes process and any subsequent actions with the unions.

5.6.1 2020-21 negotiating round

UNISON is balloting for strike action at 49 HEIs, The ballots are running until August. LSBU is not one of these HEIs.

	CONFIDENTIAL
Paper title	Report from the Group Chief Financial Officer
Board/Committee	Board of Governors
Date of meeting	22 July 2021
Author	Richard Flatman, Group Chief Financial Officer
Sponsor	Richard Flatman, Group Chief Financial Officer
Purpose	To update the Board on financial matters.
Recommendation	<p>The Board is requested to approve the:</p> <ul style="list-style-type: none"> • Proposal for a potential recognition payment to staff for 2020/21 and the £3m surplus threshold • LSBU budget for 2021/22 as recommended by FPR <p>and to note:</p> <ul style="list-style-type: none"> • The current financial performance • ESFA Return requirements • Cashflow, including progress on AIB RCF • Year end matters.

Attachments:

Appendix 1: Management accounts summary to 31 May 2021

Appendix 2: LSBU 2021/22 Budget (including waterfall comparison with 2020/21 forecast)

Appendix 3: SBC forecasts (including TU grant and cash)

Report from the Group Chief Financial Officer: July 2021

1. Current financial performance

LSBU

The May management accounts are enclosed and have been reviewed in detail by FPR.

1.1 London South Bank University - Summary position

The University continues to forecast to the budgeted surplus of £2m. There remain risks around both income and expenditure particularly with regard to the potential level of student refunds. However, there remains £2.7m in contingency, our staffing forecast feels overstated by £1.5m, our interest charge is potentially overstated by £0.5m and we have only recognised £1.7m of the £6.3m YTD underspend in Operating Expenses. As a result we are increasingly confident in the year end position.

The financial position is due to strong recruitment and re-enrolment. In terms of new students, these have increased by 6.5% as compared to 2019/20 particularly due to strong Semester 2 recruitment and ongoing apprenticeship enrolments. Continuing student numbers are up 20% as compared to 2019/20. In terms of Full Time Undergraduates, 54% of our continuing students are in Year 2 with 46% in Year 3 which provides a strong platform for next year if we can maintain the levels of student engagement and re-enrolment that we achieved this year.

The key movement this month is the recognition of additional income from Semester 2 recruitment and re-enrolment, and as a result International Income is now forecast to end the year at £17m which is an increase of £2.7m against the budget target of £14.3m and is £1.9m higher than last years out turn of £15.1m. We have removed £1.3m from our income forecast due to the lack of summer schools this year and have reduced our FT UG Income by £0.7m to allow for £4.7m of in year refunds. The overall income movement this month is an increase in income of £0.4m.

In terms of other changes, this month there was a slight increase in Academic Staff costs, a reduction in professional staff costs and a reduction in Operating expenses, primarily related to the summer Schools. As a result our overall costs reduced by £0.6m.

The net effect of income and expenditure changes is that we have been able to increase the Exceptional Items (our contingency) by £1m. The university originally budgeted £3m in exceptional items to provide a buffer in this year against the potential staff cost gap. The university has currently allocated £1.3m so there was £1.7m remaining. This month we have been able to increase the contingency to £2.7m.

The cash position for the University as at 31 May is £43.7m and this compares to a balance of £28.6m in April. The increase in cash reserves is due to the final tranche of Tuition Fee income received from Student Finance England in May. The University drew down £10m from the Revolving Credit Facility with Barclays in April whilst we were waiting for the cash transfer from accounts that had notice periods. These funds were returned to Barclays on the 17th May.

1.2 Proposed recognition payment to LSBU staff 2020/21

Taking account of the LSBU current year financial forecast, and bearing in mind that staff received no pay uplift this year, the Executive are recommending a payment of *up to 1.5%* (including on cost) to staff. It would not be treated as a bonus but rather a recognition payment to reflect challenges this year and would be non-consolidated for pension and roll forward purposes. This would apply to all staff with the exception of members of the Executive who have agreed to be excluded in the event that the proposal is approved. Based on the latest staff cost forecasts this would cost up to £1.5m in total.

Any payment would only apply in the event that:

- we could, after booking the cost, still deliver surplus ahead of (suggested £3m)
- the auditors confirm that we can definitely book in 2020/21. This is important as any decision as to the amount of payment could only be made after year end when we are confident of the outturn and have all the data including the year end pensions report.

Any such payment would be revenue expenditure outside budget (and at top end of 1.5% >£1m) and therefore it requires approval by the Board.

Implementation will be worked up in detail if approved in principle by the Board.

Board is requested to approve the potential recognition payment (subject to meeting the agreed criteria set out above) and the suggested £3m surplus threshold.

1.3 South Bank Colleges - Summary position

This is the third year that the deficit at Lambeth College will be funded through the release of deferred income received from the ESFA as part of the transaction to acquire Lambeth College. The original budget assumed £2.7m of income release to

deliver a neutral position (being the £1.7m operating deficit plus £1m of novated loan costs). We are currently forecasting a grant release of £4.4m primarily due to increased pension costs at the college.

Grant income includes £1.4m of additional programme funding as reported in November 2020. This has been reviewed by senior leadership to ensure that the College can deliver in year. An adjustment of (-£474k) of Adult Education Budget (AEB) income is likely, following indications from the GLA that deferral of delivery into 21/22 may be agreed due to the impact of the lockdown measures introduced in Jan 21. This reduction in income would be matched by a decrease in subcontracting costs as this activity moves into next year and so should not have an impact on the deficit.

There is a risk of further clawback of £179k and £278k on both Innovation Bids and Response Strand 2. The income forecast assumes that this would have been delivered for the year, and so there would be an adverse impact on the current deficit position. Opex and Staffing costs are being monitored closely to balance this clawback risk.

The cash position as at 31 May is £7.5m. This is an increase of £0.1m as compared to April. The intention is to keep this balance in excess of £1.5m to provide the college with sufficient working capital.

2. 2021/22 Budget

2.1 LSBU Budget

In advance of the Board of Governors' strategy day in April, and as part of the annual budget setting process, the team in Finance were asked to outline some options for the shape of the University in 2021/22. We proposed a number of scenarios that ranged in terms of optimism and risk.

The final scenario recommended by the Executive assumed that the University would deliver similar levels in terms of UG recruitment to 20/21, an increase in terms of Apprenticeship recruitment but a decline in PG recruitment. We had also assumed that progression would revert to the levels delivered in 2019/20. This delivered a budget scenario with £162.5m of income. The budget proposal assumed that Staff Student Ratios in the Schools increased to 23.4:1, that we would ring-fence investment in the Student Journey Directorate and that we could hold Operating Expenses steady.

Once the Shape of the budget had been set, the Finance Business partners worked closely with Deans, Directors and Budget Holders to review income targets. This indicated that there was confidence to support an increased income target of £169M.

The analysis of the increased income is shown below:

Comparison with Original Budget Model

£000k	Original Budget	Roll Over Budget	Difference	Note
Funding Grants	10,556	11,419	863	OFS Modelling suggest that the reduction in London Weighting will be offset by a better HESES and increased funding for High costs subjects such as Nursing
Home / EU Tuition Fees	100,704	103,259	2,555	£1M of income relates to RYA Students (Repeat Year Attendees) that were missed from the initial model due to uncertainty about charging in 21/22. £1.5m is due to increasing progression assumption to reflect this year's achievement
Home/EU Apprentices	7,097	7,834	737	This reflects increased confidence in terms of Progression
Overseas Tuition Fees	16,859	16,720	-139	This reflects caution in overseas recruitment
TNE Income (Enterprise)	1,550	2,000	450	TNR income is currently forecast to be £2m. The budget target has been increased to reflect this
Research & Enterprise	15,731	17,062	1,331	This is built from the current R&E pipeline, £2.5m R&E Income has yet to be signed but this is considered to be an appropriate 'stretch' target
Other Student Related	9,635	10,698	1,063	This assumes halls occupancy returns to pre-pandemic levels and we deliver a summer school next year
Operating Income	8	10	2	
Endowment Income	110	70	-40	
Total Income	162,250	169,072	6,822	

The School / Institute of Health & Social Care funding envelope has been set using Staff / Student ratios. For Professional Services, we have proposed a budget scenario that is a rollover of the current staff cost. This is in effect a freeze on PSG staff costs except for those required to support and deliver the Croydon Campus. It assumes that any pay uplift (including incremental drift) will be broadly matched by a return to normal vacancy levels and will require close monitoring throughout the year. It is not however a recruitment freeze and we should be able to replace staff who leave.

Opex budgets have been rolled over at 2020/21 levels and the only increases on the current position are investments in Croydon and previously agreed investments in IT

including the additional network costs. This would deliver on the proposal to ring-fence resources to the Student Journey Directorate.

These assumptions will deliver a surplus of £4.7m for the University after accounting for a £1.5m restructure pot, a £1m Investment Pot and an additional £1m of pure contingency. Offset against the £4.7m will be our £2.7m investment in the Croydon campus (being the net deficit in year 1 of operation in accordance with agreed business plan). The net LSBU budget surplus is £2m.

Although this will be another challenging year in budgetary terms, we are of the opinion that the income target is realistic and achievable and that the budget provides an appropriate balance of risk with focus on cost control and targeted investment where required to deliver the Corporate Strategy.

Ideally we would have preferred a higher level of surplus, particularly given the ambition in the corporate strategy, but this has been a challenge in a year when we are losing £3m of OFS grant associated with London Weighting and investing a net £2.7m in the Croydon Campus.

We have however maintained the surplus level at £2m consistent with previous years after accounting for significant levels of investment in Croydon and IT and in addition have a £1m investment pot and a further £1m of pure contingency.

The recommended budget is set out in the table below. More detail is provided in Appendix 2, together with a waterfall diagram showing a comparison with the latest in year forecast for the current financial year.

Recommended Budget

£000k	May Forecast	Proposed Budget	Croydon	Total Budget
Tuition Fee Income	127,356	125,292	2,520	127,812
Other Income	34,492	41,259	0	41,259
Total Income	161,848	166,551	2,520	169,071
School Staffing	49,875	51,184	786	51,970
Professional Staff	46,662	45,712	883	46,595
Total Staff Costs	96,537	96,896	1,669	98,565

Redundancy Provision	1,515	1,515		1,515
Depreciation	9,980	9,500		9,500
Operating Expenses	44,656	48,190	3,601	51,791
Investment Pot	2,660	1,000		1,000
Contingency	0	1,000		1,000
Interest	4,500	3,700		3,700
Total Costs	159,848	161,801	5,270	167,071
Surplus / (Deficit)	2,000	4,750	-2,750	2,000

The University budget was reviewed by the Finance Planning & Resources Committee at its July meeting and is recommended for approval.

2.2 SBC Budget

The SBC budget for 2020/21, is being presented to the SBC board for approval on 14 July. The budget proposed is an in-year deficit of £1.4m before the impact of pension valuation costs. These are forecast at £1.9m and so the college is budgeting for an overall deficit of £3.3m. This will again be funded through the release of the Transaction Unit (TU) Grant and so the reported performance will be break even.

It is however, important to note that the TU grant is expected to be fully utilised at 31/7/22 hence the focus on improved financial performance at SBC and delivery of provision at the planned new Technical College. Release of the TU grant and the cash requirements of SBC are both significant in managing the consolidated result of the group. Appendix 3 includes some slides shared recently with FPR which provide some assurance on these matters.

2.3 SBA Budget

The SBA financial results are not consolidated. The budget for 2021/22 was approved by the SBA Board on 8 July, for a small surplus of £44k on income of £9.8m.

3. ESFA returns

As part of the formal governance required by the ESFA, Colleges are being asked to complete a new College Financial Forecasting Return by 31st July 2021. The CFFR supersedes the original Integrated Financial Model for Colleges (IFMC) which was published in November 2020 as a response to feedback on the IFMC. Plans for College financial returns were also revised following the Covid-19 outbreak and the ESFA's requirement to have more up to date information. The CFFR includes a 3 year forecast and uses this financial data to determine each college's financial health grade.

The CFFR submitted will be consistent with the budget information shared with the Board and the information provided in the May Management Accounts.

4. Cashflow

A cashflow briefing paper was circulated recently following consideration of the London Realty proposals at the Extraordinary meeting of the Board on 21 June.

The cashflow forecasts are reviewed and updated constantly. Detailed 5 year cashflow forecasts were submitted to the OfS in March 2021 as reviewed and approved by the Board. Subsequent changes have been made to reflect changes in timing of receipt of the GLA grant to part fund Block A, and to account for an assumed worst case cost overrun of £8m on London Road.

The forecast cash position over the next 5 years is as follows

	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m
OFS Submission Mar 2021	35.9	21.4	31.2	37.3	40.1
Subsequent Changes	8.6	7.3	-8.0	-8.0	-8.0
Latest May 2021 Forecast	44.5	28.7	23.2	29.3	32.2

The low point in terms of funds is at the critical time in terms of SBC estate development. The above does not include any drawdown from the £15m AIB facility

These figures assume that we;

- Deliver surpluses in line with agreed forecasts. This also assumes effective turnaround of the SBC financial performance such that it is not a drain on overall group performance and hence cash generation
- Drawdown the full £30m RCF from Barclays (we can drawdown and repay in tranches to manage cash flows but the forecasts assume full drawdown over the period)

They do not however take any account of:

- any proposed capital receipts from London Realty (or any other proposed scheme for development of the SBC estate)
- the return by SBC of the £26m bridge fund for Block A
- the AIB RCF of £15m as this is not yet certain (although approved and close to completion).

Our priority has been to explore variation of payment with London Realty on the basis that (based on the cashflows above) any scheme has to be at worst cashflow neutral. We have set out details for proposed revised timing of the development which we consider would be workable in the event that we are unable to agree favourable payment terms.

5. AIB RCF

We hope to finalise outstanding points on the draft RCF agreement and to call a board sub-committee in July to approve the final facility.

Any approval is subject to Barclays' consent. Barclays have confirmed by email that they now have approvals in place for the University to enter into the AIB RCF. The formal consent is in the process of being signed but we can confirm to the Board that Barclays consents to the University entering into this facility.

The Governance Team are currently confirming with VWV that the representations, undertakings and warranties are appropriate. We are also negotiating on the permitted loans clause and have asked that it covers all intra-group lending.

6. Year end matters

6.1 Planning

Planning for the financial year end audit is underway. The audit plan proposed by KPMG for the University and College audits has been approved by the Group Audit and Risk Committee (and local SBC audit committee) with the main fieldwork taking place in October. All the interim work and the majority of the main fieldwork will be done remotely.

Buzzacott are the auditors for South Bank Academies and their audit plan has been approved by the SBA Audit Committee.

A review of the last year end audit process took place with the Finance team, KPMG and members of GARC. A number of technical and timing issues have been discussed and it is planned to manage these differently in 2021 to ensure sufficient time is allowed for all parties to review the content of the financial statements and to consider technical accounting matters. This process is underway for the 2021 year end process.

It is planned that drafts for a number of sections that feed into the Financial Statements will be prepared earlier in 2021 and be considered by the Executive ahead of review by Group Audit and Risk Committee at their October meeting. This will give GARC the opportunity to review and comment on these substantial sections of the accounts before draft accounts are presented to the Board in November.

Instructions for ordering the FRS102 pension reports have been circulated by the LPFA and circulated to members of GARC. We have requested that the report be produced using an assumption for salary increases that is bespoke to the LSBU Group. For the other key assumption regarding the discount rate, we have asked that the default assumption be used initially. We will consider during August whether this is appropriate and request a revised report if we consider that a different assumption should be used.

6.2 Fixed asset capitalisation and impairment

Throughout the year, the accounting treatment for major capital expenditure is considered in line with the Group's accounting policy for capitalisation of fixed assets. A review of existing fixed assets and expenditure held as assets under construction is underway and this includes a review of when new assets will come into use and whether or not any impairment is required. The review covers all assets and will include LEAP, London Road and the Vauxhall site.

6.3 Recovery of Accounting Records

Agresso was restored in Early April although some interfaces are still not operational including those with QL, online payments and the accommodation system. However, it is expected that accounting records will be up to date before year end. KPMG have included additional work around system recovery in their Audit Plan and an Internal Audit review of workaround and recovery processes is underway.

During the system outage, records of debtors and receipts were not complete and therefore credit control activities could not take. The impact on recovery of debt and the year end bad debt provision is being considered as part of the year end process.

7. Pensions

The LSBU Group Personal Pension scheme with Aviva is now being used as the default scheme for new professional services staff in LSBU and SBC, in addition to SBUEL and SW4 staff who continue to be enrolled in this scheme. Policies for group life cover and group sickness cover is in place as an additional benefit for staff in the Aviva scheme.

USS Scheme contribution rates will go up from Oct 2021. The current contribution rate is 30.7%, with members paying 9.6% of salary, and employers 21.1%. In October, the combined contribution rate is due to rise to 34.7%, following implementation of the final increment in the phased increases that followed the 2018 valuation. Member's contribution will go up to 11%, and employers will pay 23.7%.

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MAY-21 EXECUTIVE SUMMARY

This Executive Summary reports on the draft financial position of London South Bank University as at 31st May 2021.

1) RAG Status

Income Growth FYF v 19/20 outturn	3.0%
Opex Growth less Asset Write downs	-7.2%

Staff Cost % excluding restructuring	59.6%
Staff Cost Growth excluding restructuring	9.5%

FYF Surplus (Contribution %)	1.2%
EBITDA	10.2%

2) Summary

Contribution Budgeted at £2m The University continues to forecast to the budgeted surplus of £2m. There remain risks surrounding both income and expenditure particularly with regard to the potential level of student refunds. However there remains £2.7m in contingency, our staffing forecast feels overstated by £1.5m, our interest charge is potentially overstated by £0.5m and we have only recognised £1.7m of the £6.3m YTD underspend in Operating Expenses. As a result we are increasingly confident in the year end position.

Enrolled student FTE up 14% vs 19/20 The financial position is due to strong recruitment and re-enrolment. In terms of new students, these have increased by 6.5% as compared to the 2019/20 particularly due to strong Semester 2 recruitment and ongoing apprenticeship enrolments. Continuing student numbers are up 20% as compared to 2019/20. In terms of Full Time Undergraduates, 54% of our continuing students are in Year 2 with 46% in Year 3 which provides a strong platform for next year if we can maintain the levels of student engagement and re-enrolment that we achieved this year.

International Income is at £17m The key movement this month is the recognition of additional income from Semester 2 recruitment and re-enrolment, and as a result International Income is now forecast to end the year at £17m which is an increase of £2.7m against the budget target of £14.3m and is £1.9m higher than last years out turn of £15.1m. We have removed £1.3m from our income forecast due to the lack of summer schools this year and have reduced our FT UG Income by £0.7m to allow for £4.7m of in year refunds and so the overall income movement is an increase in income of £0.4m. Our forecast expenditure also reduced by £0.6m this month and so we have been able to increase the Exceptional Items, our contingency, by £1m to £2.7m.

Other costs reduced by £0.6m In terms of other changes, this month there was a slight increase in Academic Staff costs, a reduction in professional staff costs and a reduction in Operating expenses, primarily related to the summer Schools. As a result our overall costs reduced by £0.6m which enabled us to transfer an additional £1m to Exceptional Items.

Exceptional items increased to £2.7m The university originally budgeted £3m in exceptional items to provide a buffer in this year against the potential staff cost gap. The university has currently allocated £1.3m so there was £1.7m remaining. This month we were able to increase this contingency to £2.7m.

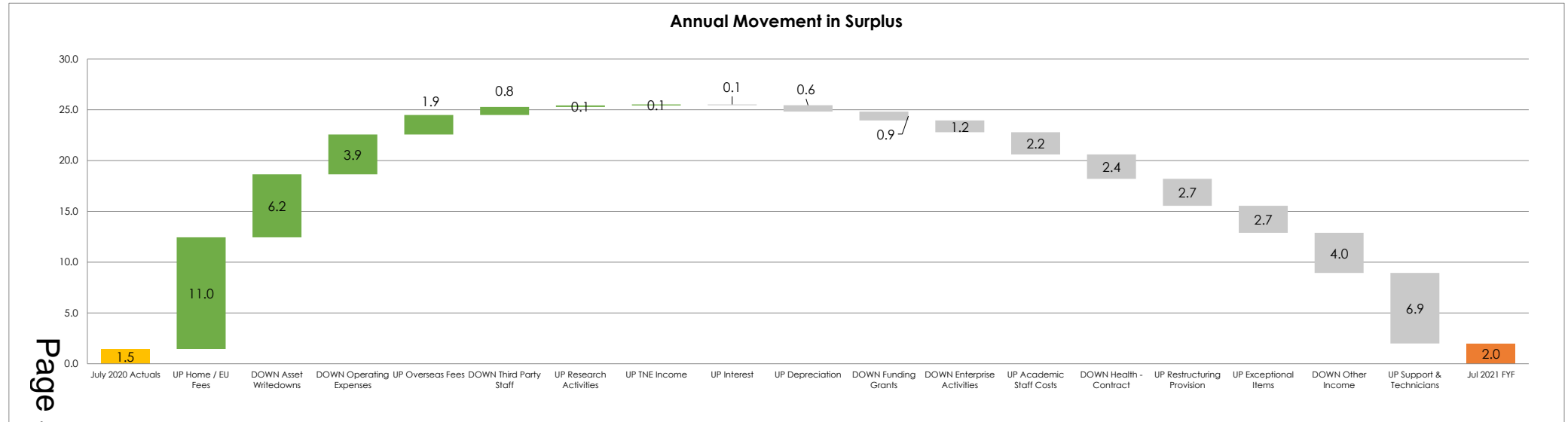
Cash position = £43.7m The cash position for the University as at 31 May is £43.7m and this compares to a balance of £28.6m in April. The increase in cash reserves is due to the final tranche of Tuition Fee income received from Student Finance England in May. The University drew down £10m from the Revolving Credit Facility with Barclays in April whilst we were waiting for the cash transfer from accounts that had notice periods. These funds were returned to Barclays on the 17th May.

3) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	CURRENT YEAR BUDGET vs PRIOR YEAR ACTUALS				FULL YEAR FORECAST OUTTURN POSITION					YEAR ON YEAR (Y-T-D COMPARISON)			
	19/20 Actuals	20/21 Budget	Change to 19/20	Change %	Apr 20/21 Forecast Outturn	Monthly move	May 20/21 Forecast Outturn	Variance to 20/21 Budget	Budget variance %	19/20 Actuals	20/21 Actuals	Change to 19/20	Change %
Funding Grants	14.4	13.5	-1.0	-7%	13.5	0.0	13.5	0.1	1%	11.5	11.7	0.1	1%
Health - Contract	2.9	0.6	-2.4	-81%	0.6	0.0	0.6	0.0		3.2	0.8	-2.4	-75%
Home / EU UG Fees	86.2	85.7	-0.5	-1%	97.2	-0.7	96.6	10.8	13%	86.7	99.1	12.3	14%
Home / EU PG Fees	12.6	12.6	-0.0	-0%	13.2	0.0	13.2	0.6	5%	12.5	12.6	0.1	0%
Overseas Tuition Fees	15.1	14.3	-0.8	-5%	14.8	2.2	17.0	2.7	19%	15.1	18.2	3.1	20%
TNE Income	1.9	1.6	-0.3	-18%	2.0	0.0	2.0	0.5	29%	1.9	1.8	-0.1	-5%
Research Activities	6.3	6.1	-0.3	-4%	6.3	0.2	6.5	0.4	7%	5.1	5.2	0.1	2%
Enterprise Activities	7.0	9.3	2.3	33%	7.2	-1.3	5.8	-3.4	-37%	6.5	4.6	-1.8	-28%
Student Related Income	8.6	9.6	1.0	12%	6.5	0.0	6.5	-3.1	-32%	6.9	5.7	-1.3	-18%
Other Operating Income	1.7	0.0	-1.7	-100%	0.0	0.0	0.1	0.1	-1961%	0.3	0.7	0.4	143%
Endowments & Interest	0.3	0.1	-0.2	-63%	0.1	0.0	0.1	-0.0	-36%	0.3	0.0	-0.2	-84%
Income	157.1	153.3	-3.8	-2%	161.4	0.4	161.8	8.6	6%	150.0	160.3	10.3	7%
Academic Staff Costs	43.0	42.1	-0.9	-2%	45.0	0.2	45.2	3.1	7%	35.4	37.2	1.8	5%
Support & Technicians	41.6	44.6	3.0	7%	48.9	-0.3	48.6	4.0	9%	34.5	36.3	1.9	5%
Third Party Staff	3.6	2.0	-1.6	-45%	2.7	0.1	2.8	0.8	41%	2.9	2.5	-0.4	-12%
Restructuring	1.1	2.3	-1.1	99%	1.5	0.0	1.5	3.8	-167%	0.2	0.3	0.1	68%
Depreciation	9.4	10.5	1.1	12%	10.0	0.0	10.0	-0.5	-5%	7.1	8.4	1.3	18%
Operating Expenses	54.8	46.4	-8.4	-15%	45.1	-0.4	44.7	-1.7	-4%	36.4	31.9	-4.5	-12%
Interest Payable	4.4	5.8	1.4	31%	4.5	0.0	4.5	-1.3	-22%	3.7	3.6	-0.1	-4%
Exceptional Items	0.0	2.2	2.2		1.7	1.0	2.7	0.5	23%	0.0	0.0	0.0	
Expenditure	155.6	151.3	-4.4	-3%	159.4	0.4	159.8	8.6	6%	120.1	120.2	0.1	0%
Surplus for the year	1.5	2.0	0.6	38%	2.0	0.0	2.0	-0.0	1%	29.9	40.1	10.2	34%
Surplus as % of income	0.9%	1.3%	41%		1.2%		1.2%			19.9%	25.0%	25%	
Staff costs as % of income	55.4%	56.4%	2%		60.8%		60.6%			48.6%	47.6%	-2%	

4) Forecast Summary

The key movements in the current forecast as compared to the 19/20 final outturn are the £11.0m additional Home/EU Tuition Fees due to the 14% growth in student FTEs and the one off write down of £6.2m of Assets at year end. The University has also reduced its Operating Expenses by a total of £3.9m, and has increased its Overseas Income forecast by £1.9m as compared to last years out turn. Our forecast on 3rd Party staff is £0.8m less than 2019/20, we have £0.1m more Research activity and are forecasting a slight year on year increase in TNE Income. These movements are funding a slight increase in our interest charge and a £0.6m increase in depreciation. This has enabled us to absorb a reduction of £0.9m in Funding grants and a £1.2m reduction in Enterprise activities. UP Academic Staff Costs are £2.2m, DOWN Health Contract is £2.4m, UP Restructuring Provision is £2.7m, UP Exceptional Items is £2.7m, DOWN Other Income is £4.0m, UP Support & Technicians is £6.9m and Jul 2021 FYF is £2.0m.



5) Contribution Analysis

Contribution is on budget In total the Schools have delivered their Full Year Income Forecast and are currently forecast to deliver £7.5m more than budget and £2.8m more than last year. The biggest year on year increases are in the Schools of Applied Sciences and Engineering who are forecast to increase their contribution by £1.1m each and in Law & Social Sciences which is forecast to increase its contribution by £0.8m. This has enabled £0.7m of investments in the School of the Built Environment & Architecture and £0.4m Investment in the School of Arts & Creative Industries. The Institute of Health & Social Care is forecast to increase its contribution by £0.3m

Contribution per School across Teaching, Research and Enterprise activities

£'millions	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Law & Social Sciences		Total All Schools		Institute of Health & Social Care	
	19/20 Actual	May 20/21 FYF	19/20 Actual	May 20/21 FYF	19/20 Actual	May 20/21 FYF	19/20 Actual	May 20/21 FYF	19/20 Actual	May 20/21 FYF	19/20 Actual	May 20/21 FYF	19/20 Actual	May 20/21 FYF	19/20 Actual	May 20/21 FYF
Income	£11.2	£12.8	£11.6	£10.8	£20.5	£21.1	£24.6	£25.3	£19.0	£20.8	£16.3	£17.7	£103.1	£108.4	£36.9	£37.8
Expenditure before space charge	£5.3	£5.7	£5.5	£5.1	£6.6	£7.9	£8.5	£8.6	£9.7	£10.4	£6.3	£7.0	£41.9	£44.7	£16.8	£17.5
Contribution	£5.9	£7.0	£6.0	£5.6	£13.9	£13.2	£16.1	£16.7	£9.3	£10.5	£9.9	£10.7	£61.2	£63.7	£20.0	£20.3
Contribution %age	52.7%	54.9%	52.2%	52.3%	67.9%	62.7%	65.5%	65.9%	49.1%	50.2%	61.0%	60.6%	59.4%	58.7%	54.4%	53.7%

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

£'millions	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Law & Social Sciences		Total All Schools		Institute of Health & Social Care	
	19/20 Actuals	May 20/21 FYF	19/20 Actuals	May 20/21 FYF	19/20 Actuals	May 20/21 FYF	19/20 Actuals	May 20/21 FYF	19/20 Actuals	May 20/21 FYF	19/20 Actuals	May 20/21 FYF	19/20 Actuals	May 20/21 FYF	19/20 Actuals	May 20/21 FYF
Teaching Income	£10.3	£11.7	£10.9	£10.3	£19.6	£20.2	£23.9	£24.9	£15.0	£16.5	£15.6	£17.3	£95.5	£101.0	£33.7	£36.2
Teaching Staff	£3.9	£4.3	£3.3	£3.6	£5.2	£5.9	£5.1	£5.5	£5.0	£5.2	£5.3	£5.7	£27.8	£30.2	£12.9	£13.9
Teaching Expenditure (excl space charge)	£0.7	£0.4	£1.6	£0.8	£0.8	£0.9	£3.1	£2.9	£0.9	£0.8	£0.8	£0.8	£7.9	£6.7	£2.0	£1.7

Teaching Contribution	£5.7	£7.0	£6.0	£5.9	£13.6	£13.4	£15.7	£16.6	£9.1	£10.5	£9.6	£10.8	£59.8	£64.1	£18.9	£20.6
Staff cost as %age of income	37.7%	36.9%	29.8%	35.0%	25.8%	29.1%	20.9%	22.1%	32.4%	31.7%	33.4%	32.8%	28.6%	29.9%	38.1%	38.4%
Contribution %	55.4%	59.3%	54.1%	57.3%	67.9%	66.3%	64.4%	66.4%	58.5%	63.4%	60.6%	62.4%	61.4%	63.5%	55.9%	56.8%
Return on Academic Investment	146.9%	160.5%	181.8%	164.0%	262.6%	228.0%	308.2%	300.7%	180.5%	200.4%	181.3%	190.3%	214.8%	212.1%	146.8%	147.8%
Full Year Student FTE	1,006	1,223	1,113	1,064	2,042	2,192	2,418	3,096	1,410	1,677	1,706	1,929	9,695	11,181	3,650	3,984
Expenditure per FTE	£4,547	£3,902	£4,400	£4,133	£2,947	£3,114	£3,380	£2,703	£4,230	£3,591	£3,554	£3,372	£3,682	£3,299	£4,074	£3,929
Contribution per Stud FTE	£5,700	£5,700	£5,400	£5,600	£6,700	£6,100	£6,500	£5,400	£6,400	£6,200	£5,600	£5,600	£6,200	£5,700	£5,200	£5,200

The Schools Teaching budget was set using Staff / Student ratios and with a standard investment in Operating Expenses per student. Schools predominately offering courses categorised as "high-cost subjects" by the OfS receive more funding per student to compensate for the cost of providing specialised laboratory space and technical support. It is consistent with expectations that those Schools delivering a portfolio of courses biased towards "high-cost subjects" would have a higher contribution to cover the costs incurred by Estates and Technicians required to support delivery.

6) Student Number Analysis

The University is doing particular well in terms of student numbers and we are 14% up year on year. There has been particularly strong recruitment in Applied Sciences, Engineering and the Institute of Health & Social Care and these 3 schools are each 100 FTE over target. In terms of continuing students, we have 1,400 FTE more than last year which is growth of 20%. The School of Business has 600 more students than last year and every school apart from Arts & Creative Industries is recording double digit growth.

**Enrolment FTE up
13.9% year-on-year**

[----- New -----]				
School	MAY-20	MAY-21	Change	% Change
ASC	495	633	138	27.9%
ACI	464	432	-32	-6.9%
BEA	895	879	-16	-1.8%
BUS	1,346	1,419	73	5.4%
ENG	661	775	114	17.2%
HSC	1,628	1,760	132	8.1%
LSS	879	882	3	0.3%
YTD Total	6,368	6,780	412	6.5%

[----- Continuing -----]				
School	MAY-20	MAY-21	Change	% Change
ASC	511	590	79	15.5%
ACI	649	632	-17	-2.6%
BEA	1,147	1,313	166	14.5%
BUS	1,072	1,677	605	56.4%
ENG	749	902	153	20.4%
HSC	2,022	2,224	202	10.0%
LSS	827	1,047	220	26.6%
YTD Total	6,977	8,385	1,408	20.2%

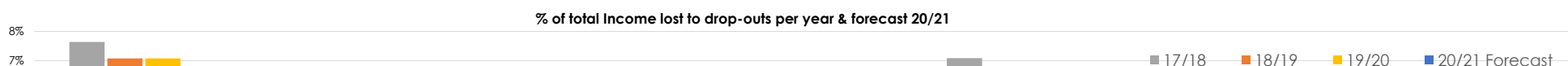
[----- TOTAL -----]				
School	MAY-20	MAY-21	Change	% Change
ASC	1,006	1,223	217	21.6%
ACI	1,113	1,064	-49	-4.4%
BEA	2,042	2,192	150	7.3%
BUS	2,418	3,096	678	28.0%
ENG	1,410	1,677	267	18.9%
HSC	3,650	3,984	334	9.2%
LSS	1,706	1,929	223	13.1%
YTD Total	13,345	15,165	1,820	13.6%

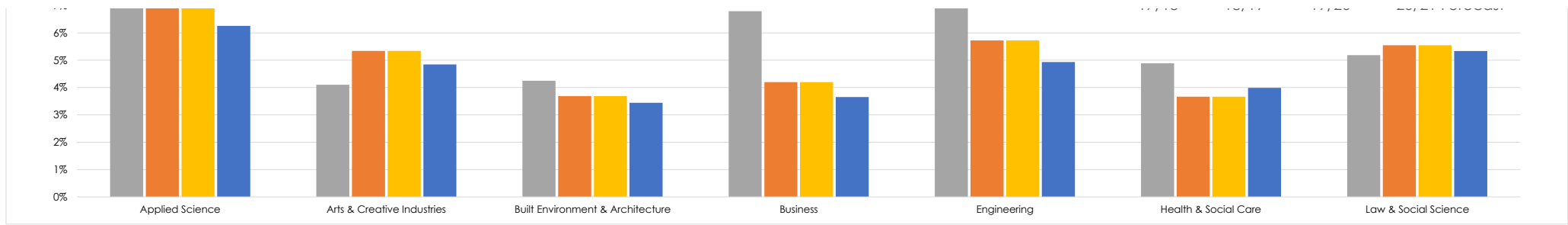
7) Student Withdrawal Analysis

Summary

The University typically withdraws or interrupts over 1,000 students in year costing in excess of £4.5m and by the end of May has typically withdrawn over 800 students. This year we have withdrawn just 486 and have made refunds of £2.6m. This position may be a little understated as we are still working on bringing QL up to date. In terms of Full Time Undergraduates we have billed £92.3m of income and have recognised £90.2m in the forecast and so we are still providing £2.1m for future refunds

Lost Fee Income' in £000K	17/18 Actuals	18/19 Actuals	19/20 Actuals	Forecast 20/21	% change 19/20 vs 20/21	Forecast % income lost by Jul 21	Last 4 year school average	Lost income as at MAY-21	Academic year	YTD withdrawals (incl. interrupted)	Full Year withdrawals (incl. interrupted)
Applied Science	653	603	547	570	4.2%	6.3%	6.5%	407	17/18	882	1,144
Arts and Creative Industries	391	538	325	490	50.6%	4.8%	4.8%	259	18/19	825	1,070
Built Environment & Architecture	601	558	544	570	4.8%	3.4%	4.1%	398	19/20	862	1,037
Business	998	696	851	850	-0.1%	3.7%	5.5%	475	20/21	486	969
Engineering	815	659	561	628	11.9%	4.9%	6.0%	286			
Health & Social Care	482	715	920	1,050	14.1%	4.0%	5.0%	557			
Law & Social Sciences	652	722	569	800	40.6%	5.3%	5.2%	252			
Total	4,592	4,490	4,317	4,958	14.8%	4.4%	5.2%	2,635			





"Lost income" is the difference between income generated at Enrolment and the amount retained at the end of the Year. The University receives funding for UG students in 3 tranches; 25% for Semester 1, 25% for Semester 2 and 50% for semester 3; if a student does not progress into the following semester then a refund is generated.

8) Income Analysis

Total income £10.3m ahead of YTD Position
 In terms of Income, we have currently billed £160.3m. This is a £10.3m improvement on the £150.0m we had generated at this time last year and represents almost 7% growth. This month we have increased our overall income forecast by £0.4m and are currently forecasting a full year position of £161.8m. In terms of changes this month we increased our Overseas Postgraduate income forecast by £2.2m due to strong Semester 2 activity, we reduced our Full time Undergraduate Tuition Forecast by £0.7m to reflect the full year provision of £4.7m for potential dropouts and we reduced Other Student Related Income by £1.3m to reflect the lack of summer school this year.

Home & EU tuition fees = 115% of budget
 The key driver for the increase in income is Home / EU Tuition fees for Undergraduates and Apprenticeships, this is driven by strong recruitment and re-enrolment. The full year forecast of £90.2m for UG and £6.4m for Apps would represent £10.3m growth as compared to last years full year outturn of £86.3m. In terms of billing, we have currently billed £99.1m against that £96.6m forecast and are carrying a provision of £2.7m for additional student refunds

Overseas tuition fees = 127% of budget
 In terms of Overseas Tuition Fees we have completed Semester 2 enrolment and re-enrolment and have billed £18.2m against a revised forecast of £17m. There may be an element of tuition fee refunds but we would expect the full year forecast to rise to £17.5m by year end. This would represent year on year growth of £2.4m. This is primarily driven by Undergraduate recruitment.

86% of Research income Budget achieved
 The University has currently delivered £5.1m of Research income against a budget target of £6.1m representing 83% of the full year forecast. This is slightly down as compared to the budgeted YTD position of £5.2m and is due to delays in billings for research projects. We are currently forecasting that Research Income will be £0.4m ahead of budget by year end.

70% of Enterprise income budget achieved YTD
 The University has currently delivered £4.6m of income against a budget target of £9.3m representing 70% of the full year forecast. This compares unfavourably to the £6.5m delivered at this time in 19/20. The reduction is due to the delay of Enterprise projects due to Covid 19 and there is a significant reduction in CPPD activity as Health Professionals have not been released from the wards and so the overall Enterprise Forecast has been reduced to £5.8m

9) Staff Cost Analysis

YTD Staff costs have increased by £2.5m and the Pension costs have increased by £4.0m
 Staff costs are one of the key risks to our performance in 20/21. The Scenario 2 budget assumed a rollover position for 20/21 in terms of posts but with staff saving required of £3.8m in the November budget review to balance the forecast reduction in income. There were also a number of Academic posts that were recruited to ensure capacity in stretched Academic areas. These posts were to be funded through reduced Opex if the income was not delivered and so were not included in the staff budget to avoid double counting. Excluding the Restructuring Provision, University staff costs are currently £6.2m over budget YTD whereas the Full Year Forecast assumes that we will end the year £7.9m over budget. This would imply that the staffing forecast contains a number of posts that have not been filled and could be overstated by at least £1.5m.

10) Operating Expense Analysis

YTD Opex are £6.3m better than budget
 In the scenario 2b budget all areas with Operating Expenses had their budget reduced by an average of 2%. YTD operating expenses currently stand at £31.9m as compared to a budget of £38.2m and comparable spend of £36.4m in 19/20. The key areas of Underspend remain in staff related expenditure which may be impacted by the degree of remote working and in student related expenditure particularly with regard to student consumables. We have recognised £1.7m of the current £6.3m underspend. The YTD position will change as Agresso is brought up to date and we will have a clearer position as to the potential level of headroom caused by the underspend in Opex at the end of June. This will then be managed during July with Asset write downs to ensure that we deliver near the targeted level of surplus.

11) Interest Payable

Budget is overstated
 In the scenario 2b budget we had assumed £5.8m of Interest expenses. This was calculated as £1m existing loans, £2.4m FRS102 Interest and £2.4m interest on new loans/overdraft. The current forecast is that the Revolving Credit Facility will only be needed for 1 month and indeed has already been refunded. We have recognised £1.3m of the underspend and there may be further savings against budget of £0.5m to recognise.

12) Exceptional Items

Exceptional items forecast at £2.2m
 The University created £4.5m of 'headroom' in the scenario 2b budget with a proposed £2m surplus and £2.5m of Exceptional items. The University is currently on track to deliver the proposed £2m surplus with £2.7m remaining in Exceptional items

13) Cash Position

**Exceptional items
forecast at £2.2m**

The cash position for the University as at 31 May is £43.7m and this compares to a balance of £28.6m in April. The increase in cash reserves is due to the final tranche of Tuition Fee income received from Student Finance England in May. The University drew down £10m from the Revolving Credit Facility with Barclays in April whilst we were waiting for the cash transfer from accounts that had notice periods. These funds were returned to Barclays on the 17th May.

LONDON SOUTH BANK UNIVERSITY / ENTERPRISES

Management Summary Report from August 2020 To The End Of May 2021

SMT Area: All

Cost Centre: %



Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	Code	Client	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
					2020 Forecast	2020 Budget	Variance - Forecast to Budget		Note	2020 Actuals	2020 Budget	Variance - Actuals to Budget		Note	
					(£)	(£)	(£)	%		(£)	(£)	(£)			%
-157,062,747	-150,031,207	Total Income			-161,848,731	-153,264,959	8,583,772	6%		-160,344,426	-146,252,870	14,091,556	10%	-1,504,305	
87,056,752	72,888,834	Total Staff Costs			98,052,356	86,413,704	(11,638,652)	(13%)		76,378,096	73,917,192	(2,460,904)	(3%)	21,674,260	
9,354,506	7,098,044	Total Depreciation			9,979,000	10,500,000	521,000	5%		8,388,377	7,408,429	(979,948)	(13%)	1,590,623	
54,774,900	36,409,916	Total Other Operating Expenses			44,656,557	46,866,796	2,210,239	5%		31,871,482	38,657,228	6,785,745	18%	12,785,075	
4,416,903	3,706,925	Total Interest Payable			4,499,998	5,799,998	1,300,000	22%		3,574,401	2,838,634	(735,767)	(26%)	925,597	
		Total Exceptional Items			2,660,733	1,670,072	(990,661)	(59%)						2,660,733	
	280	Total Internal Allocations													
-1,459,686	-29,927,208	Contribution			-2,000,087	-2,014,389	(14,303)	(1%)		-40,132,069	-23,431,387	16,700,682	71%	38,131,982	
55.4%		Staff costs as % of income			60.6%	56.4%				47.6%	50.5%				
.9%		Contribution %			1.2%	1.3%				25.0%	16.0%				

MAR-2=1 EXECUTIVE SUMMARY

This Executive Summary reports on the draft financial position of Lambeth College as at 31 March 2021.

1) RAG Status

Income Growth FYF v 19/20 outturn	9.8%
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Staff Cost % excluding restructuring	60.5%
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FYF Surplus (Contribution %)	0.0%
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2) Summary

Opex Growth	6.0%
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Staff Cost Growth	10.4%
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EBITDA	6.7%
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Budgeted Contribution at £0

This is the Third year that the deficit at Lambeth College will be funded through the release of deferred income received from the ESFA as part of the transaction to acquire Lambeth College. The original budget assumed £2.7m of income release to deliver a neutral position. (this is the £1.7m operating deficit plus £1m of Novated loan costs). We are currently forecasting a grant release of £4.4m primarily due to increased Pension costs at the college. Any reduction in grant income will have a direct impact on the level of deficit and so we continue to monitor the risk of clawback closely.

Funding Grants may be overstated

Grant income includes additional £1.4 m of additional programme funding as reported in November 2020. This has been reviewed by Senior Leadership to ensure that we can deliver in year. An adjustment of (-£474k) of additional AEB income is likely, following indications from the GLA that deferral of delivery into 21/22 may be agreed due to the impact of the lockdown measures introduced in Jan 21. In addition funding reports indicate a further risk of clawback of £179k and £278k on both Innovation Bids and Response Strand 2. The income forecast assumes that this would have been delivered for the year, so there is a high risk of impact on the current deficit position.

Fee Income has been revised down

A re-forecast for the likely full year out turn informed by take up for the 9 month period, was completed in April. Schools income is now assumed to be £261k under budget for the year. Learner Loan Income (budgeted £1.4m) forecast down to £834k for 12m (-ve variance of (-£576)). The effects of this write down is mitigated by a further increase in LA contributions to High Needs of +£271k (now forecast as £1.9m for full year) and a further £157k of Adult High Skills funding received.

Staff costs are ahead of Budget

Staffing costs are currently reported as(-£156k behind the expected profiled expenditure. Once adjusted for the timing of subcontractor costs, (<£456k under budget profile), this budget area is ahead of budget profile by £612k for the 10 month period. This adjusted position supports the overall full year forecast which expects staffing expenditure to exceed budget; currently forecast at being (-£1m) above budget for the 12m period (Total forecast is -£1.9m above staff budget: -£1m above budget once additional subcontractor costs relating to additional grant income received is excluded - £900k). Additional costs of delivery to support High Needs students is a further contributing factor, offset by a corresponding increase in expected levels of funding (+£547k). Note: annual pay increases have not been implemented ytd but this 12m forecast now includes an assumption that a 1% uplift is awarded in line with budget

Opex are under review

Non staffing costs continue to require careful management: forecast outturn for the full year in line with that reported last month -£1.2m above budget(18%). As previously reported procurement exercises have been completed for both electricity and gas, with significant costs savings expected to be fully realised from October 2021 onwards. In addition photocopier contracts have been re-negotiated-new contracts will deliver enhanced service support and expect a minimum of 10% year-on-year savings. Main in-year pressure in this budget area relate to the cost purchases of student IT devices (£717k above available budgets, and limited opportunity to re-sell within the group following increased demand). IT networking contribution of £300k is also budgeted for investment. Much of this expenditure may be capitalised at end of year, but are being financed via TU Grant funding. Finally premises related costs, including increased cleaning costs and reactive maintenance works are expected to add a further >£200k of cost pressure for the full 12m budget.

Cash position = £7.5m

The cash position as at 31 May is £7.5m, this is an increase of £0.1m as compared to April. The intention is to keep this balance in excess of £1.5m to provide the college with sufficient working capital

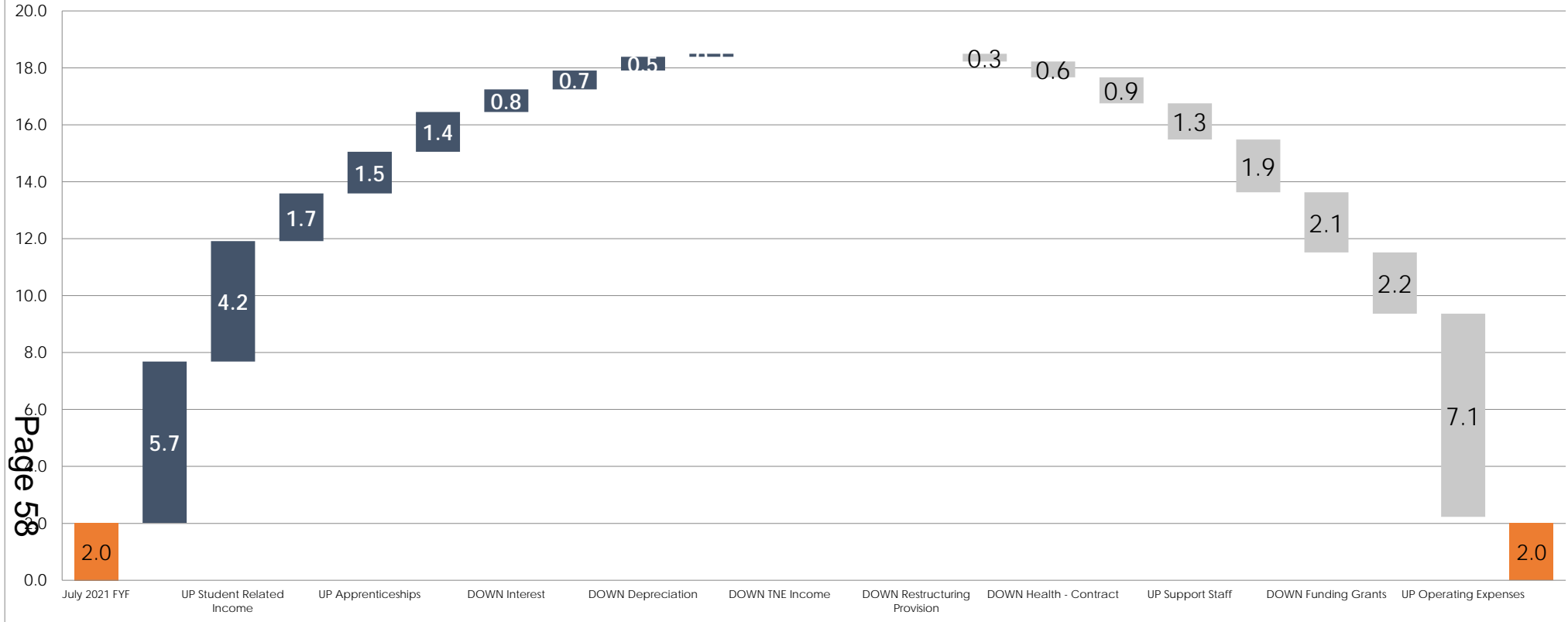
3) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	CURRENT YEAR BUDGET vs PRIOR YEAR ACTUALS				FULL YEAR FORECAST OUTTURN POSITION					YEAR ON YEAR (Y-T-D COMPARISON)			
	19/20 Actuals	20/21 Budget	Change to 19/20	Change %	Apr 20/21 Forecast Outturn	Monthly move	May 20/21 Forecast Outturn	Variance to 20/21 Budget	Budget variance %	19/20 Actuals	20/21 Actuals	Change to 19/20	Change %
Funding Grants	22.3	21.9	-0.4	-2%	24.5	0.3	24.8	2.9	13%	20.0	19.5	-0.4	-2%
Transaction Unit Grant	4.9	2.7	-2.2	-45%	4.6	-0.2	4.5	1.8	66%	0.0	0.0		
Tuition Fees & Education Contracts	0.6	2.1	1.6	283%	1.3	-0.0	1.2	-0.9	-41%	0.5	1.0	0.6	115%
Enterprise Activities	0.2	0.1	-0.1	-49%	0.0	0.0	0.0	-0.1	-90%	0.2	0.0	-0.2	-95%
Student Related Income	0.0	0.0	0.0	28%	0.0	0.0	0.0	-0.0	-90%	0.0	0.0	-0.0	-87%
Other Operating Income	0.9	1.0	0.1	8%	1.3	0.0	1.3	0.3	27%	0.4	3.0	2.6	671%
Endowments & Interest	0.0	0.0	-0.0	-100%	0.0	0.0	0.0	0.0		0.0	0.0	0.0	
Income	28.9	27.8	-1.1	-4%	31.6	0.1	31.8	3.9	14%	21.0	23.5	2.5	12%
Academic Staff Costs	9.5	9.5	0.1	1%	9.4	-0.0	9.4	-0.2	-2%	7.9	7.7	-0.2	-2%
Support & Technicians	4.6	5.5	1.0	21%	4.8	0.0	4.8	-0.7	-13%	4.0	4.0	-0.0	-0%
Third Party Staff	3.7	2.9	-0.7	-20%	5.1	0.0	5.1	2.1	73%	2.7	3.0	0.4	13%
Restructuring / Pension Costs	1.7	-0.3	-2.0	-117%	2.2	0.0	2.2	2.5	-871%	0.2	0.7	0.5	207%
Depreciation	1.3	1.4	0.1	10%	1.3	0.0	1.3	-0.1	-9%	0.0	1.1	1.1	
Operating Expenses	7.7	7.8	0.0	1%	8.0	0.2	8.2	0.4	5%	5.3	6.4	1.1	21%
Interest Payable	0.5	1.0	0.5	96%	0.9	-0.0	0.9	-0.1	-12%	0.6	0.7	0.1	12%
Exceptional Items	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	
Expenditure	28.9	27.8	-1.1	-4%	31.6	0.1	31.8	3.9	14%	20.7	23.6	2.9	14%
Surplus for the year	0.0	0.0	-0.0	-100%	0.0	0.0	0.0	0.0		0.3	0.0	-0.4	-114%
Surplus as % of income	0.0%	0.0%		-100%						1.6%	-0.2%		-112%
Staff costs as % of income	67.2%	63.6%		-5%	68.0%		67.6%			70.0%	65.3%		-7%

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	Code	Client	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
					2020 Forecast (£)	2020 Budget (£)	Variance - Forecast to Budget (£) %		Note	2020 Actuals (£)	2020 Budget (£)	Variance - Actuals to Budget (£) %		Note	
(28,936,878)	(21,039,919)	Total Income			(31,784,953)	(27,723,710)	4,061,243	15%		(23,545,872)	(21,307,856)	2,238,016	11%		(8,239,081)
19,458,003	14,737,036	Total Staff Costs			21,482,677	17,707,917	(3,774,760)	(21%)		15,385,876	14,853,453	(532,424)	(4%)		6,096,800
1,272,961		Total Depreciation			1,274,135	1,400,000	125,865	9%		1,061,779	1,166,667	104,887	9%		212,356
7,702,441	5,327,459	Total Other Operating Expenses			8,162,432	7,750,083	(412,349)	(5%)		6,428,851	6,486,666	57,814	1%		1,733,580
503,286	643,161	Total Interest Payable			865,710	865,710		%		721,425	721,425		%		144,285
(187)	(332,264)	Contribution			()	()		71%		52,060	1,920,354	1,868,295	97%		(52,060)
(187)	(332,264)	Contribution After Internal Allocations		SC	()	()		71%		52,060	1,198,929	1,146,870	96%		(52,060)

Summary / TM1 template						
LSBU - Budget targets						
LSBU All						
Total Position	2020 Agresso Budget	2020 Agresso Forecast	Roll Over Budget	New Budget vs Forecast	Croydon	Total Budget
<i>Check</i>						
Contribution	-2,014,389	-2,000,087	-4,750,241	-2,750,154	2,750,241	-2,000,000
1 Total Income	-153,264,959	-161,848,731	-166,551,965	-4,703,234	-2,520,000	-169,071,965
1008 Funding Grants	-13,451,046	-13,533,990	-11,419,491	2,114,499	0	-11,419,491
1010 Health - Contract	-555,638	-555,638	0	555,638	0	0
1020 Fees - Home & EU UG	-80,181,444	-90,202,117	-89,357,502	844,616	-2,520,000	-91,877,502
1022 Fees - Home & EU PG	-12,600,206	-13,236,417	-11,381,016	1,855,401	0	-11,381,016
1023 Fees - Home & EU Apprenticeships	-5,558,903	-6,372,215	-7,833,799	-1,461,584	0	-7,833,799
Total Home / EU Tuition Fee Income	-112,347,237	-123,900,377	-119,991,807	3,908,570	-2,520,000	-122,511,807
1025 Fees - Overseas UG	-10,182,488	-10,922,390	-11,294,230	-371,840	0	-11,294,230
1030 Fees - Overseas PG	-4,107,570	-6,067,999	-5,425,671	642,328	0	-5,425,671
Total Overseas Tuition Fee Income	-14,290,058	-16,990,389	-16,719,901	270,488	0	-16,719,901
1038 Research - Funding Grants	-2,425,024	-2,438,857	-2,221,137	217,720	0	-2,221,137
1040 Research - Grants	-3,309,078	-3,485,283	-3,055,378	429,905	0	-3,055,378
1042 Research - Collaborations	-124,549	-284,042	-191,657	92,385	0	-191,657
1043 Research - Studentships	-191,662	-246,312	-73,803	172,509	0	-73,803
Total Research Income	-6,050,313	-6,454,493	-5,541,975	912,519	0	-5,541,975
1035 Overseas Partnerships	-1,550,000	-2,000,000	-2,000,000	0	0	-2,000,000
1044 Enterprise - Funding Grants	-717,296	-717,296	-717,296	0	0	-717,296
1045 Enterprise - Research Related Activities	-547,125	-441,448	-650,257	-208,810	0	-650,257
1044 Enterprise - University Fees	-2,374,774	-799,216	-2,297,550	-1,498,334	0	-2,297,550
1056 Enterprise - Other	-5,650,756	-3,890,747	-7,854,748	-3,964,001	0	-7,854,748
Total Enterprise Income	-10,839,951	-7,848,707	-13,519,852	-5,671,145	0	-13,519,852
1070 Other - Student Related Income	-9,565,208	-6,467,497	-10,697,930	-4,230,433	0	-10,697,930
1075 Other - Operating Income	-62,192	-117,268	-10,500	106,768	0	-10,500
1080 Endowment Income & Interest Received	-110,000	-70,000	-70,000	0	0	-70,000
2 Total Staff Costs after Savings	86,413,704	98,052,355	98,411,644	359,289	1,668,861	100,080,505
2001 Academic - Permanent staff	38,450,187	40,467,806	42,225,107	1,757,301	786,701	43,011,808
2025 Interdepartmental Delivery staff	112,356	0	-12	-12	0	-12
2020 Academic - Temporary staff	2,262,999	3,132,753	2,241,788	-890,965	0	2,241,788
2101 Technicians staff	2,807,905	2,763,851	2,754,986	-8,865	190,995	2,945,981
2150 Researchers staff	1,260,524	1,577,157	1,895,008	317,851	0	1,895,008
2201 Support - Permanent staff	41,318,013	45,204,472	45,924,939	720,467	691,166	46,616,105
2220 Support - Temporary staff	482,964	597,448	454,367	-143,082	0	454,367
2221 Third party staff	1,985,992	2,793,867	1,400,461	-1,393,406	0	1,400,461
2230 Structural staff	-2,267,236	1,515,000	1,515,000	0	0	1,515,000
3 Total Depreciation	10,500,000	9,979,000	9,500,000	-479,000	0	9,500,000
4 Total Other Operating Expenses	46,366,796	44,656,557	48,190,082	3,533,525	3,601,380	51,791,462
5 Total Interest Payable	5,799,998	4,499,998	3,699,998	-800,000	0	3,699,998
6 Total Exceptional Items	2,170,072	2,660,733	2,000,000	-660,733	0	2,000,000
7 Total Internal Allocations	0	0	0	0	0	0

Annual Movement in Surplus



The key movements in the proposed budget as compared to the 2020/21 forecast outturn are the £5.7m increase in Enterprise activities. £1.5m of this increase is due to NHS CPD income, £1.3m due to summer school lettings with the remainder due to a strong (Research and) Enterprise pipeline. Student related income is due to increase by £4.2m assuming normal levels of Halls Occupancy and Food sales across the campus. The University is budgeting £1.7m of additional Home/EU Tuition Fees due to increased progression from the 14% growth in student FTEs experienced in 2020/21 and £1.5m of increased Apprenticeship income due to additional recruitment and progression. Third Party staff are budgeted to fall by £1.4m whilst interest costs are forecast to fall by £0.8m (although the current forecast is overstated and so interest costs should be broadly flat from the year end position). The amount in Exceptional Items is budgeted to fall from the £2.7m in the forecast to £2m and depreciation is budgeted to fall by £0.5m. We are budgeting for no change in Other Income, TNE Income, the Restructuring Provision and Endowment income. This has enabled us to fund a £0.3m reduction in Overseas income, a reduction of £0.6m in NHS Contract income as these students now pay Tuition Fees. Research Income is budgeted to fall by £0.9m although there may be a recategorisation from Enterprise income as pipeline contacts are won. This has enabled us to fund a £1.3m increase in support staff including £0.7m to support the Croydon Campus and a £2.2m increase in Academic Staff and Technicians including £1m to deliver learning at the Croydon Campus. We are budgeting for a £1.9m reduction in PG fees and a £2.1m reduction in OFS grants. This is the £3m reduction in London Weighting although this has been offset by £0.9m of additional funding for High Cost subjects including Nursing. This has enabled us to fund an additional £7.1m in Operating Expenses. These includes £3.6m to deliver the Croydon Campus, an additional £1.5m of PSG spend including additional salesforce licences and investments in the IT Network. The remaining £2m increase is to fund student number growth and increased Enterprise activity in the schools.

South Bank Colleges FPR July 2021 Update

Summary overview SBC Budget 20/21 Onwards:

Budget Positions						
Year	20/21	20/21	20/21	21/22	22/23	23/24
Income and Expenditure	Budget CFAD Model £000	Budget set by SBC Board £000	Forecast out turn to end Jul 21 (May Man Accs) £000	Budget 2021-22 £000	Budget 2022-23 £000	Budget 2023-24 £000
Income						
Total Income	25,136	25,136	27,303	27,105	27,276	27,276
Expenditure						
Total Expenditure	27,558	26,858	29,906	28,505	27,525	27,274
Operating Surplus/(Deficit)	(2,422)	(1,722)	(2,603)	(1,400)	(249)	2
Other Expected	(503)	(452)	(452)	(460)	(460)	(460)
Other Expected	(1,394)	(1,394)	(1,394)	(1,394)	(1,394)	(1,394)
Underlying Operating Losses	(4,319)	(3,568)	(4,449)	(3,254)	(2,103)	(1,852)

Headline Variances	Budget	Forecast	Variances
	£'000's	£'000's	£'000's
Income	25,136	27,303	2,167
Expenditure	26,858	29,906	3,048
Net Deficit	- 1,722	- 2,603	- 881

Main Headline (unmitigated) Variances:

- Staffing cost headline budget reduction £800k : £340k secured: **£460k** not achieved
- IT Network investment: **£300k** - (commitment reported in year as financed by TU Grant)
- Additional Covid costs: **£80k**
- **Total £880k**

Summary : Transaction Unit Funding: deferred grant funding release

TU Funding Balances	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Funding Provided	13,750,000					
Net (Deficit)/Surplus before FRS17 Costs		(-2,972,176)	(-2,603,000)	(-1,400,000)	(-248,700)	2,605
TU Funding Balance before Pension Costs	13,750,000	10,777,824	8,174,824	6,774,824	6,526,124	6,528,728
FRS17 Costs	(-1,112,714)	(-1,897,286)	(-1,853,000)	(-1,853,000)	(-1,853,000)	(-1,853,000)
Net Funding Remaining (after Pension costs)	12,637,286	7,767,824	3,311,824	58,824	(-2,042,876)	(-3,893,272)

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Notes :

- Sufficient funding remains to support the in year deficit for 2020/21 and to end of 2021/22
- Transaction Unit Grant funding fully utilised by end of 2022/23 including absorption of estimated FRS 17 pension valuation costs (non-cash)
- Timing of potential London Reality transaction is not modelled within these full year out turns – potential land transaction surplus not yet factored in
- Similarly curriculum modelling for new provision at SBC Technical College has not yet been modelled – uplift in operating positions to be recognised once curriculum planning complete

Summary : Transaction Unit Funding: Cash Funding Available

Transaction Unit Funding : Cash Position	Balance Available	Balance Remaining
	£13,750,000	
Year Ending 2019	(-£6,573,741)	£7,176,259
Year Ending 2020	(-£1,100,000)	£6,076,259
Year Ending 2021	(-£2,000,000)	£4,076,259
Network Infrastructure costs financed by LSBA	(-£1,076,000)	£3,000,259
Balance remaining for operating activities		£3,000,259

	2021/22		2022/23		2023/24
Net Deficit/(Surplus) before FRS17 Costs	(-1,400,000)		(-248,700)		2,605
Add Back Non-Cash Items					
Management Charge:	900,000		900,000		900,000
Cash Received by LC in 20/21:	(-474,000)				
Depreciation:	1,312,500		1,312,500		1,312,500
Movement (12m) Cash In +ve. Note: Operating Budgets (not capital)	338,500	+ve	1,963,800	+ve	2,215,105

Notes :

- As at end of July 2021 £3m of Transaction Unit Grant Cash funding remains available
- 2021/22 in year deficit anticipated as mainly non-cash deficit. Anticipated as cash generative over 12m (subject to timing of transactions)
- 2022/23 – similarly deficit anticipated as non-cash: financing for operational costs not expected to be required for budget financing

	INTERNAL
Paper title:	Annual Group Equality, Diversity, and Inclusion report
Board/Committee:	Board of Governors
Date of meeting:	22 July 2021
Author(s):	Sanchia Alasia – Head of EDI
Sponsor(s):	Marcelle Moncrieffe-Johnson – CPO
Purpose:	For discussion
Recommendation:	The Board is requested to note and discuss the annual Group-wide equality, diversity and inclusion report, which outlines the progress of EDI over the last year.

Executive summary

This report highlights the key achievements and challenges across the Group in relation to Equality, Diversity, and Inclusion over the last year (20/21) in relation to staff and students.

LSBU Group is committed to becoming a great and inclusive place to work where our staff and students feel engaged, empowered, valued, and invested in. Our ability to deliver this depends on the strength of skills, experiences and backgrounds that our people and students bring. The equality, diversity and inclusion team will work across the Group to continue to help us achieve this.

Recommendation

The Board is requested to note and discuss the annual Group-wide equality, diversity and inclusion report, which outlines the progress of EDI over the last year.



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P.4	Defining EDI at LSBU Group
P.5	A year of progress
P.6	Our students
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P.27	No barriers to brilliance
P.33	Looking forward

Defining Equality, Diversity and Inclusion at LSBU Group

Across the Group we have worked towards a common definition of equality, diversity, and inclusion (EDI) that we will refer to in our work.

Diversity is about people. Across the Group we do not think about diversity in isolation. We consider all the elements that make up our population, be that background, education, nationality, generation, age, working patterns, religion or belief, sexual orientation, gender identity, ability, skills or any other characteristic (protected or otherwise). There is a focus on the protected characteristics, but we value all the characteristics which make up our individuals.

Inclusion is about people. Inclusion is about thinking and acting in a way that ensures everyone is considered when business decisions are made. Our workplace and learning environments are places where everyone feels valued: where they can bring their different perspectives and be their whole selves whilst contributing their personal best.

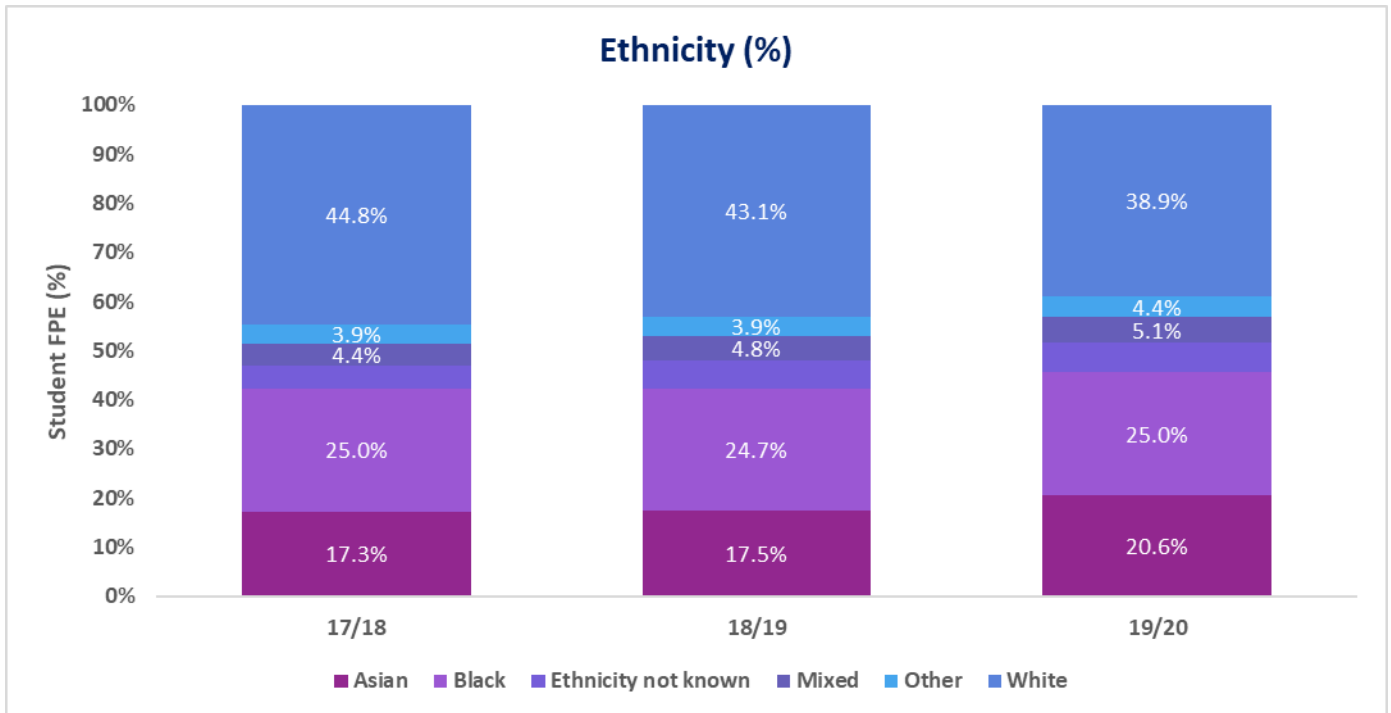
Equality is about people. Equality is the end outcome with fair and equitable outcomes for our staff and students. Protection from harassment, discrimination, or victimisation on the grounds of their perceived, actual or connection to a protected characteristic.

A Year of Progress

- **Group EDI Strategy |**
- **Race at Work Charter |** Signatory with Business in the Community
- **Race Equality Charter |** Self-assessment team formed
- **Athena SWAN Charter |** 40% of actions completed
- **Access & Participation Plan (APP) |** Workstreams launched with a co-creation approach with students
- **Decolonising the curriculum |** Project started
- **Gender & Ethnicity Pay Gaps |** Continued reduction
- **What Works for LSBU |** BAME Awarding Gap research project started
- **Engaged Staff Networks |** Have run awareness raising events and Let's talk sessions
- **Dignity at Work Framework |** Increased number of dignity at work and mental health advisors
- **Office of Students (OfS) consultation - sexual misconduct in HE |** Student harassment and Sexual misconduct policy launched
- **Bystander awareness sessions |** Delivered to participants
- **Foundations for Group |** Supporting EDI across the Group and assessing successes and gaps
- **Investors in Diversity Scheme |** Implementation at Lambeth College
- **Management and Leadership Development Programme |** for Black Staff at Lambeth College
- **Leaders Unlock |** Students at Lambeth College have shared learning and provided recommendations
- **Decolonising the curriculum |** including in history and English (SBA)
- **Raise achievement |** reducing learning gaps between groups of students (SBA)
- **Providing opportunity |** for students in relation to pathways and destinations (SBA)

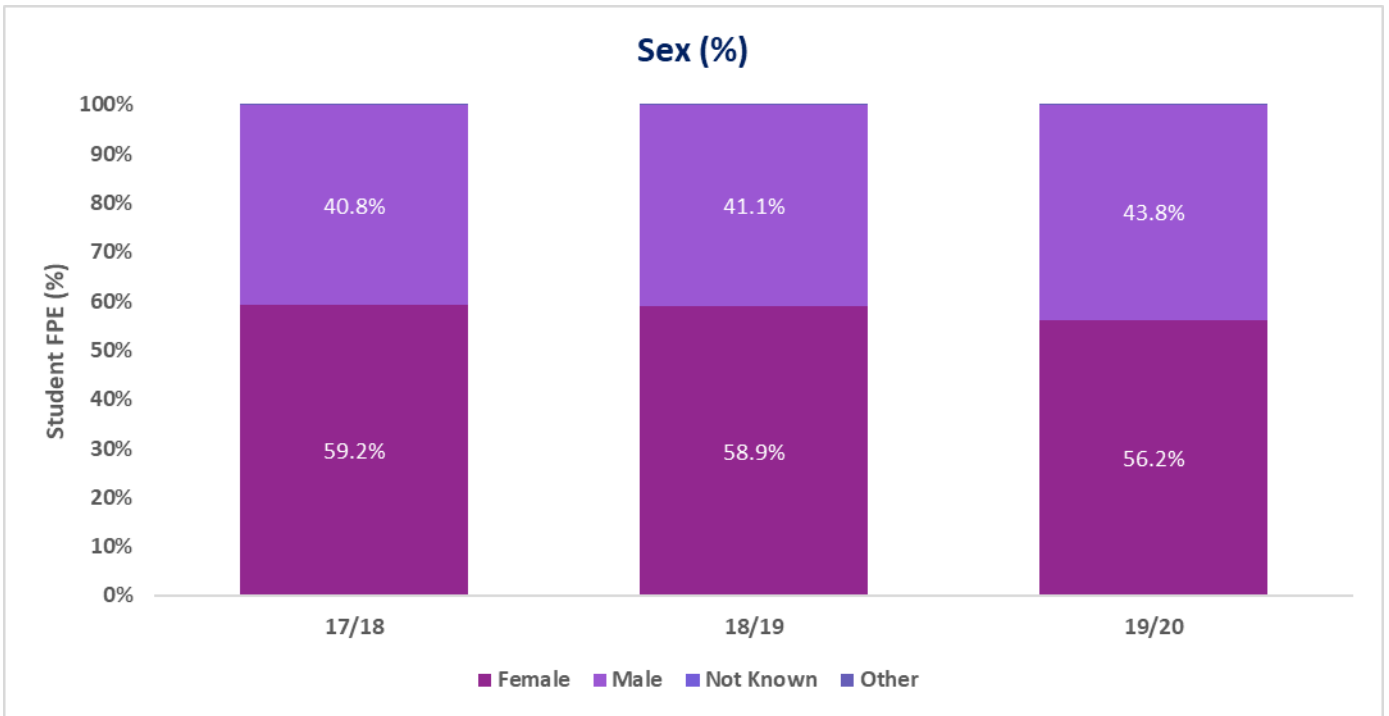
Our Students

The latest data that we have for University students is for the academic year 19/20 and we include a three-year comparison.¹

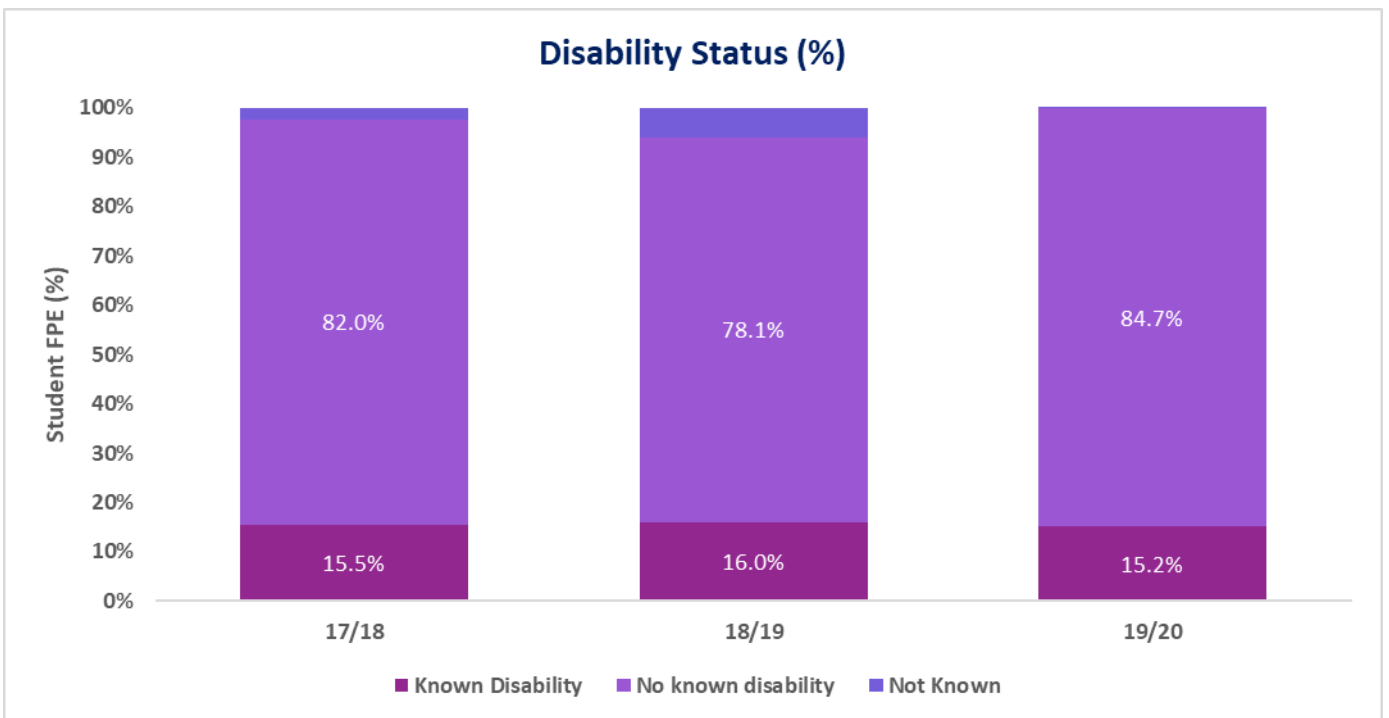


The ethnic diversity of our students continues to grow with over a 4% increase on BAME students. BAME students now make up over 55% of our student cohort.

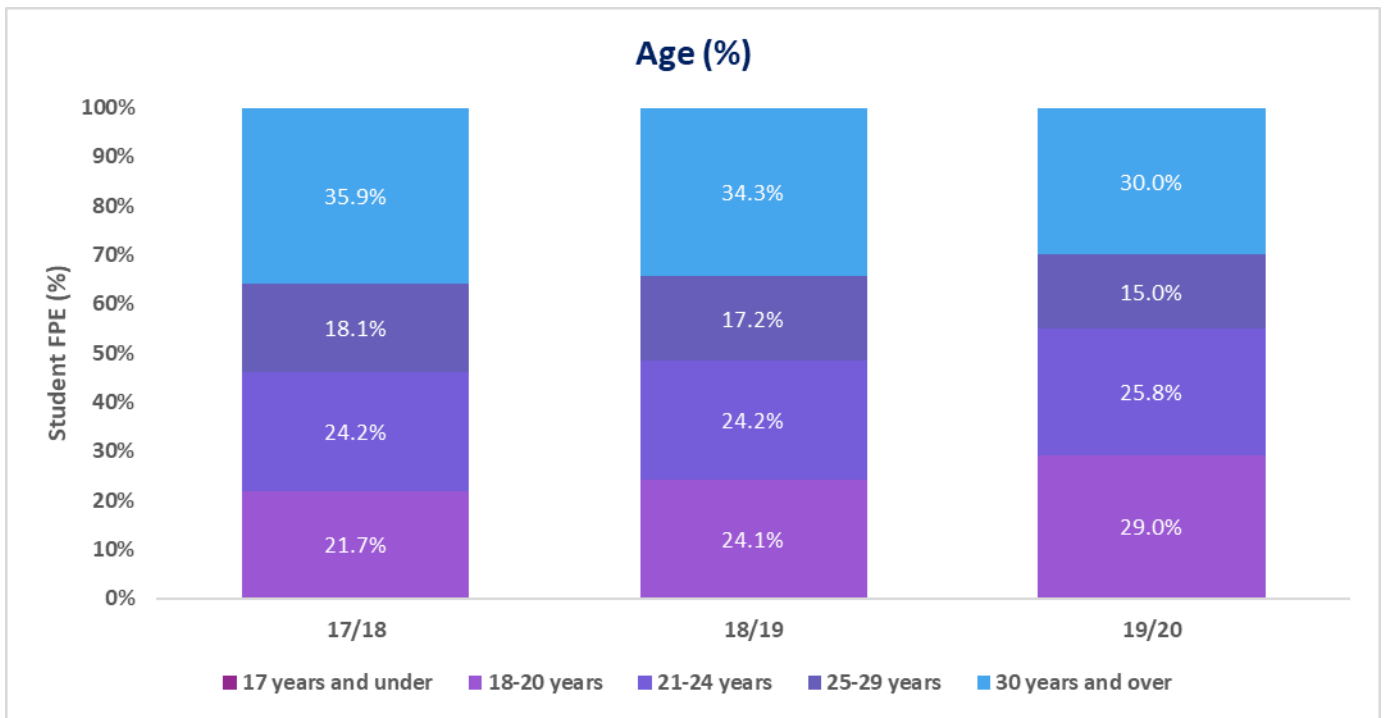
¹ The EDI Annual report 19/20 refers to a three-year data set of 17/18, 18/19 and 19/20. This is a labelling error and should have read 16/18, 17/18 and 18/19.



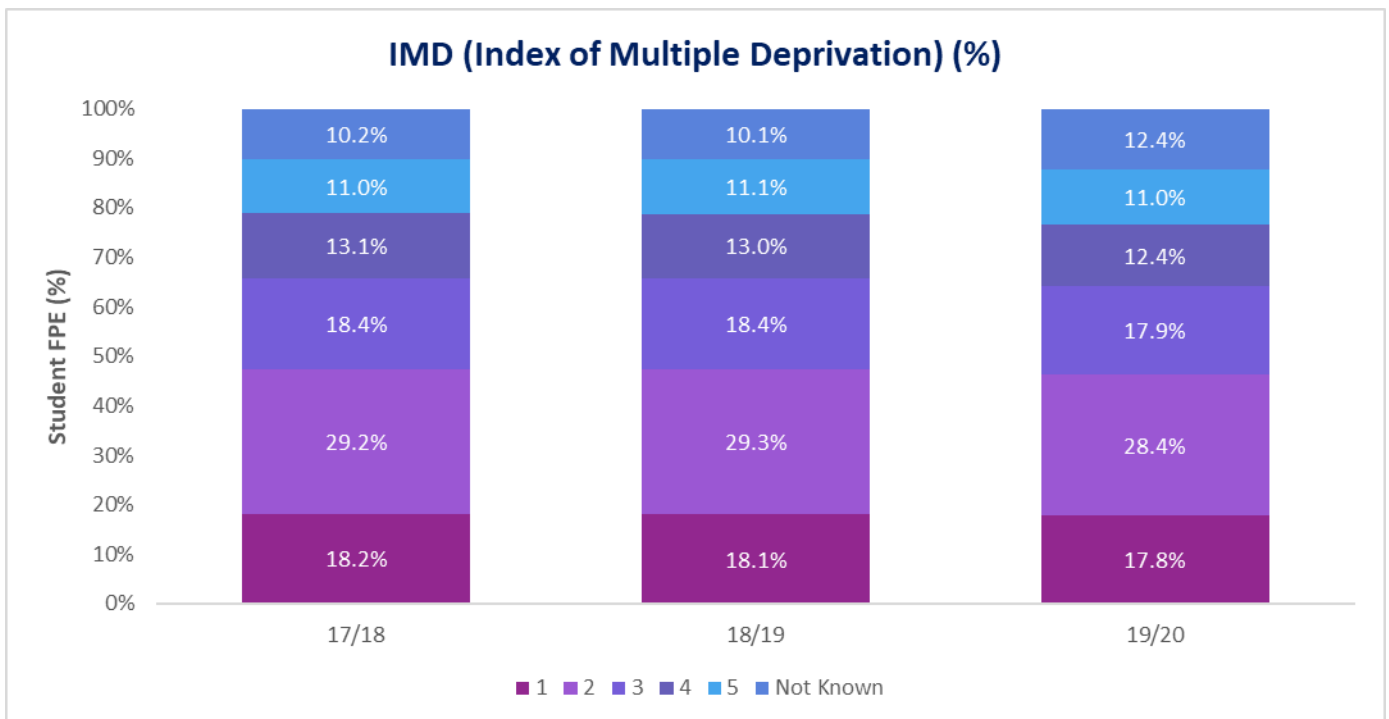
The percentage of female students has declined slightly over the last three years, however they still make up over 56% of the student cohort.



There have been some very slight fluctuations with our disabled student cohort over the last three years but it remains fairly steady.



Over the last three years we have seen an increase in students between the ages of 18 and 24 and a decrease in students over the ages of 25.



This chart shows the socioeconomic status of LSBU students. Over one third of students at LSBU are in quintiles 1-2, which are the most deprived quintiles. Within the Sector and at LSBU students in these quintiles often have lower success outcomes in areas such as continuation, attainment and employment than those in the less deprived quintiles.

This rating is based on the percentage of people in each lower super output areas (LSOA) living with deprivation covering income, employment, health deprivation and disability, crime, barriers to housing and services and living environment. There are 7 domains of deprivation, which combine to create the Index of Multiple Deprivation (IMD2019).

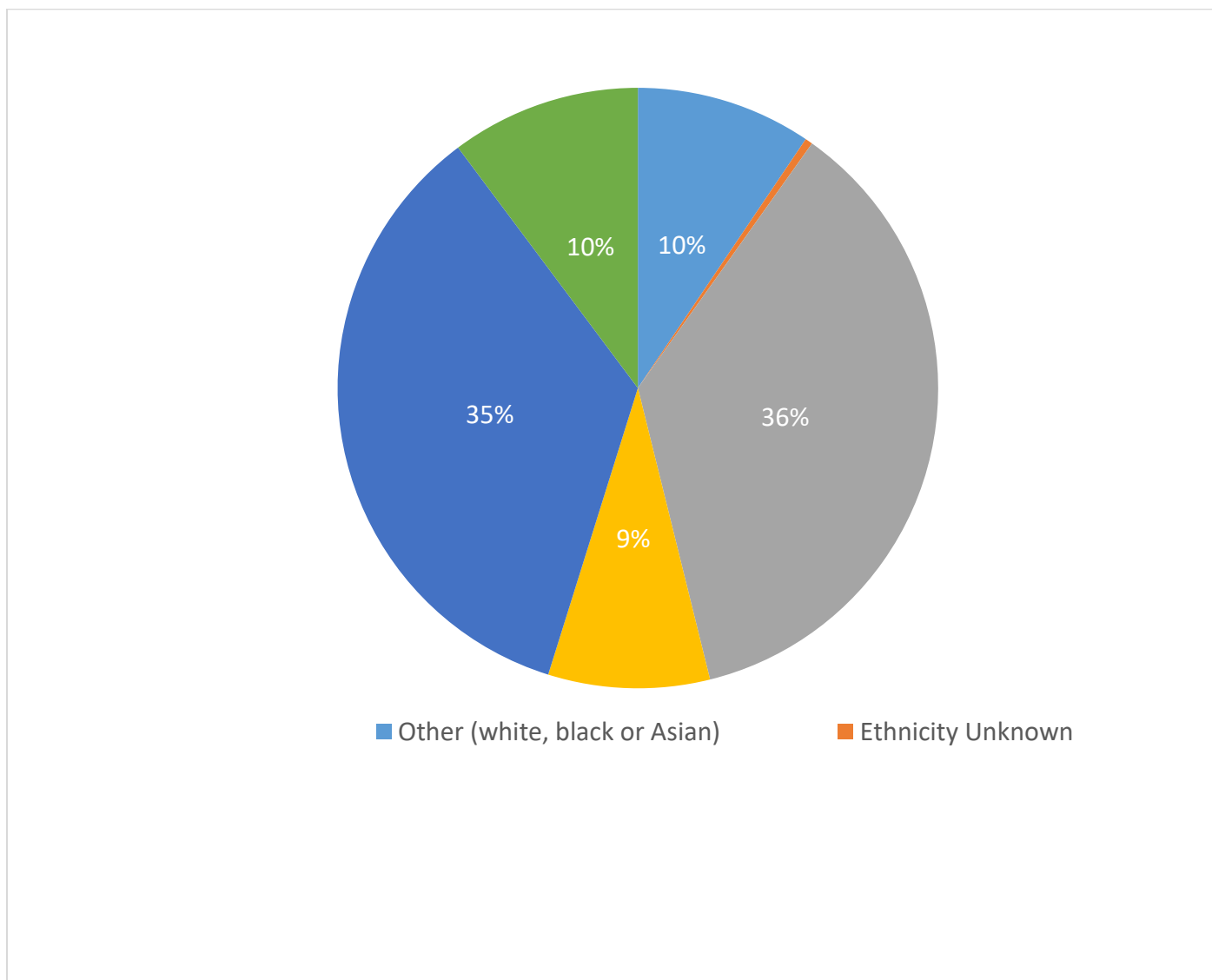
IMD Quintile 1:

Students' home address is in the 20% most deprived areas nationally (based on IMD scores). This is an indicator of deprivation only and does not directly translate to the 20% most deprived students.

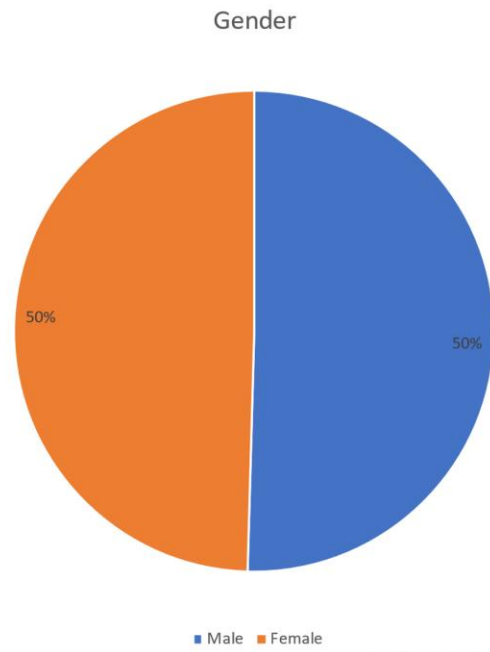
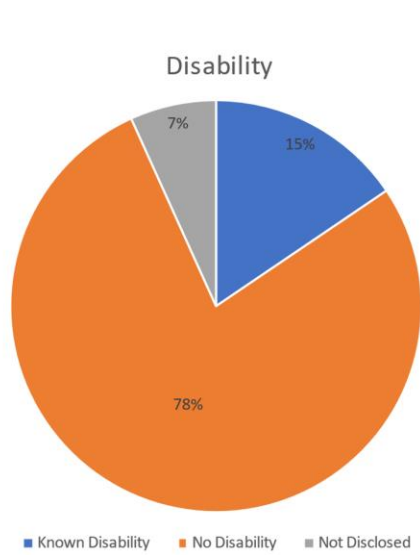
IMD Quintile 5:

Students' home address is in the 20% least deprived areas nationally (based on IMD scores). This is an indicator of deprivation only and does not directly translate to the 20% least deprived students.

Lambeth College learner population



Lambeth College has a very diverse student population in terms of ethnicity with students that identify as Black making up the highest percentage. The majority are adult learners, with just over a quarter aged between 16-18.

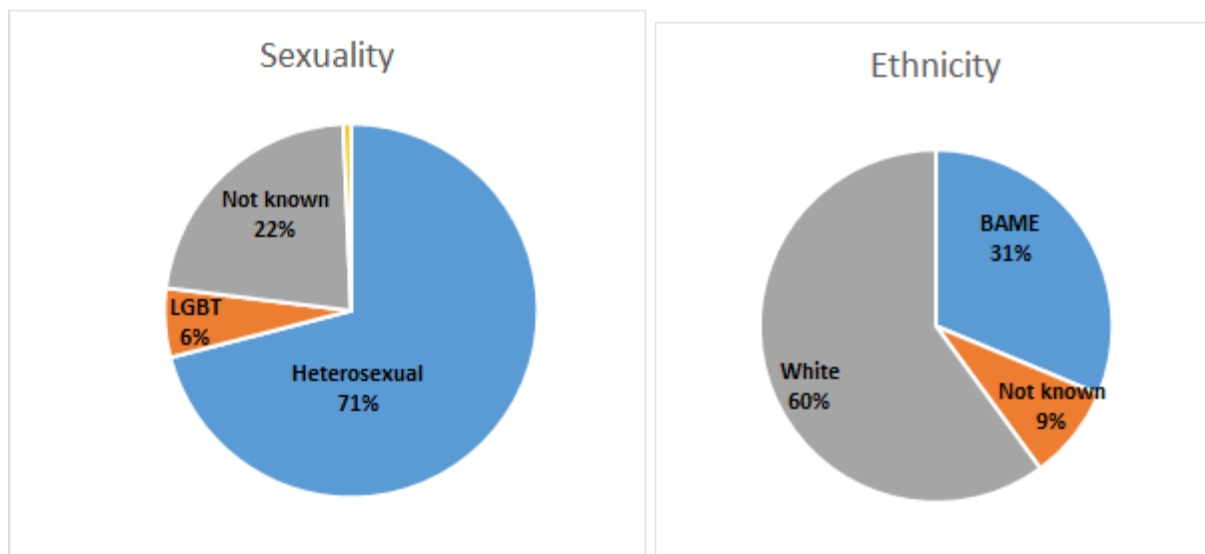


LSBU | GROUP

15% of College students have declared a disability which is a relatively high number and the College is evenly split between men and women.

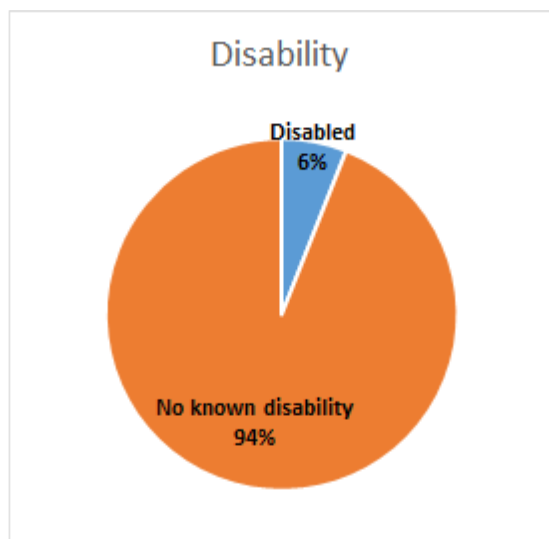
Our Staff

The latest data that we have for staff at the University is for the academic year 19/20. The graphs displayed represent the diversity makeup of the University.²



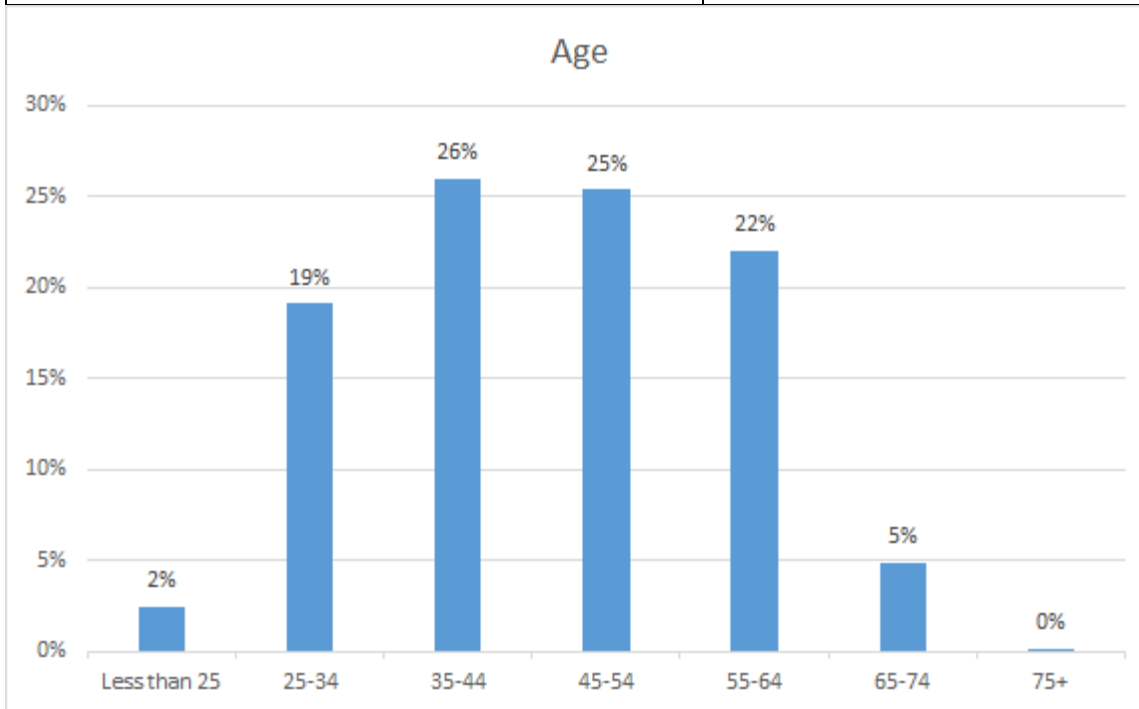
60% of our workforce is white and 31% BAME. The percentage of BAME employees drops to 15% in the Senior grades (above grade 10) with white 78%. Ethnicity of all School staff is 62% white and 29% BAME, however the BAME representation drops to 15% in the senior roles (75% white). As with the schools there is a switch with the BAME headcount at all staff in PSG areas at 29% compared to senior staff where the BAME percentage is 16%.

6% of our staff identify as LGBT and 71% as heterosexual.



² More detailed EDI data is available in the People & Organisational Development, Annual People Analytics Report for the Academic Year 2019/20.

Gender	Percentage
Female	52%
Male	48%

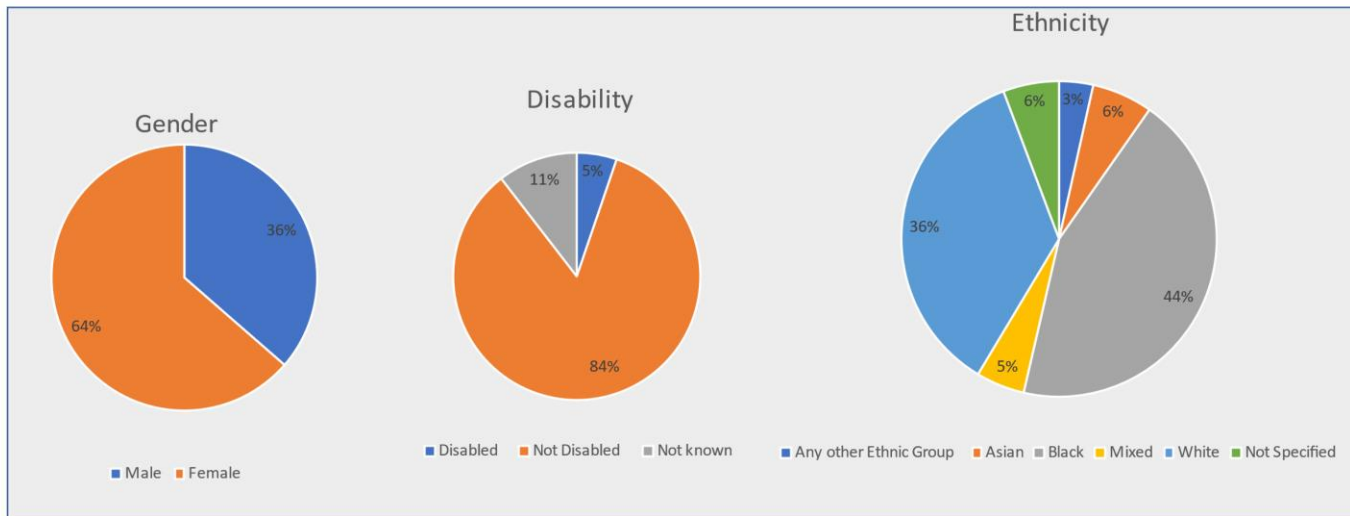


We have a near gender-balance at an organisational level, which is 52% female and 48% male, the gender split is consistent across all grade groupings, apart from the lowest (grade 2 - 5) where there is 60% female, 40% male. The gender split is practically equal at School level, female 51%, male 49%, however in the senior school roles, this changes to female 43%, male 57%. However, the gender split remains consistent across all PSG grade levels.

In terms of age there is an even spread with lower numbers at the highest and lowest age ranges which is to be expected.

We have 6% of staff that have declared a disability, which means that they can be supported with reasonable adjustments if required.

LAMBETH COLLEGE STAFF POPULATION TOTAL NUMBER



Lambeth College has 401 staff of which 2/3 are women, 5% have declared a disability and a very diverse mix in terms of ethnicity with Black staff making up 44%.

EDI Strategy – A Journey Begun

In November and December 2020, EDI strategy engagement sessions were held with the Board to determine the approach in developing the first EDI strategy for the Group. They expressed their desire for a bold, sector leading and Group approach. Engagement sessions were then held across the Group with staff and students to determine the priorities and gain feedback on the EDI pillars which were developed in early 2020.

We are grateful to our staff and students for providing open and honest feedback in various Lets talk and engagement sessions. They agreed that a bold vision for EDI is needed in order to secure an Inclusive future for the LSBU Group. The EDI strategy development process used digital as well as online face to face workshops. This gave an opportunity for everyone across the Group to have their say and contribute their ideas and thoughts to the development of our strategy for the future.

The themes that emerged from the engagement sessions



Themes

Think Inclusion

Despite the broad spectrum who attended in terms of staff and student representation and across both academic and professional services.

These were the things which people felt were most important:

- Zero tolerance for bullying and harassment (staff and students)
- Reduction staff pay gaps - gender 5.2%, ethnicity 12.3% - Lambeth College 4.8% gender, ethnicity 5%
- Better promotion and progression opportunities
- Reduction of student awarding gaps
- Belonging
- Inclusive leaders that understand and champion diversity
- Decolonising the curriculum

LSBU | GROUP

The EDI Vision

What we will do



Lambeth College

Alongside the group EDI strategy, the College has set itself six ambitious EDI objectives over the next five years which include:

1. Build an inclusive and ambitious learning culture which ensures that EDI is core to the strategic and day to day aspects of the college
2. Enhance our collective understanding and expertise around EDI in education and use this to inform the way we deliver to and support our students inside and outside the classroom.
3. Close all achievement and destination gaps
4. Be proactive in identifying and addressing barriers to accessing learning
5. Close gender and ethnic pay gaps
6. Ensure our workforce represents at all levels the communities and student bodies we serve.

What next?

The Let's Talk and engagement sessions are the start of the strategic conversation on EDI. We will continue the conversations across the Group, with our staff and students in several ways including quarterly Let's Talk sessions, the Vice Chancellor talks, annual Staff Conference as well as hearing personal stories on a regular basis. The EDI team will support the EDI committees across the Schools and in PSG to embed EDI throughout.

Staff Networks

Our Staff Networks at the University, continue to work with the EDI team to help raise awareness of key issues and act as a critical friend. Staff Networks are vital to a robust, dynamic, and inclusive workplace, with every member having their own reasons for joining a Network, from advocacy to socialising. Networks provide the essential function of amplifying staff voice and ensuring a safe space for staff to connect, learn and discuss.

This year Staff Networks have held several engaging activities online, which support our approach to EDI every day. Ensuring that awareness is raised of the key issues and that staff share their experiences of how LSBU should work to embed EDI. We also have an inter-sectional budget to help the networks explore synergies, cross working, and enable mutual support.

The five LSBU Staff Networks are:



DNet - Disability and Accessibility Network

Strategic Aims

- 1 - Implement fundamental changes at directorate through to operational level to embed accessibility
- 2 - Create parity between disability provisions for staff and students
- 3 - Improve the awareness of disability and access issues within the workplace, for all employees

Highlights

- Worked on a comprehensive 'history of disability pioneers' programme during Disability history month in December 2020
- Hosted learning disability nursing session during the annual staff conference
- Supported the re-accreditation of the government's disability confident scheme



EquiNet - BAME staff and Allies Network

Strategic Aims

- 1 - Raise awareness of, and promote, racial equality, cultural diversity, and inclusion
- 2 - Represent the views of BAME staff and provide a collective voice to achieve positive change
- 3 - Provide social and professional networking to increase wellbeing and community

Highlights

- Conducted Let's Talk sessions with the executive – following up on the commitments made during Black Lives Matter
- Supporting the Racial Awarding Gap and Decolonising the Curriculum projects as part of the Access and Participation Plan project (APP) and the Race Equality Charter
- Created a digital wall to commemorate the first anniversary of George Floyd's death and Windrush day
- Held a variety of engaging events to raise awareness of the BAME presence and contribution throughout the organisation during Black history month and beyond



GenderNet - Gender Equality Network

Strategic Aims

- 1 - Foster a positive culture around women in the workplace
- 2 - Create a Trans-inclusive environment for staff and students
- 3 - Ensure that intersectional gender equality is embedded and embraced

Highlights

- Continued the 'Role Model Conversation' lunch time series where staff can learn from an internal role model
- Hosted Let's Talk sessions on sexual violence and the effects of the pandemic on women
- Supported the progressed actions within the Athena SWAN action plan



Parents and Carers Network

Strategic Aims

- 1 - Create a supportive and active group of parents and carers
- 2 - Ensure LSBU's policies empower and enable all staff and students who are parents and carers
- 3 - Foster an environment that embraces and embeds the intersectional and multi-gendered nature of parents and carers

Highlights

- Continues to shape the University's Covid-19 response for Parents and Carers – with a policy now in place for carers leave



SONET - LGBT+ and Allies Network (65 members)

Strategic Aims

- 1 - Develop a supportive and supported community for LGBT+ staff (and students)
- 2 - Ensure current and future policies are LGBT+ inclusive and embedded across the University
- 3 - Continue raising awareness and knowledge of LGBT+ people and their intersectionality's

Highlights

- Hosted several engaging and interactive events during LGBT history and Pride month
- Supported the Stonewall charter submission and development.

Dignity at work

Current Numbers of Dignity at Work Champions and Mental Health Champions:

- 21 Dignity at Work Champions
(2 from Lambeth and SBA)
- 31 Mental Health Champions
(10 from Lambeth and SBA)
- 15 Dispute Resolution Facilitators
(2 from Lambeth and SBA)

Dignity at Work Vision

We will design an inclusive employee experience which reflects our EPIIC values and ensures that people can bring their best to work. We will be re-defining our employee journey, co-creating with your input as we identify our high impact moments and improving those experiences for all. We will use our people analytics to inform what we do.

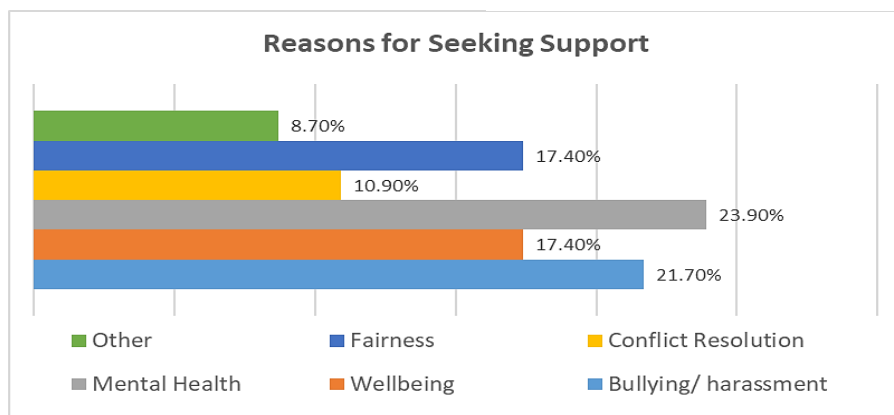
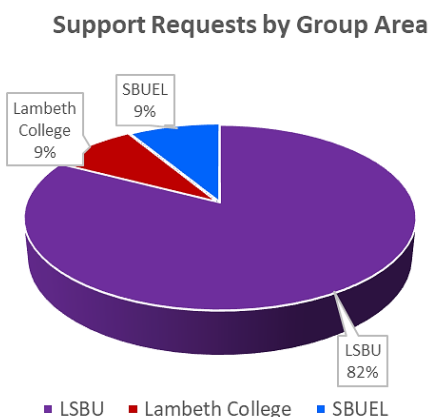
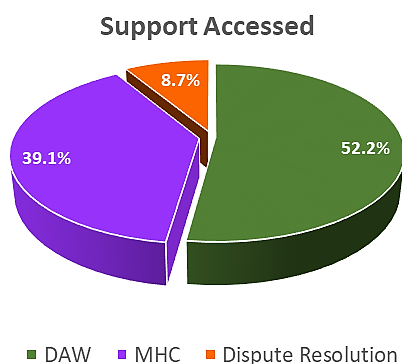
People & Culture Strategy

The Dignity at Work Scheme, led in collaboration with the EDI, Wellbeing & Engagement Teams, brings together five strands of peer and organisational support available to staff: Dignity at Work Champions (DAWC), Mental Health Champions (MHC), Staff networks, Employee Assistance Programme (EAP) and Occupational Health (OH)

Progress:

- Provided Cultural Competency Training (3 sessions) to Champions and Staff
- Reviewed, refreshed, and revised Dignity at Work Champions training
- Introduced Dispute Resolution Facilitation as an enhance service offering
- Recruited 16 new DAWC across Group, bringing total number of Champions to 21
- Collaborated with Academic and HR colleagues to produce staff policies addressing on Menopause and Domestic Violence
- Delivered Incivility Training to all our DAWC and MHCs

DAW Engagement Figures: 23 Recorded interactions with staff between Feb '20 – May '21



Future Focus 2021-2022

1. Improve quality of data around efficacy of scheme to inform Wellbeing, EDI, and Engagement activities via continuous evaluation, feedback, and development of our Champions.
2. Increase visibility of DAWC and MHC champions through engagement opportunities
3. Further expand the scheme to South Bank Academies
4. Continue working with stakeholders to strengthen the governance & structure of the DAW Scheme.

Inclusive Recruitment

The EDI Team continues to work closely with the Recruitment team at the University to look at how we embed inclusion into the recruitment journey. The project's scope ranges from employer branding, through to interview, on-boarding, and exit. Inclusive Recruitment brings together a range of internal KPIs including our Athena SWAN Action Plan, external good practice, and future ambitions. We also need to look at inclusive recruitment for the Race Equality Charter, Stonewall Charter and Business disability confident scheme.

The plan is to provide a robust foundation of updated training, systems and communication alongside new guidance and policy to facilitate a true cultural and behavioural shift across LSBU Group as regards inclusive recruitment practices, talent acquisition, progression and retention. It will include initiatives such as guidance for interview panels, inclusivity questions, a managers guide and super panellists.

Charter Marks



The University was awarded an Athena SWAN Bronze Award in 2020 recognising its dedication to the advancement of gender equality: representation, progression, and success for all.

The Athena SWAN Bronze Award acknowledges the University's commitment to gender equality and currently 40% of the actions set out have been completed. We intend to continue this trajectory to ensure that as a university we remain fit for the future and will achieve a positive real-world impact for all LSBU's staff, students, and research.

The Action Plan is monitored via Implementation Groups where the owners of the various streams can track progress and reach out for support if needs be.



The University self-assessment team for the race equality charter has had its first meeting where we had discussions on how we talk about race, as well as identifying the process to submission. The charter will enable LSBU to better identify and address key pinch points across the staff and student journey, with targeted actions to address them.

Key areas of focus in the charter include recruitment, promotion, exit, attainment, and retention. The data gathered and analysed as part of will highlight areas that will need particular focus. We plan to make a submission in July 2022.



In addition to the Race Equality Charter, to complement its work the University also signed up to the Business in the Community, Race at Work Charter. The Race at Work Charter requires signatories to make five commitments:

- Appoint an executive sponsor for race
- Capture ethnicity data and publicise progress
- Commit at board level to zero tolerance of harassment and bullying
- Make clear that supporting equality in the workplace is the responsibility of all leaders and managers
- Take action that supports ethnic minority career progression

There are a clear set of objectives that we seek to achieve, which includes:

- Encouraging leadership, allyship and connections to foster advocates and allies that are willing to proactively take actions to ensure their workplace is safe and inclusive
- Taking strategic action on leadership by bringing the attention of all senior leaders within the organisation to the issue of race relations
- Promoting mentoring and sponsorship of ethnic minority employees by putting them forward for development or progression opportunities, particularly in senior positions



We successfully renewed our membership of the government's disability confident employer scheme for the University at the equivalent of Silver level. Being part of this scheme will enable us to play a leading role in changing attitudes, behaviour, and culture for the better. Like the requirements of other charters, we will need to ensure that we have inclusive recruitment practices. This will enable us to draw from the widest possible pool of talent, secure high-quality staff who are skilled, loyal, and hard working as well as improve employee morale and commitment.



To ensure that we continue to learn from good practice, we continue to partner the business disability forum. This enables us to be part of a global community of businesses, thought leaders and disabled people, as well as being kept up to date on the latest research which influences Government and business policy development.

They provide a business Inclusion Advice Service which we have made use of on several occasions. They provide a responsive space to talk through ideas, trouble shoot and get case management support on our disability related challenges.

We also attend events, sector networks and subject task groups with other professionals with shared interests to learn from one another, share insight on what works and collaborate on projects.



LSBU continues to be a “Diversity Champion” with Stonewall, the UK’s leading campaigning and support charity for sexual orientation and gender identity. Membership grants us access their latest research and recommendations on building an inclusive LGBTQ+ friendly workplace and learning environments The strengthening of our relationship with the organisation and what it can offer will enable us to achieve our strategic aims, particularly around Trans+ inclusion.

We have attended several engaging events which have allowed us to network and learn from good practice. Their workplace index also provides us with a useful framework for which we can develop actions to improve LGBT inclusion.



AdvanceHE continues to remain a key strategic partner for the University. As well as being the body that awards the Athena SWAN and Race equality charters, we have also attended several good practice events which have given us the opportunity to network and learn from colleagues across the sector. They put on specific events and support in relation to the charters they manage which ensures that we are up to date with the latest thinking and expectations in these areas.



The Investors in Diversity Scheme, which will be undertaken by Lambeth College, provides a framework for embedding principles of FREDIE (Fairness, Respect, Equality, Diversity, Inclusion, Engagement) within the college. The aim is for the college to submit into the scheme by the end of the year and as such it is important that we evidence progress towards key actions.

The action plan has been discussed with nominated leads, and over the next month we will be looking to gather all the evidence of actions completed and work with staff to explore the bullying and harassment concerns that had been raised.



SBA will work towards Race and Conscious Equality (RACE) Charter Mark with training including governors and senior leaders. The Race and Conscious Equality (RACE) Charter Mark is for schools wishing to demonstrate their commitment to action and improvement in relation to race equality in all aspects of their work, as educators, employers, and community leaders.

SBA will be able to:

- Access three high quality training sessions facilitated by leaders with extensive school leadership experience and expertise in issues related to race, diversity, and inclusion. Sessions target either governors, senior leaders, or middle leaders
- Evaluate their practice using criteria and rubric from the RACE self-evaluation tool
- Complete an action plan which highlights how effective practice is and will continue to be implemented and sustained
- Receive feedback and recommendations based on the action plan, supporting evidence and discussion to move conversation and action forward
- Achieve a nationally recognised Charter Mark certificate at bronze, silver, or gold level
- Share practice and learn from what other schools are doing in this important area

The RACE Charter Mark is delivered by Fig Tree International and awarded by the schools, students, and teacher's network.

Engagement and Communication at Lambeth College

To ensure staff feel included and actively involved in the process to embed EDI, it is important to hear from their lived experiences and bring them on the EDI journey, as this reaffirms that for change to happen it will require a collective effort. We will therefore seek to include voices in the conversation and decision-making at every level, ability and practice of the organisation. We want to ensure that all talent is welcomed, valued and given meaningful opportunities to grow and contribute.

Let's Talk – Lambeth College

Let's Talk and engagement sessions first took place in November and December 2020 across the LSBU group and were the start of strategic conversation on EDI. A follow up session with Lambeth college staff is due to take place in the autumn to explore issues raised in the last session and staff will be invited to contribute to future planning around EDI.

Wednesday EDI Drop ins – Lambeth College

Every Wednesday staff can email or call the EDI Lead to schedule a time to meet. This space is to share any issues or concerns they may have, give feedback on work currently taking place and provide solutions whilst sharing ideas. Discussions so far have been very insightful with key themes around bullying and harassment of junior staff who feel those in more senior positions to them do not understand the pressure on them and do not feel respected in their roles.

EDI Committee – Lambeth College

The newly formed EDI Committee had their first meeting on the 30/07/2021. 5 members of staff were recruited into the committee with the remaining applicants offered roles as EDI Champions. The first meeting was an opportunity for the committee to meet one another, go over the college inclusive presentation with some top line data as well as the terms of reference for the group. Training will be provided to the committee and EDI Champions by the Head of EDI for the LSBU group in the autumn to bring everyone up to date on legislation, definitions and ways of working. The group will have their first official meeting in the autumn/winter to discuss key priorities over the next year.

Southbank Academies Actions

- Significantly improved standards for all students regardless of heritage and background, securing strong destinations
- Explicitly supported students during Covid, offering personalised support for learning and wider wellbeing including access to devices and care packages
- Given all our community opportunities to share their voices and experiences in the wake of George Floyd's killing and in relation to Black Lives Matter
- Conducted significant work to decolonise the curriculum including in history and English
- Provided bespoke experiences and opportunities for students from BAME backgrounds
- Completed personalised Covid risk assessments for all staff comprising BAME risk factors
- Continue to raise achievement and minimise learning gaps between groups of students
- Further develop our wider offer to secure opportunities for students in relation to pathways and destinations
- Provide more forums for students and staff to surface and discuss issues relating to race, including providing safe spaces in online forums
- Explore and work to minimise the ethnicity pay gap

Training & Development

Throughout this year the EDI team has delivered or facilitated training on general diversity awareness, Equality Impact Assessments, disability awareness, LGBTQ, allyship and being an active by-stander. We will look to introduce anti-racism training later in the year. We are committed to developing a wide-ranging and impactful training programme that is transformative for LSBU Group.

Closing the Gap

Gender Pay Gap

Since 2009 we have undertaken regular pay audits. The (mean) gender pay gap at the University has reduced from 13.25% to 3.8% over those 12 years. The results have shown both an improving situation and one that compares favourably against the higher education sector and UK.

This can be attributed to the gender distribution in mid to senior levels. School data show grades 8-10 with a slighter higher percentage of women than men (11% M and 12% W). At the highest grades there is a slightly higher percentage of men at 3% with women at 2%. This reduction follows the pattern that is being seen in the ONS Data and this year the largest fall is among managers, directors, and senior officials, from 16.3% to 9.9%, reflecting some signs of more women holding higher-paid managerial roles this year. This occupation group has the highest median pay of any occupation (£21.90 per hour, excluding overtime, compared with £15.07 among all employee jobs) and therefore has a strong impact on the gender pay gap.

Group	Median gender pay gap (%)
LSBU Snapshot 2017	5.4
LSBU Snapshot 2018	5.3
LSBU Snapshot 2019	5.1
LSBU Snapshot 2020	3.8
UCEA – Higher Education (*ONS ASHE data 2018 -2019)	15.5
ONS Data 2020	15.5
ONS Data 2019	17.4

Whilst we are pleased with the trajectory of our gender pay gap, we know we can strengthen our approach, embedding our interventions in our strategic priorities and are sustainable. Importantly, we are ensuring that our staff are key stakeholders in the design and implementation of interventions, as well as beneficiaries.

Bonus Pay Gap

The Bonus Gap average is tracking up 39.2% (31.1% 2019) and median has also risen 52.7% (47.4% 2019). The Bonus Gap data is in an upward trajectory because during the required data period there was a smaller number of female staff who are categorised as senior female leaders.

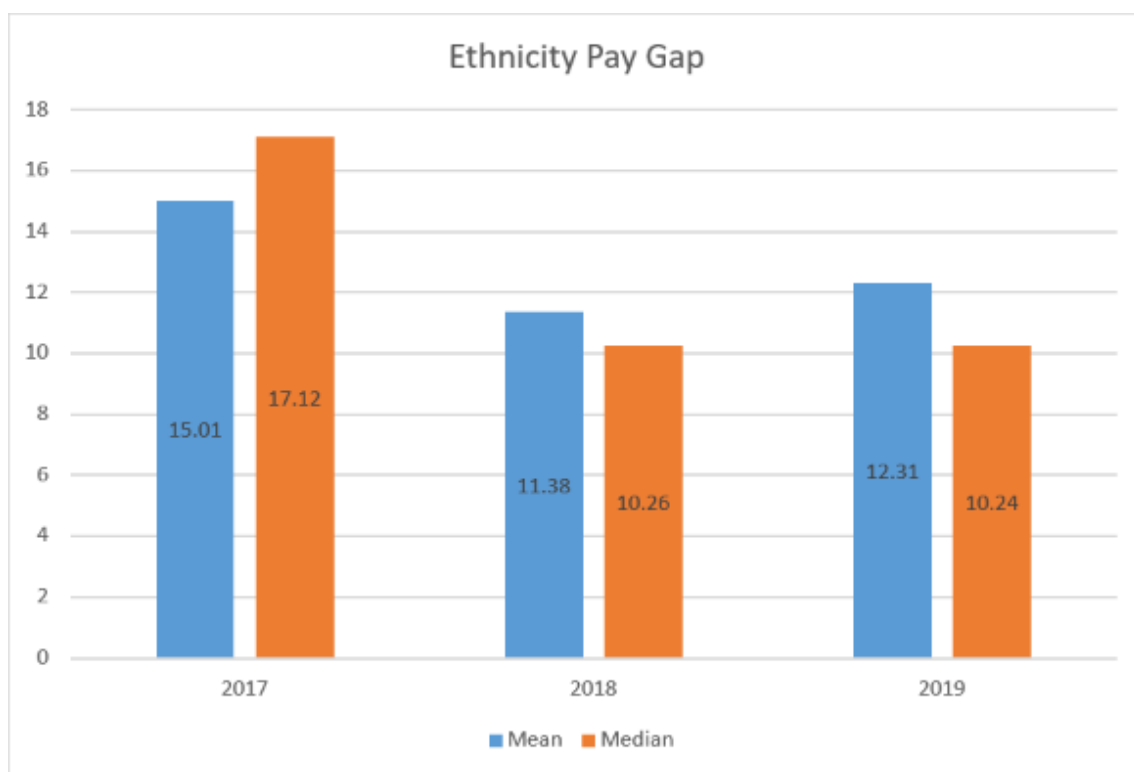
There are two performance related bonus schemes. A scheme for senior leaders where the individual could receive a bonus of up to 3% of their salary, and a second scheme for the Executive who could receive a bonus of up to 10% their salary as a bonus. The differential is due to a predominance of men in the most senior positions.

Ethnicity Pay Gap

We continue to publish our Ethnicity Pay Gap data for the University. By publishing ahead of any Government legislation, we demonstrate our commitment to having open and honest conversations about race and ethnicity at LSBU and beyond, as well as beginning to embed action to close the Gap.

Our 2019/20 mean Ethnicity Pay Gap (BAME / White) was 12.31%, in-line with the sector average of 12% (of published institutions.) While we are pleased our Ethnicity Pay Gap has shrunk by 3% since 2017, we acknowledge that we need to do more to address barriers that BAME staff face in reaching senior level positions in our institution.

LSBU and the wider LSBU Group is committed to working towards eliminating differential outcomes for its staff and students by addressing these imbalances robustly and sustainably through our culture, strategies, frameworks, policies, and processes.



We are passionate that all staff, no matter who they are, should be able to thrive at LSBU. While our Ethnicity Pay Gaps have been declining over the years, we acknowledge that a gap, no matter its size, is something we wish to eliminate for our staff. Below are a few of the ways in which we are working to ensure that all our staff are thriving across LSBU. Diversity is proudly woven throughout our Group and local strategies and has been recognised as essential to a successful Group.

No Barriers to Brilliance - Access & Participation Plan – Act for Change

The Access and participation plan sets out how we will improve equality of opportunity for underrepresented groups to access in the University, succeed in and progress from higher education.

It includes:

- the provider's ambition for change
- what it plans to do to achieve that change
- the targets it has set
- the investment it will make to deliver the plan

The Office for Students (OfS) monitors our access and participation plans to make sure that we honour the commitments set out and can act if we do not.

Our Access and Participation Plan runs until 2025 and has 10 agreed targets with OfS covering access, non-continuation, award ('attainment'), and graduate outcome ('progression').

Here are our non-continuation and award targets:

Category	Ref	Target Group	Description	20/21 target	21/22 target	22/23 target	23/24 target	24/25 target	19/20 actual
Success Non continuation	PTS_1	Socio-economic	Percentage difference in non-continuation rates between IMD quintile 5 and quintile 1 students (all UG) [IMD 2015]	3	2.7	2.3	1.9	1.5	8
Success Awarding	PTS_2	Socio-economic	Percentage difference in awarding rates between IMD quintile 5 and quintile 1 students (all UG) [IMD 2015]	14.6	13.4	12.3	11.1	10	19
Success Non continuation	PTS_3	Ethnicity	Percentage difference in non-continuation rates between White and Black students (all UG)	4.9	4.3	3.7	3.1	2.5	5.4
Success Awarding	PTS_4	Ethnicity	Percentage difference in awarding rates between White and Black students (all UG)	16	15.5	15	14.5	14	17
Success Awarding	PTS_5	Ethnicity	Percentage difference in awarding rates between White and Asian students (all UG)	12.5	12	11	10	8	11
Success Non continuation	PTS_6	Disabled	Percentage difference in non-continuation rates between Non-Disabled and Disabled/Mental Health students' students (all UG)	13.6	12.2	10.8	9.4	8	1
Success Awarding	PTS_7	Disabled	Percentage difference in awarding rates between Non-Disabled and Disabled students (all UG)	4.7	3.7	2.7	1.7	1	2

For the last reporting year 19/20 we are currently behind in our targets in relation to students from lower socio-economic backgrounds and with non-continuation rates and awarding rates for Black students. We are ahead of target in relation to awarding rates for Asian and disabled students as well as with non-continuation rates for disabled students.

Where we are in the process

We have completed our strategic analysis and planning of interventions. For these phases we have conducted an LSBU audit, as well as look at sector best practice and complete data analysis. We have agreed the aims, objectives, outcomes, root cause analysis and proposed interventions. We are currently at the Evaluation Strategy and Design phase. Here we are in a co-production exercise with our students coming up with detailed designs. We are basing our interventions using the theory of change with NERUPI. We will then move onto our action phase, where we will deliver the interventions, evaluate, adapt to the unforeseen and collect further data.

Over the next year we will work towards Schools/Divisions/Course level disaggregated data outlining differences in outcomes across the student journey for underrepresented student groups. To that end, we engaged with a supplier, Square Bell, to produce for us: a first round of analysis – School Reports, and a second round of analysis – subject level analysis (common aggregation hierarchy) as directed by findings from the first report. This analysis has been completed.

The Strategy and Corporate Affairs team will continue working on our bespoke APP dashboards and reporting requests for future use and they have manually prepared updated high-level data.

Progress to date

- Prioritised embedding of student co-production across all groups
- Full school level analysis undertaken and completed with second round of subject level analysis as directed by school level reports
- Strong backing from the Board with a view to strengthen one of the eight statements made
- Branding: Visual Styling and Tone of Voice consulted on with staff, student, and SU group
- Launch video recorded with Deborah Johnston
- Outlining our great localised practices and how we strongly responded to the challenges of COVID in our teaching and support delivery
- Laying out strong framework for monitoring and evaluation of performance against targets for future submissions: the APP Programme and work coming through from Action Groups as the basis for delivery

Read the vision statements [here](#)

Next Steps

Devolved and embedded targets will be co-created with each School based on their individual starting points. This co-creation of target setting with Schools will go together with the APP Programme's plan to work with Deaneries to:

- Identify hot spots using in depth data analysis
- Bring forward a suggested suite of interventions to change underlying structures hypothesised to be causing the barriers to equality (Theory of Change applied, interventions co-created with staff, students, and alumni)
- Co-create an appropriate implementation plan of interventions with each School offering support through the Action Groups and APP Programme Manager

Lambeth student achievement rates

Group 16-18	Achieve Rate	College Average (83.6%)	Provider Group (83.4%)	National (82.6%)
White and Black African students	74.2%	9.4%	9.2%	8.4
Caribbean students	74.3%	9.3%	9.1%	8.3
White and Black Caribbean Students	74.4%	9.2%	9%	8.2

Group 16-18	Achieve Rate	College Average (83.6%)	Provider Group (83.4%)	National (82.6%)
Pakistani	89.3%	5.7%	5.9%	6.7%
Any other white	88.7%	5.1%	5.3%	6.1%
African	86.6%	3%	3.2%	4%

Group 19+	Achievement Rate	College Average (90.2%)	Provider Group (89.9%)	National Average (89.1)
Any other Asian	84.0%	6.2%	5.9%	5.1%
White and Black African	85.1%	5.1%	4.8%	4%
Caribbean	86.9	3.3%	3%	2.2%

Group 19+	Achievement Rate	College Average (90.2%)	Provider Group (89.9%)	National Average (89.1)
Any other White	93%	2.8%	3.1%	3.9%
English/Welsh/Scottish/NI/British	91.1	0.9%	1.2%	2%
African	89.7%	0.5%	0.2%	0.6%

Likewise in Lambeth College there is an achievement gap with groups of Black and Asian students. The achievement rate refers to students who passed at the required level in their course – the level required to pass varies across the diversity of courses on offer at the College.

Student Services

For the academic year 19/20 - 2,637 students at the University shared information about their disability/SpLD with the University at application/enrolment. 2,060 formally registered with the service with DDS, 78% of all known disabled students. Based on a student population of 18,000 (published on website but could be much lower, would need to clarify this exact number for 19/20) = 15% of students at LSBU have a disability with dyslexia is the most common

Hardship Fund Expansion

Our university students were always at risk of being challenged during the fallout of Covid-19. Student Services proactively sought to double the Retention Fund to £144,000 and to streamline the application process to ensure that students could access the support they needed as quickly as possible. To date (May) over 700 students have applied to the scheme seeking financial support with 400 successful applications.

Digital Engagement

With our staff now working remotely it has been important that they were supported during the transitional stages of the pandemic and for the longer term. The EDI Team coordinated a robust rolling programme of activity with other teams such as Organisational Development, Wellbeing, and the Staff Networks to enable and empower staff every single day through lockdown. A sample programme can be seen below which shows a mix of development workshops, social activities, and wellbeing sessions:

Activity	When	Where
Wellbeing: Mindfulness <i>Free daily guided sessions Monday - Friday delivered by beinginside.com</i>	11 th May 08:00 - 09:00 17:00 - 18:00	Join here
OD: MS EXCEL 1 - Essentials <i>A beginner's guide to using Excel. Learn how to:</i> • Navigate around Excel • Enter and format data • Use basic formulae	11 th May 11:00-12:30	Join here
Parents & Carers E-Coffee & Chat <i>Bring your cuppa for an e-coffee and chat with fellow parents & carers from across the LSBU Group.</i>	11 th May 10:00-11:00	Join here
Wellbeing: Mindfulness <i>Free daily guided sessions Monday - Friday delivered by www.beinginside.com</i>	12 th May 08:00 - 09:00 17:00 - 18:00	Join here
OD: Managing People Virtually <i>To increase your knowledge, personal skills, effectiveness and confidence in managing dispersed staff across teams in LSBU.</i>	12 th May 13:30- 16:30	Join here
OD: Emotional Intelligence <i>This session is perfect for anyone who wants to learn more about what emotional intelligence is and how to start developing their own skills, particularly in challenging times.</i>	12 th May 11:00-12:30	Join here

There has also been a myriad of activity by individuals, Schools, and local teams to meet the social and business needs of the University including webinars, peer-to-peer learning and even a Facebook group.

Pulse Survey

A Pulse Survey was launched in April to capture the experiences of staff throughout this crisis and to allow the University to respond swiftly to the needs of its staff. The first survey responses were extremely positive and highlighted that the “people-first” approach to policy and action was working. However, concerning data emerged around the experience of Disabled, White Other & Asian staff, as well as the suitable working environments of carers. Further exploration and action plans are in hand to address and will be monitored. A mirror Pulse Survey for students was also launched. Both surveys capture demographic data so that the institution can better understand how certain groups are coping and how best to support them.

- Carers
 - 70% “I feel well informed about what support is available to me” (good)
 - 58% “I have a suitable working environment” (challenge)
- Disability
 - 20%-30% lower scores than non-disabled staff (challenge)
- Ethnicity
 - 86% Black British Africans feel “The Group is demonstrating that it cares about people” (good)
 - 33% White non-British feel “I have confidence in how the University has responded” (challenge)
- Comments
 - *“My two kids are at home with me currently, they are both pre-schoolers and it is sometimes difficult for them to understand that I have to work”*
 - *“I think you are doing everything you can. Thank you”*

Looking Forward

To meet the University strategy KPI’s in terms on Inclusion the EDI team will work to deliver, develop and embed EDI interventions within Schools, across PSG divisions and across the Group. We will work the HR Business partners, that will allow us to value the contributions of everyone, including people from under-represented groups at senior management level and ensuring equality. Improvements in our EDI performance will benefit our workforce reputation as well as support our recruitment and retention strategy, delivering organisational, efficiency and performance.

As we start the first phase of implementing our EDI strategy, we will ensure that we:

- Our approaches to equality, diversity, and inclusion on recognised models of best practice
- Engage with our staff and students at regular intervals, ensuring we hear their lived experiences that informs our actions
- Review and monitor progress to ensure that milestones are being achieved and real change is happening
- Annually refresh the strategy and action plan to ensure that it remains relevant
- Work with our leaders to increase their visibility around inclusive leadership

There is Equality, Diversity and Inclusion woven in the mission and ethos of the Group. Through the implementation of our EDI strategy, we will now work to embed key strategic actions that will enable LSBU Group to meet their milestones towards LSBU Group 2025. We will work across the Group and will explore areas of synergy and to ensure a holistic approach to making EDI and belonging a reality for all our staff and students.

	CONFIDENTIAL
Paper title:	2015-20 Strategy Review
Board/Committee:	Board of Governors
Date of meeting:	22 July 2021
Author(s):	Richard Duke, Consultant (Former Director of Strategy & Planning)
Sponsor(s):	Deborah Johnston, Pro Vice Chancellor (Education)
Purpose:	For Information
Recommendation:	The Board is requested to note the 2015-20 strategy review.

Executive Summary

This report is split into three sections:

1. Overall summary of performance of 2015-20, including LSBU's achievements, contextual sector changes, performance assessment and areas of learning, to form recommendations for the operationalisation of the 2020-25 Group Strategy
2. Detailed overview of performance against the eight outcome areas of the 2015-20 Strategy
3. Assessment of LSBU performance against other London Moderns over the period of the 2015-20 Strategy.

Appendix A details performance against each of the 2015-20 KPIs over the five-year period.

The report's focus is the University, as the KPIs used to evaluate performance were designed as University KPIs.

The report was discussed by the Finance, Planning and Resources Committee at its meeting of 6 July 2021.

Recommendation

The Board is requested to note the 2015-20 strategy review.

2015-20 Overview

The five years of the 2015-20 Corporate Strategy saw significant change for LSBU as well as the sector.

At the beginning of the 2015-20 Strategy, LSBU characteristics included

- Low reputation for academic quality and ranked a few places from the bottom of all domestic ranking tables, as well as not appearing in any reputable international rankings
- Research was not part of the culture and was not of a significant scale
- Recorded financial surpluses for a number of years
- Low levels of staff engagement

It ends the period of the strategy with:

- A significantly improved reputation, with improvement across all domestic rankings, albeit with a decline in performance in the last year of the strategy. Annual inclusion in both the QS and THE rankings and placed in the top 200 in the world for the Times Higher Impact Ranking. Alongside this was the award of a Silver Teaching Excellence Framework rating in 2017
- Increase in research outputs, income and quality (which is expected to be reflected in the publication of the 2021 REF exercise)
- Continued recording of financial surpluses for each year of the strategy
- Significant increase in staff engagement levels

In terms of the changes to the sector, regulation has transformed since 2014/15 with the establishment of the Office for Students (OfS). The new regulator has far-reaching powers to protect students and ensure student choice in an increasingly marketised higher education sector. This move to a regulator also saw the increased use of performance metrics to regulate the sector with potential sanctions for institutions that fall below expected standards over a sustained period. The main areas of OfS scrutiny will be around fair access, equality of academic outcomes, progression/completion and particular attention to attainment of graduate level employment or further study.

In addition to this, Government Policy increasingly prioritises the development of skills in higher education to equip graduates for future careers. Alongside this is a policy movement away from traditional three-year degree programmes towards other forms of HE, eg apprenticeships and standalone Level 4 and 5 programmes, and a broader range of higher education providers ie private and FE.

Over the course of the 2015-20 strategy period, LSBU has moved proactively to align with this policy trajectory and is well placed to respond to funding and policy changes. The main two developments in this area were:

- The development of the LSBU Group, with the integration of South Bank Academy Trust (consisting of UAE and UTC) and Lambeth College
- The partnership with Southwark Borough Council to develop the School of Apprenticeships, (The Passmore Centre) which, by the close of 2019/20, had over two thousand apprenticeship students.

Despite the considerable success that was achieved over the course of the 2015-20 strategy, significant challenges remain. At a high level, the challenge for the Group (and particularly the

University) is how it transitions to being a respected Professional and Technical University Group. To do this it must:

- Show significant improvement in core teaching metrics (graduate outcomes, student satisfaction, progression / completion and closing the awarding gap)
- Increase the volume and quality of research and enterprise
- Use resources efficiently and effectively to ensure suitable levels of investment in key priorities.

Performance Assessment of the Eight 2015-20 Strategy Outcomes

The table below summarises performance against the eight (nine including the overall section) outcome areas of the 2015-20 Strategy, with more detailed analysis provided in the following section of this report. These assessments are made solely on the basis of the KPIs which have been used to monitor progress throughout the 2015-20 Strategy (see Appendix A).

Outcomes	RAG Performance	Comments
Teaching and Learning	Yellow	Significant increase in graduate employment rates and ranked 2 nd amongst London Moderns. Some subject areas with very low rates require improvement given drop in rates in the newly introduced Graduate Outcomes (GO) survey.
Student Experience	Yellow	Ranking amongst UK HEIs on overall NSS scores represents a significant improvement. PGT satisfaction scores are very low however.
Employability	Red	Fell below 95% positive outcomes and no improvement in relation to student start-ups.
Research and Enterprise	Yellow	Significant increases in income over the course of the strategy, but below levels targeted.
Access	Red	Progression rates, expected completion rates and PGT completion rates are low.
International	Green	In the final year of the 2019/20 strategy, international income grew to a level approaching the original target as well as the achievement of 5 QS stars.
People and Organisation	Green	Excellent improvement in employee engagement scores, but a decline in the proportion of staff completing appraisals.
Resources and Infrastructure	Yellow	Surpluses recorded in each of the five years, though posted lower than London Modern average for % surplus and did not meet 2015-20 financial targets. Student satisfaction levels relating to facilities declined over the course of the strategy. Financial performance lower than London Modern average.
Overall (rankings)	Yellow	Significant improvement in ranking performance over the course of the strategy, with a large pullback in the final year, when the new GO methodology was applied.

Recommendations for 2020-25 Strategy

In light of the assessments above, and the ambitious targets set out in the 2020-25 Group Strategy, this report makes the following recommendations:

1. The culture of the organisation needs to be led by academic outcomes. Staff at all levels from Board to lecturers and administrators should have a clear understanding of academic performance and the implications. All decisions should be linked to the impact on core academic outcomes relating to students and/or research
2. Clarity of accountability is re-emphasised at all levels, linked to planning that follows our theory of change models and with the capacity to evaluate impact. Annual planning should prioritise and sequence activity to have maximum impact against goals and KPIs across the Group

3. Understanding of the financial performance of the institution should be increased so it is known which areas of provision are subsidising or being subsidised and to what extent, to improve decisions around priorities and investment.

Analysis of 2015-20 Outcomes

Below is a narrative of our overall performance against the KPIs, by outcome heading, as set out in the 2015-20 strategy. A table detailing performance can be seen in Appendix A. An analysis of performance compared to competitors can be seen in the next section of this report.

Teaching and Learning

The goal was expressed as LSBU being in the top 50% for Graduate employment outcomes, with a target of 80%. When the DLHE methodology was used, LSBU achieved over 80% in the years 2016/17 and 2017/18. Under the new Graduate Outcome (GO) methodology, this declined to 67% in 2019/20. When using the Guardian ranking to compare performance, LSBU was ranked 79th out of 121 institutions, so outside the top 50%. As noted in the competitor analysis section, LSBU was the 2nd ranked London Modern for graduate outcomes however.

This measure is an absolute priority going forward, with the 2020-25 Group Strategy placing a significant focus upon it. As part of regulatory compliance from the OfS, employability outcomes will come under increasing scrutiny, with some subject areas currently not meeting regulatory thresholds (with a likelihood these thresholds will increase in the future).

Student Experience

The overall goal was to be in the top quartile for universities, using the 2020 NSS as a measure (as defined by the Guardian league table, using the summary question). LSBU was joint 81st out of 121 institutions. This does not represent being in the top quartile, but is a significant achievement given that in 2014/15, the last year before the new strategy, LSBU was joint 103rd out of 116 institutions.

Despite this significant improvement, the NSS overall satisfaction score (question 27) was 80.3% in 2019/20, which was significantly short of the targeted 89% at the beginning of the strategy. There was a small improvement in International Barometer scores, but there was also a significant decline in PGT experience scores over the course of the strategy with a 2019/20 score of 66% compared to 74% in 2014/15 against an overall strategy target of 82%.

The student/staff ratio (SSR) showed significant improvement over the course of the strategy, meeting the overall 2019/20 target with a 2019/20 SSR of 16.7 compared to a target of 18.

Employability

As with the teaching and learning graduate outcome target, the overall goal of achieving 95% of first degree, full-time home graduates (EPI cohort) obtaining positive outcomes was achieved in 2017/18. This declined to 92.1% in 2019/20 when the new GO methodology was used.

The KPI around student start-ups did not show progress, with the 2019/20 number the same as recorded in 2014/15 (30) against a target of 150.

Research and Enterprise

The KPIs in this area both related to income increases. Research income doubled over the course of the strategy (£2m to £4.1m), but fell short of the £6m target. Enterprise income showed less progress, with an increase from £8.1m in 2014/15 to £10.5m in 2018/19 (with a target of £19m). The 2019/20 enterprise income figure of £7m should be seen through the context of the impact of Covid-19, significantly reducing the ability to bring in enterprise income in the final quarter.

Access

There were a number of measures in this area relating to both recruitment and completion of degrees.

There was a goal around having the highest recruitment rates from low participation neighbourhoods (LPN) amongst London Moderns. Recruitment from these areas actually declined over the course of the strategy. This measure is problematic as the use of POLAR to measure low participation rates is unreliable in London and other large urban areas. The new Social Mobility Index, as calculated as part of the 2020-25 Strategy provides a more holistic view, and sees LSBU as the highest ranked London Modern on this measure.

The measure to reflect a reducing reliance on clearing saw limited progress. The pre-clearing recruitment rate in 2014/15 was 75% and this increased to 78.2% in 2019/20, which was quite a distance from the 90% targeted. This measure should be seen in the context of increasing competition relating to recruitment over the course of the strategy, so even though the improvement did not meet its target, the fact that an improvement was achieved should be commended, especially in the context of an overall increase in recruitment (as noted in the competitor section).

The measures around progression and completion are the areas of the 2015-20 strategy where the least progress has been made.

- Expected completion rates compared to benchmark have increased from -7% to -3% over the course of the strategy, but are still significantly below the +3% targeted.
- With the exception of the final year of the strategy, year 1 to year 2 progression has shown little improvement through the course of the strategy. The 2019/20 year 1 progression rate is expected to have been heavily influenced by Covid-19 (previous economic recessions have resulted in increased retention in higher education).
- PGT completion did show a small improvement over the course of the strategy, but even by the 2019/20 the PGT completion rate was only 66.8%, against a target of 85%

The KPI around good honours is a challenging one from a higher education policy perspective. When the KPI was originally envisaged, this was around attainment, with the view that not enough LSBU graduates were achieving good honours. Over the course of the strategy, there was an 11.7 percentage point increase in LSBU students achieving good honours. Over this period however, the narrative from a higher education policy perspective has moved to one around grade inflation, which means that what would have been a positive in 2014/15 is now seen as a potential risk. Our focus moving forward is on the awarding gap which if reduced should see further improvements on these measures.

International

Against the KPIs outlined in the strategy, international has performed well. After limited progress against the international income target, in 2019/20, £17m of international income was achieved. This is still short of the £20m originally targeted, but a significant increase from the £11.2m in 2014/15.

Going forward, international recruitment maybe impacted by Covid-19 both positively through the UK's vaccination rollout making it a more attractive prospect, and negatively as a result of the likely reduction in international mobility.

The targeted achievement of 4 QS stars was over achieved, with 5 QS stars being awarded in 2019/20. The QS stars award is also complimented by LSBU's first ever appearance in international rankings tables (THE and QS). In the recent year we remain listed in THE World ranking but are not 'placed' in the top 1000

People and Organisation

There are two measures in this area. One has seen significant improvement, and in the other, there has been a decline. Positively, there has been a significant increase in staff engagement, rising from 58% in 2015/16 (the first year this was measured) to 73% in 2019/20. This is slightly below the target of 75%, but still a substantial improvement.

On the negative side, the proportion of staff completing their appraisals actually decreased over the course of the strategy, with only 82.1% completing theirs in 2019/20, compared to the overall strategic target of 100% and 90% in 2014/15. This might have been impacted by Covid-19, but the figure is not significantly different to appraisal rates in 2017/18 or 2018/19. In 2016/17, a rate of 95.6% was achieved.

Resources and Infrastructure

For consistency, the financial reporting includes LSBU only and excludes Lambeth College. When Lambeth College is included, the income target of £170m is achieved. The 5% surplus target was not achieved in each of the five years of the strategy, with a figure of 0.9% in 2019/20. This is elaborated on further in the competitor performance section, but LSBU's surplus in 2018/19 was lower than the London Modern average of 3% (2019/20 sector data is not yet available). In 2019/20 13% EBITDA was achieved, which is relatively close to the 15% target for the end of the strategy.

In terms of non-financial measures, the ICS service index was discontinued and student satisfaction relating to facilities and environment declined over the course of the strategy. After initial investment, which resulted in an NSS score of 90%, the 2019/20 NSS result in this area of questions dropped to 82.3% from 87.7% in 2014/15.

Overall

Domestic league table improvement was considerable over the course of the strategy. In 2018/19, LSBU was placed 68th in the Guardian from a starting position of 111th in 2014/15. As referred to above, the move to GO from DLHE had a significant impact on the rankings in the final year of the strategy, which saw a decline in all three domestic rankings from the highs in 2018/19. Despite this, the greater understanding of ranking tables and improvement over the course of the 2015-20 strategy is still a significant achievement. Given the decline in the latest year however, even more attention needs to be paid to this going forward, as rankings tables are a key driver of recruitment.

Competitor Analysis

The 2015-20 strategy had a stated ambition to be the top London Modern by 2019/20. This was an ambitious target given that in 2014/15, the only London Modern that LSBU was ranked ahead of was London Met. In the Guardian ranking published in 2019/20, LSBU was behind only Kingston and West London and in the Complete University Guide (CUG), LSBU was only ranked behind West London. Therefore, LSBU may not quite have achieved this stated ambition, but it came very close. This should be seen as a significant achievement.

The competitor institutions used to undertake this analysis are: East London, Kingston, Middlesex, Greenwich, London Metropolitan, West London and Westminster. These institutions represent post 1992 Universities in London with Polytechnic roots. Unless otherwise stipulated, the period of this analysis is from the last year prior to the 2015-20 Strategy (2014/15) and the last year of the 2015-20 Strategy (2019/20).

Key Academic Outcomes

Amongst the competitor group:

- Student Satisfaction¹ - LSBU was ranked 2nd for student satisfaction in 2014/15 (joint with Kingston) and again ranked 2nd for student satisfaction in 2019/20 (again with Kingston). Only West London has a higher overall student satisfaction score in the 2020 NSS.
- Graduate Outcomes² – LSBU improved from 3rd to joint 2nd (with Kingston), with only Greenwich achieving a higher graduate employment rate. Greenwich achieved a graduate level employment rate of 77% (as defined by the Guardian), compared to LSBU's 75%.
- Completion³ - LSBU was ranked sixth out of eight in both the 2015 and 2021 CUG tables, only achieving a higher rate than East London and London Met before and after the completion of the 2015-20 Strategy.
- LSBU is one of four London Modern institutions to achieve a Teaching Excellence Framework (TEF) silver. The other institutions holding a silver award are; Middlesex, Greenwich and West London. Amongst the eight competitors, no institution is holding a gold award.

Rankings and Reputation

- LSBU improved its rank in the Guardian ranking between 2015 and 2021 from 111th (out of 119) to 93rd (out of 121). In the 2018/19 table, LSBU was ranked 68th, before declining in the final year of the strategy. In the 2015 table, LSBU was ranked seventh out of eight amongst London Moderns (only ahead of London Met) moving to third in 2021 (only behind West London and Kingston⁴).
- Prior to the 2015-20, Strategy LSBU did not rank in any international rankings. It now appears in both the QS and THE world rankings (these are largely based upon research performance). In the QS rankings, LSBU is fifth amongst competitors with its position of 751-

¹ As measured in the Guardian ranking, using the satisfied with course question (the summary question). Comparing the 2015 values with 2021 values.

² Guardian definition of graduate employment. Note the change in definition from DLHE to GO in the final year of analysis. HESA states that this should not be presented in a time series due to the differing collection method and survey period. The above is presented as a rank however, not absolute performance.

³ As defined by the Complete University Guide. This uses the HESA T5 Projected learning outcomes measure

⁴ Kingston is ranked 40th in the Guardian table, but only 100th in the CUG (behind LSBU). It is therefore arguable as to whether Kingston's Guardian performance is representative of their outcomes.

800 in the world. West London does not rank, and London Met and East London are ranked 801-1000.

- LSBU is ranked in the top 200 in the world for Impact in the Times Higher Impact Rankings. Five of the eight London Modern institutions are also ranked, each in the same grouping (101-200).
- LSBU achieved 5 QS stars, the only London Modern to achieve this rating.

Recruitment and Financial Performance

- In terms of undergraduate recruitment⁵, LSBU showed the third largest growth between 2014/15 and 2019/20. LSBU's UG FTE recruitment increased by 9% over the period. West London saw an increase in UG recruitment of 29% and Middlesex by 19%. All other London Moderns were flat in terms of UG recruitment, with the exception of London Met, which saw a 6% decline.
- In 2018/19, (2019/20 sector data is not available yet), LSBU achieved the fifth highest surplus on income % of 2.1%, against an average for the Group of 3%. Westminster record a surplus % of 12.3%. London Met and Kingston recorded negative surplus %s of -11.2% and -1% respectively. In 2014/15 LSBU had the third lowest surplus % amongst the benchmark group.

⁵ HESA student number reporting

Appendix A – 2015-20 KPIs

Corporate Strategy Goals	2020 Success Measures	#	Key Performance Indicators	End of Corporate Strategy Ambition	Past Performance					2019/20				
					14/15	15/16	16/17	17/18	18/19	Green	Amber	Red	Target	Actual
Teaching and Learning	Top 50% of universities for graduate employment / starting salaries.	1	Graduate level employment &/or Further study (EPI population)	80%	68.0%	76.0%	81.8%	87.7%	no data available in 2018/19				N/A first Graduate Outcomes data release Jun-20	68.4%
		2	NSS scores – overall satisfaction (First Degree respondents)	89%	82%	82.0%	82.2%	78.8%	81.8%	84% +	81 - 83 %	< 81 %	84%	80.3%
Student Experience	Top quartile of all universities in NSS	3	International Student barometer (% recommending LSBU)	81%		77%	77%	80%	78%	81% +	77 - 80%	< 77%	81%	no data available in 2019/20
		4	PGT experience (% satisfaction)	82%	74%	74%	71%	71%	71%	76% +	72 - 75%	< 72%	76%	66%
		5	Student Staff Ratio	18:1	19.7:1	20.5:1	19.8:1	16:1	16.5:1	16 - 18:1	15.5 - 15.9 18.1 - 18.5	< 15.5 > 18.5	16 - 18:1	16.7
Employability	95% students in employment / further study (EPI)	6	DLHE Positive Outcomes; employment or further study (EPI)	95%	90.2%	90.8%	94.6%	95.3%	no data available in 2018/19				N/A first Graduate Outcomes data release Jun-20	92.1%
	Top 10 UK universities for student start ups	7	Number of Student start ups (Active Firms in HE-BCI 4aiv)	150	30	50	45	48	24	65 +	50 - 64	< 50	65	30
Research & Enterprise	Top 50% UK for Research & Enterprise Income	8	Research Income (non QR)	£6m	£2.0m	£1.9m	£2.8m	£3.5m	£4.1m	£5.3m +	£4.5 - 5.2m	< £4.5m	£5.3m	£4.1m
		9	Enterprise Income	£19m	£8.1m	£7.8m	£9.2m	£10.9m	£10.5m	£10.7m +	£10 - 10.6m	< £10m	£10.7m	£7m
	Top London Modern for LPN recruitment	10	% recruits from low participation neighbourhoods (Young FT FD)	9.0%	7.7%	8.4%	9.2%	8.9%	7.6%	8.0% +	7.7 - 7.9 %	< 7.7 %	8 - 10%	5.5% POLAR4
11		FTUG % (w/o HSC contract) recruited before Clearing	90%	75.0%	76.4%	77.2%	78.0%	75.3%	77% +	73 - 76%	< 73%	+77%	78.2%	
Access	Exceed expectations on completion	12	First Degree Completion projection (at or above benchmark)	+3%	-7 %	-5.8%	-5.5%	-1.8%	-4.0%	> 0%	-3 to 0%	< -3%	0%	-3.0%
		13	Year 1 progression (can change due to Jan 2019 2nd Semester Enrolment)	85%	73.1%	77.3%	74.7%	72.4%	73.5%	80% +	75 - 79%	< 75%	80%	80.3%
		14	Good Honours	63 - 67%	61.2%	66.4%	69.1%	70.0%	70.7%	65 - 70%	71 - 72% 63 - 64%	> 72% < 63%	65 - 70%	72.9%
		15	PGT completion	85%	61.5%	58.7%	69%	61%	66.7%	72% +	68 - 71%	< 68%	72%	66.8%
International	4 QS Stars	16	QS Star Rating	4	3 stars	3 stars	4 stars	4 stars	4	4	3	2	4	5
		17	Overseas student income (millions). Includes TNE	£20m	£11.2m	£9.8m	£11.2m	£10.8m	£12.1m	£13.6m +	£12.5 - £13.5m	< £12.5m	£13.6m	£17m
People and Organisation	Rated as a good employer	18	Appraisal completion % (Amongst all eligible staff)	100%	90%	91%	95.6%	85.3%	84.0%	100%	95 - 99 %	< 95%	100%	82.1%
		19	Average Engagement Score as a %	75%		58%	62%	61%	66%	70% +	66 - 69%	< 66 %	70%	73%
Resources & Infrastructure	Grow our income by 25% to £170m annually, deliver an operating surplus of 5% and an EBITDA margin of 15%	20	Surplus as % of income	5.0%	0.9%	2.4%	1.3%	1.1%	2%	1.0% +	0.7-0.9%	< 0.7%	1.0%	0.9%
		21	Income (£m)	£170m	£140.8m	£138.2	£144.5	£146.3	£149m	£152m +	£148 - 151 m	< £148m	£152m	£157.1m
		22	EBITDA margin (EBITDA expressed as % of income)	15.0%	9.2%	11.8%	12.0%	10.7%	11.2%	10.2% +	9.5 - 10.1%	< 9.5%	10.2%	13.0%
	Student satisfaction with facilities & environment in top UK quartile	23	Student satisfaction ratings with facilities & environment (FD)	90%	87.7%	90.0%	87.2%	83.9%	84.9%	90% +	84 - 89%	< 84%	90%	82.3%
		24	ICS Service Index %	80%	68%	76%	66%		no data available in 2018/19				80%	no data available in 2019/20
Overall	Top London Modern university (excl UAL)	25	Times - League table ranking	85	120 / 127	120 / 128	106 / 128	107/132	86/131	90 or higher	91 - 95	96 or lower	90	123 / 131
		26	Guardian – League table ranking	70	111 / 119	107 / 119	92 / 121	78 / 121	68/121	65 or higher	66 - 75	76 or lower	65	93 / 121
		27	Complete University Guide – League table ranking	87	119 / 126	115 / 127	108 / 129	93 / 131	87/131	85 or higher	86 - 95	96 or lower	85	89 / 130

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	CONFIDENTIAL
Paper title:	Management of risk in TNE partnerships
Board/Committee:	Board of Governors
Date:	22 July 2021
Authors:	Stuart Bannerman, Associate PVC International
Sponsor:	Paul Ivey, Deputy Vice-Chancellor and CBO
Purpose:	For approval
Recommendation:	The Board is requested to approve the TNE risk assessment process, as recommended by MPIC at its meeting of 24 June 2021.

Executive Summary

Following last September's LSBU Board Strategy Day, the Board asked to see the proposed approach to managing risk within new TNE partnerships. This paper describes the risk management approach, and proposes the final internal approval authority required to sign-off new TNE projects. It was shared with the Executive Team earlier this year.

The underlying approach to the management of risk for new TNE projects will be comprehensive and consistent. The level of risk assigned and the amount of scrutiny involved will primarily depend on three factors; the type of proposed TNE activity, the TNE partner (new or existing), and the planned geographical location of delivery. The initial and ongoing assessment of these three factors will ultimately determine the correct internal approval route within the university, and there are checks and balances through the development process including the TNE Board, Enterprise Advisory Board and MPIC.

The management of risk is not restricted to new TNE projects, but will become embedded in all TNE operations.

Proposed amendment to standing orders

The proposed approval process requires a consequential amendment to the standing orders (specifically the schedule of matters reserved). The suggested change is as follows:

25	International		
25.1	Opening an international branch campus or establishing an international joint venture		Board MPIC reviews

The proposed change to the schedule of matters reserved is a matter for Board approval, and will be considered as a separate agenda item.

Recommendation

The Board is requested to approve the TNE risk assessment process, as recommended by MPIC at its meeting of 24 June 2021.

LSBU Global Risk Framework for TNE Operations

The sector has historically done a good job of managing the risks associated with internationalisation. However, the risks are increasingly dynamic and growing in complexity. In this context, institutions will need to review and adapt their risk management processes.

Professor Sir Peter Gregson and Professor Anthony Finkelstein

Managing Risks in Internationalisation: Security Related Issues UUK 2020

I. Purpose

This document details the proposed policy and procedural framework within which LSBU Global will operate regarding future proposed TNE projects and partnerships.

II. Introduction

LSBU Global is an expansive, ambitious, and challenging initiative based on proven success. It takes the LSBU model and refines it for the benefit of the Group, the partners it operates with, and the places where it engages. The pragmatic impact of vocationally relevant professional education is attractive overseas; this captures the distinctiveness of LSBU and its entrepreneurial spirit, targeting all four themes of our strategy: Access to opportunity; Student success; Real world impact and Fit for the future.

The choice of partner and place in LSBU Global is determined by several factors:

1. A good fit with the strategic direction of LSBU Group.
2. Student demand for UK higher education is high, and often domestic capacity is limited.
3. Occupying a global position where there is genuine opportunity to add to existing activity.
4. The partner can engage with the culture of LSBU and is open to joint development.
 5. The partner can genuinely contribute to in-country capacity building.
 6. The partner will add value to the LSBU Brand and overall operating culture

III. The Management of Risk

It should be noted that LSBU Global has a group function, operating as a group-wide vehicle. The management of risk within TNE operations is a vital part of LSBU Global's strategy, and the identification, analysis and (where possible) mitigation of potential

risks will be embedded into our operations. In typical TNE initiatives, quality and academic product is determined and quality assured by the home institution (i.e. LSBU) within the UK and hosted with the consent of another country (rather like an embassy). In turn, LSBU is overseen by The Office for Students, the Quality Assurance Agency, UK Department of Education, and other relevant accredited bodies.

Process Management

Risk is further reduced by a closely managed process. There are a number of areas which are covered by a partnership approval process. Following an initial RAG most TNE partnership proposals are not pursued because of potential risk, and LSBU has put in place mechanisms to mitigate the latter when setting up a new partnership. From a strength point of view, the academic integrity, equality of access, frameworks of learning, and other features of the LSBU pedagogic and quality cultures are covered. It is good practice to embark on any TNE activity with the expectation that there could be an imminent audit as the OFS and the QAA have the authority to do this. One of the key features is the student protection plan and this is built into the documentation of all partnerships which any external audience would be very interested in. This also details the exit strategy and how the university intends to look after students in the final years of any operation.

To have a solid paper trail, the university introduced a four-stage process to make sure that no partnerships were being established without the full authority and hence the full support of the university. Having run the paper-based process for a number of years, it has now gone electronic and will provide any external examination with a comprehensive audit trail.

Having now developed its internal logic, working with the schools and PSGs over the last three years, particularly TQE, legal, and finance we now have a sector-leading process. The dual-track approach which embeds the quality assurance processes of validation along with the cross checking in quality, finance, legal and particularly the administrative management ensures that by final sign-off each of these areas is firmly wrapped. This is now contained within the Partnerships module of the HAPLO application. The introduction of management boards for all major partnerships also

provides a forum for the monitoring and guidance of the partnerships and allows for flexibility required to keep the partnerships on track while introducing innovation where required.

HAPLO has now come on stream as a manager and repository for all partnerships. LSBU global will continue as the owner of HAPLO Partnerships. Please find attached process chart of the HAPLO Operation (Appendix 2). As LSBU Global engages in a variety of different types of TNE projects and partnerships, the evaluation of risk and scope of due diligence conducted will need to reflect this. A research partnership with an established European university will not carry the same risk to LSBU as the establishment of an International Branch Campus in China.

In addition, although access to education is a key consideration to the TNE operations at LSBU, further investigations into the type of operation, its location and the safety of staff participating is at the forefront of all decisions on new endeavours. LSBU Global will consult with the FCO and various government and private entities to assess the risk and therefore type of operation we can move forward with. Types of underlying significant risk which would likely result in an immediate no-go decision at initial evaluation include:

- Natural Disasters
- War
- Famine
- Corruption
- Conflict
- Humanitarian issues
- Commercial Safety
- Gross Human Rights Violations

The assignment of a risk status to a potential TNE operation is just one factor influencing the ultimate decision to proceed or not, and it is accepted that a business decision may be made to not continue with any proposals regardless of the risk evaluation. The main types of TNE operation include (in an increasing potential for

exposure to risk for LSBU-subject to other factors such as location/partner/size of operation):

Probable Low Risk

- Joint research partnership*
- Student mobility
- Progression agreements

Probable Medium Risk

- Articulations
- Validation agreements
- Franchise agreements

Probable High Risk

- Joint ventures
- International Branch Campus

** The nature of the research may require further examination.*

As a principle the higher the perceived risk, the greater the due diligence is initially undertaken and subsequent monitoring of:

1. The partner itself
2. Key individuals involved
3. The supply chain as far as can be determined
4. The funding of any partner organisation
5. Operating culture and major issues to note
6. The political, economic and legislative environment in which the partner operates

IV Risk Identification & Evaluation

The process of identifying and evaluating potential risks will be done throughout the Partnership Approval Process, as well as part of an ongoing early warning activity designed to protect LSBU and students. As part of stage 1, initial due diligence is undertaken. For new partnerships considered to be low risk due to the type TNE operation proposed, this would typically be completed by desk research using a checklist of items to evaluate against. For new partnerships considered medium and

high risk, desk research is supplemented via the use of a specialist external agency who will review the people, place and organisation involved. The types of areas reviewed externally include:

- Preliminary red flag research and analysis
- Public record information available online
- Information derived from open and restricted-access (i.e. subscription) sources
- Basic media analysis
- Detailed research and analysis of public record information
- Regional, industry, and country-level context and insights
- Detailed media source analysis
- Social, political, and professional network analysis
- Reporting on associated parties

The final report contains detailed evaluation of the proposed partner institution as well as all its stakeholders (financial and non-financial) whether individuals or companies. Once we have received the external due diligence report, LSBU Global staff will use this, and other information gathered via desk research, to evaluate the proposed partnership in two further ways. Firstly, using the below PESTLE headings, an evaluation will take place of:

1. **Political:** the political landscape and government policies that might impact the proposal
2. **Economic:** financial considerations of the proposed partner, its stakeholders and other wider economy that are likely to affect things
3. **Social:** local population demographics, cultural and societal beliefs and consumer attitudes that may impact things
4. **Technical:** Are there any significant technological barriers to operating in the country, or are there real opportunities for trying new ways of doing things?
5. **Legislative:** An evaluation of the legislative framework in which we would be operating including industry-specific regulations
6. **Environmental:** Are there any ecological or environmental risks?

Next, the proposed partner will be subject to a risk evaluation using four key risk areas:

1. Regulatory history and standing; Permission to operate
2. Students (load, experience and outcomes); Quality
3. Academic staff profile; and
4. Financial viability and sustainability.

Once the above activities have concluded, a rating exercise will be done to either confirm the initial risk rating (low, medium, or high), or assign a new risk rating. A higher rating would result in a more comprehensive level of due diligence throughout the ongoing process (and beyond). TNE operations considered High Risk at the outset (i.e., joint ventures or overseas branch campuses) would remain in this category for the purposes of due diligence due.

Stage 3 of the partnership process involves the culmination of the academic, legal and financial discussions for the final drafting of the contract between LSBU and the new partner. At this point further due diligence will be conducted. The type and depth of this further activity will depend on the risk rating assigned at Stage 1. Where there is a financial aspect to the agreement then an external agency is used to conduct credit checks on the partner organisation. In addition, for some medium and all high-risk proposals, we would request supplementary forensic searches going beyond information available in the public domain.

Partnership Proposal Stage*	Key process activities	Risk Activity
Initial Stage	Initial informal discussions and appraisal of opportunity	Initial categorization of proposal risk level based on TNE type
Stage 1	Further discussions/visits and outline business plan	First formal due diligence undertaken via desk research and external agency (as necessary). Risk rating confirmed
Stage 2	MoU and/or NDA	
Stage 3	MoC negotiated and financials agreed	Further due diligence depending on TNE type and assigned risk rating

Stage 4	Final approval/sign-off	Agreement on process for future monitoring/evaluation of risk during partnership
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*See Appendix 1 for complete Risk Flow Chart

Operational Oversight

Once a partnership is up and running the monitoring and oversight needs to continue. LSBU has introduced management boards for all major partnerships and a TNE board to provide an oversight of the academic operations. Parallel to the academic oversight the operational management reports through to the executive and subsequently to the Board of Governors. This dual track approach manages the business risk as well as the integrity of the TNE.

The management boards are particularly useful as they provide an important forum for discussing any changes and to respond to any pressures which may have come upon the partnership. There are several standing items in the management boards which obviously include the usual programme of activities but also involve a sharing of horizon scanning and discussion around any micro-risks such as big fluctuations in exchange rates or security risks as they emerge.

In addition to the formal boards all partnerships are assigned a senior partnership manager whose job it is to account manage the partner and there is an academic director ensuring that academic currency of the operations and proving the teaching on the ground. The informal communication generated through staff and student mobility, the maintenance of good professional relationships with peers by senior staff and LSBU Global, and elsewhere within the university also help to monitor and pick-up any cultural changes. It should be noted that on the whole close engagement with the partners is highly rewarding and very often reassuring to see LSBU students in overseas sites pursuing their education in a model which reflects well the practices of LSBU in south London.

Safe communication

There are several ways to engineer good feedback from students but is also essential that there are informal channels where good trust exists to allow as far as possible with 360° vision of what is happening within the partnerships. It is inherently harder to

do this without the ability to travel and spend time on the ground in the TNE operations and more work will be required to ensure the same kind of visibility of the partnerships in the future if travel is going to be further restricted.

LSBU TNE Data Protection Policy

All TNE partners are required to include the statement shown in Appendix 4 on their enrolment form to ensure that students are aware that their data would be shared with LSBU. When exchanging students' personal data, LSBU and all TNE partners use encrypted software recommended by ICT.

TNE Initial Risk Evaluation Matrix -Summary

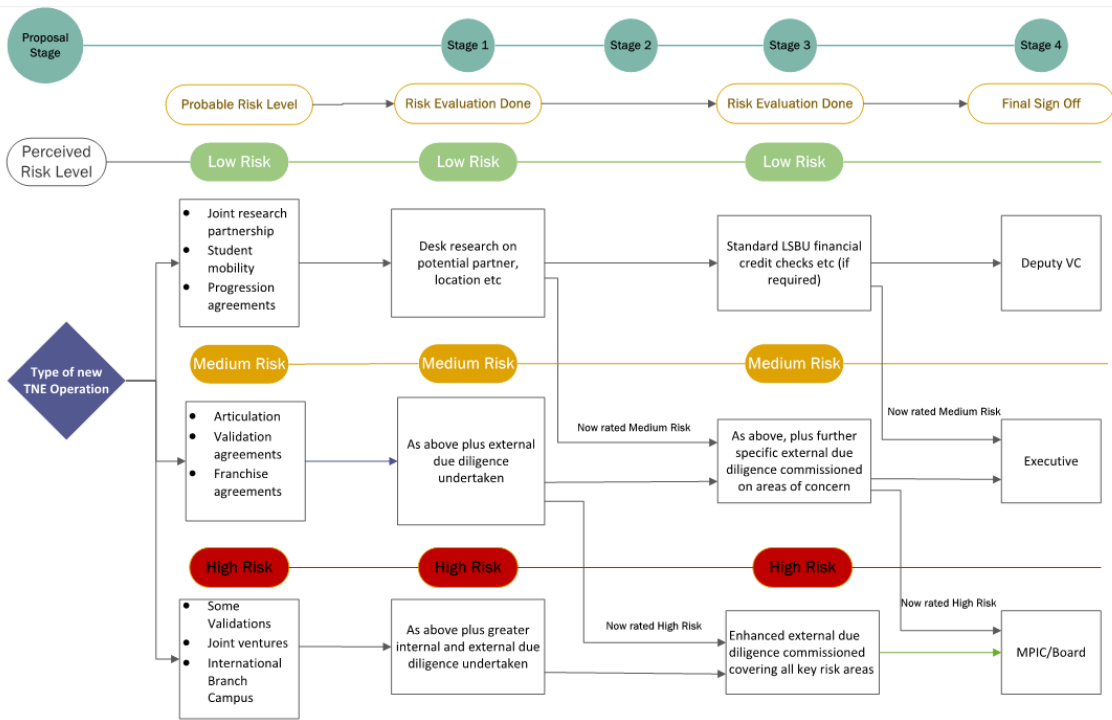
TNE Operation	Partner	Territory	Territory Risk Profile	Overall Risk	Due Diligence Conducted	Authorisation Required
Research / Student mobility/ Progression	Established	Existing	Low / Medium	Low	Desk research and legal/financial credit checks (if required)	Deputy VC
Research / Student mobility/ Progression	Established	New	Medium / High	Medium	As with Low Risk + external due diligence	Deputy VC
Research / Student mobility/ Progression	New	New	Medium / High	Medium	As with Low Risk + external due diligence	Deputy VC
Articulations	All	All	Low / Medium / High	Medium	As with Low Risk + external due diligence	Deputy VC
Validation/ Franchise	Established	Existing	Low / Medium / High	Medium	As with Low Risk + external due diligence	LSBU Executive
Validation/ Franchise	Established	New	Low / Medium	Medium	As with Low Risk + external due diligence	LSBU Executive
Validation/ Franchise	New	Existing	Medium / High	Medium	As with Medium Risk + enhanced external due diligence	LSBU Executive
Validation/ Franchise	Established	New	High	High	As with Medium Risk + enhanced external due diligence	LSBU Executive
Validation/ Franchise	New	New	Low / Medium / High	High	As with Medium Risk + enhanced external due diligence	LSBU Executive
Joint Ventures / IBC	Established / New	Existing / New	Low / Medium / High	High	As with Medium Risk + enhanced external due diligence	MPIC/LSBU Board of Governors

Separate Attachments

Appendix 1 – New TNE Risk Flow Chart

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Appendix 1 Risk Flow Chart



LSBU Global New TNE Partnership Initial Risk Evaluation Process

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Paper title:	Standing Orders – appointment of staff governors and schedule of matters reserved
Board/Committee	Board of Governors
Date of meeting:	22 July 2021
Author:	Michael Broadway, Deputy University Secretary
Sponsor:	Jerry Cope, Chair of the Board
Purpose:	For approval
Recommendation:	<p>The Board requested to:</p> <ul style="list-style-type: none"> • approve the proposed changes to the standing order on appointment of staff governors; • approve the proposed changes to the schedule of matters to the Board; and • delegate to a sub-committee of the Chair of the Board, the Vice Chair and the Chair of MPIC to approve, on behalf of the Board, consequential amendments to the Governance Agreements between LSBU and SBA and between LSBU and SBC.

Summary

Appointment of Staff Governors

There will be a staff governor vacancy in autumn 2021. The Chair would like to maintain the current balance of one academic staff governor and one non-academic staff governor on the Board. As set out in the Standing Orders, the staff governors are chosen from the membership of the Academic Board.

However, due to changes to the composition of the Academic Board, there is now only one non-academic member of staff eligible to be a staff governor. In order to increase the pool of non-academic staff eligible to be staff governors it is proposed that eligibility is widened to include membership of the Academic Board sub-committees.

An amendment is proposed to the Standing Orders to enable this change – please see appendix 1.

Schedule of Matters Reserved

The Schedule of Matters Reserved has been reviewed from a ‘group perspective’. The Schedule recognises the role of the Boards of SBA and SBC. It has been updated to cover LSBU matters and group-wide matters reserved to the LSBU Board. Group-wide matters reserved to the LSBU Board are based on the Governance Agreements between LSBU and its subsidiaries.

In the Governance Agreements LSBU consent is required for a number of actions of SBA or SBC. The amended Schedule now defines whether the Board or a committee provides consent on behalf of LSBU for each action (section 24). Following review, a number of changes are recommended to the consents required by LSBU. This will require changes to the Governance Agreements, which we propose are agreed by a sub-committee on behalf of the Board.

The other substantive change to the Schedule is to include a new section on international (section 25). This is to set out that Board approval is required for new international branch campuses or international joint ventures as set out in the TNE initial risk evaluation matrix as recommended to the Board by MPIC in June 2021 (covered on today’s Board agenda).

The other changes are to update references and to be clear about final approval and/or review by a committee.

Recommendation:

The Board requested to:

- approve the proposed changes to the standing order on appointment of staff governors;
- approve the proposed changes to the schedule of matters to the Board; and
- delegate to a sub-committee of the Chair of the Board, the Vice Chair and the Chair of MPIC to approve, on behalf of the Board, consequential amendments to the Governance Agreements between LSBU and SBA and between LSBU and SBC.

Extract from Page 7 of the LSBU Standing Orders:

“Staff Governors

12. There shall be two governors who shall be current members of the Academic Board or its sub-committees (Staff Governors). The Staff Governors shall be recommended to the Board of Governors by the Academic Board.

~~12.~~13. One Staff Governor shall be recommended from the academic staff on the Academic Board, and the other from the non-academic staff on the Academic Board or its sub-committees (Quality and Standards Committee, Student Experience Committee, University Research Committee).

~~13.~~14. The Staff Governors are appointed by the Board, having considered the recommendation from the Academic Board.

~~14.~~15. The Staff Governors serve for a period of three years or until they cease to be a member of the Academic Board or appropriate sub-committee, whichever is the soonest.”

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7. Schedule of Matters Reserved to the LSBU Board of Governors

LSBU Group (the Group) consists of London South Bank University (LSBU), South Bank Academies (SBA) and South Bank Colleges (SBC). LSBU is the parent company of SBA and SBC. Each entity has its own Board of Directors (for LSBU called the Board of Governors, for SBA called the Board of Trustees, and for SBC called the Board of Trustees). Each Board has a number of sub-committees to help it discharge its duties. The LSBU Group works on the principle of subsidiarity, i.e. that matters are approved at the most local level appropriate in the group.

Each Board in the group has its own schedule of matters reserved which complement this schedule of matters reserved.

This schedule of matters reserved to the LSBU Board covers LSBU matters and group-wide matters reserved to the LSBU Board. Group-wide matters reserved to the LSBU Board are based on the Governance Agreements between LSBU and its subsidiaries.

This Schedule of Matters Reserved to the Board sets out those aspects of University and Group business whose approval is reserved to the Board of Governors. Often the Board delegates certain approvals to one or more of its committees: where this is the case it is listed in the third column. Where the Board is restricted by the Articles, OfS conditions of registration, OfS terms and conditions of funding, legislation or the Financial Regulations (FR) from delegating decisions to a committee it is indicated by **.

1.	Mission and strategy	Reference	Delegation to a committee of the Board Decision-maker?
1.1	** The determination of the educational character and mission of the University	Art. 7.2.1	<u>Board</u> no delegation
1.2	Review of performance of LSBU in the light of its strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken by the Executive.		<u>Board</u> FP&R reviews prior to board
1.3	Approval and periodic review of <u>the Group-wide and LSBU</u> Key Performance Indicators.		<u>Board</u> FP&R reviews prior to board
1.4	** Extension of LSBU's undertaking into strategically significant or new material activities including opening new campuses or joint ventures		<u>Board</u> <u>MPIC reviews</u> no delegation

1.5	** Any decision to cease to operate all or any material part of LSBU's undertaking.		no delegation <u>Board</u> <u>A committee may review prior to Board</u>
1.6	Approval of international collaborations (not covered by 1.4): <u>Review of the overall performance and stakeholder value to LSBU of SBA, SBC and SBUEL.</u>		Executive FPR
2.	Corporate structure		
2.1	Major Material changes to LSBU's corporate structure.		<u>Board</u> Time limited working groups may review prior to board
2.2	Material changes to LSBU's management and control structure.		<u>Board</u> Time limited working groups may review prior to board
3.	Financial reporting and controls		
3.1	** Approval of the <u>LSBU Group consolidated</u> annual report and accounts	CA 2006 s.414(1)	<u>Board</u> no delegation <u>GARCAudit reviews draft from a 'true and fair' perspective; and FP&R reviews draft performance.</u> <u>SBC Board approves SBC accounts, which are consolidated into the LSBU Group accounts.</u>
3.2	** Approval of the annual estimates of income and expenditure and capital expenditure budgets and any material changes to them.	Art. 7.2.2	<u>Board</u> no delegation <u>(FP&R reviews P prior to board, Group Executive proposes the budget and FP&R reviews)</u>

3.3	<p>** Ensuring the solvency of LSBU and the safeguarding of its assets by:</p> <ul style="list-style-type: none"> • competent and prudent management • <u>sound planning</u> • <u>consideration of going concern</u> • an adequate system of internal control • a formal and structured risk management process • adequate accounting and other records • compliance with statutory and regulatory obligations • sound systems for reporting student data; <u>and</u> • any other means of assurance as the Board sees fit. 	Art. 7.2.3	<p><u>Board</u> no delegation (Audit <u>GARC</u> and FP&R review aspects as set out in their terms of reference)</p>
3.4	<p>Receiving assurance that funds provided by the funding body are used in accordance with the terms and conditions of the <u>OfS</u> Memorandum of Assurance and Accountability.</p>		<p><u>Board</u> <u>Audit GARC reviews</u></p>
3.5	<p>Ensuring sound arrangements for the adequacy and effectiveness of:</p> <ul style="list-style-type: none"> • risk management, <u>control and governance;</u> • control and governance, and value for money; <u>and</u> • for economy, efficiency and effectiveness (value for money), within the University <u>the management and quality assurance of data submitted to Higher Education Statistics Agency, the Student</u> 	<p><u>MAA-29aOfS Annex C, 4</u></p>	<p><u>Board</u> <u>Audit GARC monitors and reports-give its opinion to Board via audit committee annual report</u></p>

	<u>Loans Company, the OfS, Research England and other bodies</u>		
3.6	Ensuring that the arrangements for the management and quality assurance of data submitted to HESA and HEFCE are effective.	MAA 29i	Audit monitors and reports to Board
3.7	** Approval of any significant changes in accounting policies or practices.		<u>Board</u> no delegation (Audit GARC reviews)
3.8	Approval of investment and treasury policies.	FR 12.1	FP&R
3.9	Approval of investment policies for charitable funds.		FP&R
3.10	Acting as trustee for any property, legacy, endowment, bequest or gift in support of the work of LSBU and the welfare of its students.		FP&R reviews on behalf of the Board
3.11	** Appointment of bankers, opening of accounts, authorisation of signatories and levels of authority.	FR10.4 <u>FR 13.1</u>	<u>Board</u> no delegation (FP&R reviews)
3.12	** Approval of capital finance	FR 10.5 <u>13.6</u>	<u>Board</u> no delegation (MPIC-FPR reviews)
3.13	** Approval of borrowing raised on the security of the University's assets	FR 10.5 <u>13.6</u>	<u>Board</u> no delegation (MPIC-FPR reviews)
3.14	** Approval of lease finance arrangements for items with a capital value greater than £250,000	FR 10.5 <u>FR 13.6</u>	<u>Board</u> no delegation (MPIC-FPR reviews)
3.15	Approval of borrowings (by loan facility or overdraft) above £0.5 million.		<u>Board</u> no delegation <u>FPR</u> (MPIC reviews)

4.	Internal controls		
4.1	<p>Ensuring maintenance of a sound system of internal control and risk management including:</p> <ul style="list-style-type: none"> receiving reports on, and reviewing the effectiveness of, LSBU's risk and control processes to support its strategy and objectives; undertaking an annual assessment of these processes; approving an appropriate statement for inclusion in the annual report. 		<u>Board</u> <u>Audit GARC</u> reviews
4.2	<p>Authorisation of single debt write offs above £10,000 and annual debt write offs above £50,000. To receive a report on any debt written off below this threshold and approved by the <u>Executive Director of Finance Group CFO</u>.</p>	FR <u>5.108.8</u>	<u>Audit GARC</u>
5.	Auditors		
5.1	** Appointment, reappointment or removal of the internal or external auditor, following the recommendation of the audit committee.	MAA Annex A 3	<u>Board</u> no delegation (<u>Audit GARC</u> makes recommendation)
6.	Transactions and contracts		
6.1	** Investment in planned capital projects over £5 million	<u>FR 12.6</u>	<u>Board</u> no delegation (MPIC reviews)
6.2	Investment in planned capital projects over £2million and below £5 million	<u>FR 12.6</u>	MPIC <u>approves</u>

6.3	** Investment in unplanned capital projects above £1million	<u>FR 12.6</u>	<u>Board</u> no delegation (MPIC reviews)
6.4	Investment in unplanned capital projects above £0.5million and below £1million	<u>FR 12.6</u>	MPIC approves
6.5	** Budgeted revenue expenditure above £5 million.	<u>FR 12.6</u>	<u>Board</u> no delegation (MPIC reviews)
6.6	Budgeted revenue expenditure above £2 million and below £5m.	<u>FR 12.6</u>	MPIC approves
6.7	** Unbudgeted revenue expenditure above £1million.	<u>FR 12.6</u>	<u>Board</u> no delegation (MPIC reviews)
6.8	Unbudgeted revenue expenditure above £0.5million and below £1million	<u>FR 12.6</u>	MPIC approves
6.9	** To authorise use of LSBU's seal	FR 17 4.1	<u>Board</u> no delegation
7.	Academic		
7.1	** Ensuring an effective framework – overseen by the Academic Board – to manage the quality of learning and teaching and to maintain academic standards	<u>MAA 29jOfS 22i</u>	no delegation – <u>Board</u> Academic Board oversees
8.	Human Resources		
8.1	** <u>decision not to follow the outcome of national pay negotiations</u> Decision on whether to reverse any previous decision in relation to national pay negotiations	FR 11.78-8	<u>Board</u> no delegation
9.	Estates		
9.1	** Approval of Estates Strategy	FR 9.8.4 <u>12.10</u>	no delegation <u>Board</u> MPIC reviews

9.2	** Disposal of land and buildings	FR 9.13 <u>FR 12.10</u>	<u>Board</u> no delegation MPIC reviews
10.	Board membership		
10.1	** Changes to the structure, size and composition of the board	Art. 8.3	<u>Board</u> no delegation
10.2	Ensuring adequate succession planning for the board.		Nomination <u>Committee makes recommendation</u>
10.3	Regulations for appointment of governors to the board.		<u>Board</u> Nomination <u>Committee</u> reviews
10.4	** Selection of the Chair <u>man</u> of the board.	SO 3	<u>Board</u> no delegation
10.5	Membership and chair <u>man</u> ship of board committees.	SO 6	Chair <u>man</u> of the Board <u>approves</u>
10.6	Re-appointment of <u>g</u> Governors at the end of their term of office.		Nominations Committee reviews Appointments Committee approves
10.7	** Removal of a <u>g</u> Governor at any time	Art 9.3	<u>Board</u> no delegation
11.	Chancellor		
11.1	** The appointment, <u>-re-appointment and removal</u> of a Chancellor and determination of their duties	Art. 5.1.6	<u>Board</u> Chancellor Nomination Committee recommends
12.	Appointments of Senior Post Holders		
12.1	The <u>determination of which roles are Senior Post Holders (which must include the Vice Chancellor and the Clerk) appointment, assignment, appraisal, grading, suspension,</u>	Art. 5.1.4	<u>Board (determined in SO 13)</u> For VC and Clerk Board shall delegate appraisal to Chairman

	dismissal and determination of pay and conditions of the Vice Chancellor, the Clerk to the Board and other senior post holders as determined by the Board		
	<u>The appointment of senior post holders</u>		<u>Board</u>
	<u>The suspension or dismissal of a Senior Post Holder</u>		<u>Board</u>
13.	Remuneration of Senior Post Holders		
13.1	Determining the remuneration policy for the senior post holders.		Remuneration Committee
13.2	Determining total individual remuneration packages for senior post holders		Remuneration Committee
13.3	The introduction of new incentive plans or major changes to existing plans.		Remuneration Committee
14.	Corporate Governance		
14.1	** Responsibility for the overall governance of LSBU		<u>Board</u> no delegation
14.2	** Ensure a <u>Regularly undertake</u> a review of its the Board's own performance, of its committees and individual governors <u>is carried out.</u>	<u>CUC Code 5.13</u>	<u>Board, led by relevant Chair</u> no delegation
14.3	** The variation or revocation of LSBU's Memorandum and Articles of Association	Art. 24.1	<u>Board</u> no delegation
14.4	** Approval and review of a statement of primary responsibilities of the Board	<u>CUC Code Appendix 2</u>	<u>Board</u> no delegation

14.5	** Authorising situational interests of governors	Art 13.1 CA 2006 s.181(2)(b)	<u>Board</u> no delegation
15.	Delegation of Authority		
15.1	** The division of responsibilities between the chairman and the chief executive, which should be in writing. <u>Board and the executive</u>	<u>CUC Code 1.6</u>	<u>Board</u> no delegation
15.2	** Establishment and -closure of Board committees	<u>Article 10.4.2</u>	<u>Board</u> no delegation
15.3	** Approval of terms of reference of board committees.		<u>Board</u> no delegation
15.4	** This schedule of matters reserved for board decisions.		<u>Board</u> no delegation
16.	Subsidiary Companies		
16.1	Regulations for a Appointments of <u>relevant</u> directors and <u>approving</u> the composition of boards of subsidiaries of LSBU and <u>relevant</u> external bodies.		Nomination Committee
16.2	Investing in or becoming a member of subsidiary companies <u>or joint ventures</u> .		<u>Board</u> MPIC reviews
16.3	Establishing subsidiary companies <u>where LSBU is a member</u>		<u>Board</u> MPIC reviews
17.	Honorary Degrees		
17.1	Authority to decide recipients of awards		Honorary Awards Joint Committee (based on criteria as approved by the Academic Board)
18.	Policies		
18.1	Approval of high-level <u>high-level</u> corporate policies.		<u>Board</u>

			<u>FP&R or GARC reviews as required</u>
19.	Litigation		
19.1	Prosecution, defence or settlement of litigation involving above £0.5 million or being otherwise material to the interests of LSBU.		<u>Board</u> FP&R reviews
20.	Insurance		
20.1	<u>R</u> receiving assurance from the Executive that the insurance programme is adequate from year to year		FP&R
22.	Pensions		
22.1	** Major changes to LSBU <u>Group's</u> pension schemes or changes of trustees or changes in the fund management arrangements.		<u>Board</u> no-delegation <u>A sub-committee may review</u>
23.	Communication		
23.1	Approval of press releases on any matters decided by the board.		Chair
24.	<u>Group matters</u> <u>To give consent, on behalf of LSBU, to SBA or SBC to the following matters (as set out in the Governance Agreements):</u>		
<u>24.1</u>	<u>Adopt, or materially amend, the annual budget</u>		<u>For any deficit budgets by a subsidiary if surplus is maintained at group level – FPR</u> <u>For any deficit budget by a subsidiary if surplus not maintained at group level - Board.</u> <u>N.B. materiality will be defined in relation to the subsidiary</u>

<u>24.2</u>	<u>enter into or incur any borrowing;</u>		<u>Board</u> <u>FPR reviews</u>
<u>24.3</u>	<u>enter into or grant any security or other encumbrance over any property owned by SBC/SBA</u>		<u>Board</u> <u>FPR reviews</u>
<u>24.4</u>	<u>enter into any contract or otherwise incur any liability in excess of £250,000</u>		<u>For planned capital expenditure:</u> <u>Over £5m Board (MPIC reviews)</u> <u>Over £2m and up to £5m MPIC</u> <u>Over £0.25m and up to £2m Executive</u> <u>For unplanned capital expenditure:</u> <u>Over £1m Board (MPIC reviews)</u> <u>Over £0.5m and up to £1m MPIC</u> <u>Over £0.25m and up to £0.5m Executive</u> <u>For budgeted revenue expenditure:</u> <u>Over £5m Board (MPIC reviews)</u> <u>Over £2m and up to £5m MPIC</u> <u>Over £0.25m and up to £2m Executive</u> <u>For unbudgeted revenue expenditure:</u> <u>Over £1m Board (MPIC reviews)</u> <u>Over £0.5m and up to £1m MPIC</u> <u>Over £0.25m and up to £0.5m MPIC</u>
<u>24.5</u>	<u>enter into any arrangement, contract or transaction outside the normal course of its</u>		<u>For planned capital expenditure:</u>

	<u>business or otherwise than on arm's length terms and in particular (but without limitation) entering into any long-term, onerous or unprofitable arrangement, contract or transaction</u>		<u>Over £5m Board (MPIC reviews)</u> <u>Over £2m and up to £5m MPIC</u> <u>Over £0.25m and up to £2m Executive</u> <u>For unplanned capital expenditure:</u> <u>Over £1m Board (MPIC reviews)</u> <u>Over £0.5m and up to £1m MPIC</u> <u>Over £0.25m and up to £0.5m Executive</u> <u>For budgeted revenue expenditure:</u> <u>Over £5m Board (MPIC reviews)</u> <u>Over £2m and up to £5m MPIC</u> <u>Over £0.25m and up to £2m Executive</u> <u>For unbudgeted revenue expenditure:</u> <u>Over £1m Board (MPIC reviews)</u> <u>Over £0.5m and up to £1m MPIC</u> <u>Over £0.25m and up to £0.5m MPIC</u>
<u>24.6</u>	<u>engage in, commence, defend or respond to any litigation or pre-action correspondence or enter into any settlement negotiations with a value in excess of £20,000</u>		<u>FPR</u>
<u>24.7</u>	<u>dispose of any assets outside the ordinary course of business</u>		<u>MPIC</u>
<u>24.8</u>	<u>materially change the nature of SBC's activities</u>		<u>FPR</u>

<u>24.9</u>	<u>use the LSBU branding</u>		<u>Executive</u>
<u>24.10</u>	<u>purport to dismiss or terminate the employment of the Executive Principal</u>		<u>CEO in consultation with SBC Chair. Any appeal to Chair of the LSBU Board.</u>
<u>24.11</u>	<u>take any action or step in relation to the dissolution of SBC or SBA</u>		<u>Board</u>
<u>24.12</u>	<u>set up any subsidiaries</u>		<u>MPIC</u>
<u>24.13</u>	<u>enter into any partnerships or joint ventures</u>		<u>MPIC</u>
<u>24.14</u>	<u>support, administer or set up any charities</u>		<u>MPIC</u>
<u>24.15</u>	<u>affiliate or merge with any charity or other entity</u>		<u>Affiliate – MPIC, otherwise Board</u>
<u>24.16</u>	<u>enter into any licence or sponsorship agreement</u>		<u>Over £5m Board (MPIC reviews)</u> <u>Over £2m and up to £5m MPIC</u> <u>Over £0.25m and up to £2m Executive</u>
<u>24.17</u>	<u>appoint any firm of auditors other than the auditors to LSBU</u>		<u>GARC</u>
<u>25</u>	<u>International</u>		
<u>25.1</u>	<u>Opening an international branch campus or establishing an international joint venture</u>		<u>Board</u> <u>MPIC reviews</u>

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

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

Approved by the Board on 14 May 2015.

Revisions to 1.4 and 1.6 approved by the Board on 18 May 2017.

Revisions to 16.2 and the addition of 16.3 approved by the Board on 12 October 2017.

Revision approved by the Board on 15 October 2020.

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	INTERNAL
Paper title:	Corporate Risk Report
Board/Committee:	Board of Governors
Date of meeting:	22 July 2021
Author(s):	Karen McLernon, Head of Performance Analysis
Sponsor(s):	Richard Flatman, Group CFO
Purpose:	For Information
Recommendation:	For noting by the Board

Executive summary

The Corporate Risk Register currently contains:

- Zero critical risks
- Twelve high risks
- Seventeen medium risks
- One low risk

Risks are reviewed on a monthly basis by the Executive. The most recent review took place in July 2021. The Risk register was also reviewed by GARC in June.

The following updates have been made since the version most recently reviewed by the Board in May 2021:

- Risk 639 – A new risk has been added; ‘Failure to achieve Cyber Security Essentials at Lambeth College and / or LSBU’. Achieving this accreditation by September 2021 is a condition for College funding and has therefore been rated as high impact and high overall severity.
- Risk 517 – ‘EU Referendum Impact on regulation & market’, which was rated Low severity, has been removed following the ratification of the EU–UK Trade and Cooperation Agreement.
- Risk 2 – Impact of not achieving Home UG recruitment targets has been reduced to medium in view of the 21/22 recruitment pipeline. Overall rating is reduced to medium.
- Risk 637 - Likelihood has been downgraded to low in view of in view of the progress made in restoring student and staff access to core systems, resulting in a medium overall rating.

- Risk 584 – Further review of this risk will now take place in the autumn, once the current business continuity planning and review process has been implemented and re-testing of “gold command” arrangements completed. The overall risk rating is therefore maintained at medium (and not downgraded to low, as prematurely presented to the June Audit Committee).
- Risk 633 – Likelihood of being unable to deliver the recovery plan from Covid-19 has been downgraded from medium to low, and impact from high to medium. This reduces the overall risk to low.

Corporate Risk Register as at 14 July 2021

Author: Karen McLernon, Head of Performance Analysis

Sponsor: Richard Flatman, Group CFO

Risk Exposure Matrix – Severity by risk type (from Risk Appetite)

Severity Rating/Risk Type - Appetite	Low	Medium	High	Critical
Financial (Open)		(631) Full financial benefits including Income and expenditure levels fail to leverage potential of Group and fails to address changes resulting from government policy (DP) (638) Income, reputational and staff relation impact of Portfolio and Curriculum project (DJ) (630) HE Policy - B3 Registration Regulation and potential introduction of student number controls (DJ) (2) Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL)	(402) Income growth from Research & Enterprise unrealised (PI) (457) Anticipated international & EU student revenue unrealised (NL) (3) Sustainability of current pension schemes (RF) (634) Financial Impact of Covid-19 (student refunds/accommodation) (RF) (639) Failure to achieve Cyber Security Essentials at LC and / or LSBU (NL)	
Legal / Compliance (Cautious)		(519) Negative Curriculum Assessment (DJ) (584) External incident compromises campus operations or access (JDS)	(305) Data security and data protection (NL + JDS)	
Academic Activity (Seek)	(633) Unable to deliver recovery plan from Covid-19 (DP)	(628) Availability of NHS placements (WT) (495) Higher Apprenticeship degrees (FM) (398) Academic programmes not engaged with technological and pedagogic developments (DJ) (494) Inconsistent delivery of Placement activity (NL) (518) Core student system inflexibility / failure (DJ) (636) Blended Learning not implemented effectively, impacting student experience (DJ) (467) Progression rates don't increase (DJ) (627) Impact of new strategy upon organisational culture (MMJ)	(629) OfS Thresholds not met in relation to Condition of Registration B3 (DJ) (37) Affordability of Capital Expenditure investment plans (RF)	
Reputation (Open)		(6) Management Information perceived as unreliable, doesn't triangulate or absent (RF) (362) Low staff engagement impacts performance negatively (MMJ) (637) Failure to recover reputational damage from Dec 2020 ICT Outage (NL)	(626) Impact of assurance activity & new initiatives fails to address issues around student experience (DJ) (632) Alignment of estate with sector requirements across the Group (PI) (1) Capability to respond to change in policy or competitive landscape including funding changes (DP) (635) League table rank deterioration / reputational impact (DJ)	

Risk Exposure Matrix – Impact and Residual Likelihood

Impact	4 Critical <i>Corporate plan failure / removal of funding, degree award status, penalty / closure</i>				
	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>	(495) Higher Apprenticeship degrees (FM) (519) Negative Curriculum Assessment (DJ) (6) Management Information perceived as unreliable, doesn't triangulate or absent (RF) (362) Low staff engagement impacts performance negatively (MMJ) (467) Progression rates don't increase (DJ) (637) Failure to recover reputational damage from Dec 2020 ICT Outage (NL)	(37) Affordability of Capital Expenditure investment plans (RF) (3) Sustainability of current pension schemes (RF) (626) Impact of assurance activity & new initiatives fails to address issues around student experience (DJ) (632) Alignment of estate with sector requirements across the Group (PI) (1) Capability to respond to change in policy or competitive landscape including funding changes (DP) (305) Data security and data protection (NL + JDS) (634) Financial Impact of Covid-19 (student refunds/accommodation) (RF) (457) Anticipated international & EU student revenue unrealised (NL) (639) Failure to achieve Cyber Security Essentials at LC and / or LSBU (NL)	(629) OfS Thresholds not met in relation to Condition of Registration B3 (DJ) (402) Income growth from Research & Enterprise unrealised (PI)	(635) League table rank deterioration / reputational impact (DJ)
	2 Medium <i>failure to meet operational objectives of the University</i>	(633) Unable to deliver recovery plan from Covid-19 (DP)	(398) Academic programmes not engaged with technological and pedagogic developments (DJ) (584) External incident compromises campus operations or access (JDS) (494) Inconsistent delivery of Placement activity (NL) (518) Core student system inflexibility / failure (DJ) (627) Impact of new strategy upon organisational culture (MMJ) (638) Income, reputational and staff relation impact of Portfolio and Curriculum project (DJ) (630) HE Policy - B3 Registration Regulation and potential introduction of student number controls (DJ) (2) Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL)	(628) Availability of NHS placements (WT) (631) Full financial benefits including Income and expenditure levels fail to leverage potential of Group and fails to address changes resulting from government policy (DP) (636) Blended Learning not implemented effectively, impacting student experience (DJ)	
	1 Low <i>little effect on operational objectives</i>				
		1 - Low	2 - Medium	3 - High	4 - Very 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>	<i>The risk is likely to occur in the immediate term</i>
	Residual Likelihood				

	CONFIDENTIAL
Paper title:	Governance effectiveness review final report
Board/Committee:	Board of Governors
Date of meeting:	22 July 2021
Author(s):	Kerry Johnson, Governance Officer
Sponsor(s):	Jerry Cope, Chair of the Board
Purpose:	For Information
Recommendation:	The Board is requested to note the final report on the actions arising from the governance effectiveness review, 2019.

Executive summary

In 2019 a governance effectiveness review was undertaken.

The conclusion of the review was:

“Overall, the review found London South Bank University (LSBU) has a largely effective Board of Governors working towards a unified goal in conjunction with the Executive. The review demonstrated the Board of Governors understood the challenges facing the University, internally as well as within the HE sector. The Board of Governors understands the governance structures in place and that these structures follow good governance, in line with best practice within the sector”.

A number of recommendations were made. These have all been completed with the exception of the following:

1. A paper to the Board on the remuneration of governors – following receipt of sector data from the CUC this is being drafted with the intention of bringing it to the October 2021 Board meeting following review by Executive and the Nomination Committee;
2. Inviting governors to group events – the governance team will pick this up when in-person events start again.

The full list of actions is included below for information.

The Board is requested to note the final report on the 2019 governance effectiveness review.

Key:	<i>Key recommendations (italicised)</i>	Proposals (normal text)			
Topic	Action from BGER	Proposed action to be taken	Officer responsible	Deadline	Status
1.0 Academic Board	<i>To review both assurance and reporting from the Academic Board to the Board to enable greater visibility of the work done by the Academic Board.</i>	1. Academic governance assurance report to be circulated to the LSBU Board 1x pa. 2. To define Academic Board's responsibilities in this area 3. update Academic Board's ToR and plan to cover this	1. Chair of Academic Board 2. Chair of Academic Board 3. Governance	Mar 2020	COMPLETED 1. Annual education report from Academic Board to Board in November. Annual research and enterprise report to Board in Spring each year. 2. Covered in 1 above. 3. ToR revised Nov 2019. An independent governor attends Academic Board meetings as an observer.
2.0 Strategic direction	<i>Agendas for Board meetings and Strategy Days to provide greater focus on strategic discussions and a reduction of operational papers.</i>	Strategic items to be identified and a plan developed for Board agendas and strategy day programmes reflecting the 4 pillars and 12 themes of the 2020-25 corporate strategy	PPA	Mar 2020	COMPLETED Review of Exec remits implemented to include regular strategy meetings which will improve the planning of Board agendas. Board packs are now structured so that operational detail can be included in supplements.
	At least half of each strategic away-day is made over to the consideration of strategic options in a session for governors only with the appropriate Executive, and that main Board agendas continue to be scrutinised for strategic/operational balance	Approach to Group/institute Strategy Days to be covered at Chairs' group.	Governance	Oct-19	COMPLETED Approach agreed at Chair's forum: "Members supported one minimum half-day

					<p>session for group strategy with all three boards. Individual strategy sessions were supported as follows (p.a.):</p> <ul style="list-style-type: none"> ○ LSBU – 3 half days (1 after the group session) ○ SBA – 1 day ○ SBC 1 day
<p>Page 146</p> <p>3.0 Group structure</p>	<p><i>Continued focus on finalising 'Group' governance arrangements and structure and for the Board of Governors to be assured of its responsibilities and potential liabilities in relation to it.</i></p>	<ol style="list-style-type: none"> 1. To implement Group committees, with the Audit Committee to serve as a pilot; 2. To implement a Group Schedule of Matters Reserved; 3. To clarify LSBU governors' liabilities/duties in the new structure. 	<p>Governance</p>	<ol style="list-style-type: none"> 1. End of 2019 2. Mar 2020 3. Mar 2020 	<p>COMPLETED</p> <ol style="list-style-type: none"> 1. Approach to audit committee agreed and revised TOR approved. Group role of FPR and MPIC approved. Approach to Rem Co and Nom Co being considered. 2. To Board in July 2021 3. Guidance circulated to Board for its March 2020 meeting.

4.0 Risk management	<p>Certain risks were highlighted as requiring greater consideration, namely education (student experience and NSS), transnational operations, GDPR and engagement with stakeholders.</p> <p>A review of the presentation of high-level key risks to ensure greater clarity for the full Board, and the Audit and Risk Committee will be asked to pay particular attention to ensuring that these key risks were regularly reviewed both as to number and mitigation.</p>	Risk Register sub-group to analyse risk reporting and report back to the Audit Committee	PPA and Governance	End of 2019	<p>COMPLETED</p> <p>Group risk approach and strategy reported to GARC at its June 2020 meeting.</p>
7.0 Capacity of the Board	Depending on strategic need at the time, IT, health, international and educational (Higher Education and Further Education) skills will be prioritised for future recruitment cycles. Future recruitment cycles will continue to evaluate any current skills gaps.	To be considered for the next recruitment cycle in early 2020.	Governance	Sep-20	<p>COMPLETED</p> <p>Skills audit undertaken in August 2020 and reviewed by Nom Com in September 2020. Based on this review, priority areas for incoming governor recruitment were agreed.</p>
8.0 Timing and quality of information	The respondents considered some more focus on research performance was necessary.	Regular reporting on research performance to the Finance, Planning and Resources Committee.	Paul Ivey / Pat Bailey		<p>COMPLETED</p> <p>Considered as part of review of FPR remit. Research performance from a finance perspective is covered in the management accounts. Research performance from an academic perspective is covered by the annual report to the Board.</p>
	Greater assurance is needed for the performance of Enterprise activities and for the activities of subsidiaries.	<ol style="list-style-type: none"> Quarterly reporting on Enterprise performance to FPR; To consider how to report SBA and SBC performance to LSBU's Board and/or FPR 	<ol style="list-style-type: none"> Paul Ivey Governance 	End 2019	<p>COMPLETED</p> <p>1. Enterprise Advisory Board established. As part of review of remit FPR, agreed that enterprise activity would be considered in detail by the EAB. Enterprise</p>

Page 148					performance from a finance perspective is covered in the management accounts. 2. Completed: annual performance and value review goes to FPR; covered in VC report; detail to go to SBA/SBC Boards.
	Respondents felt generally the papers were received in good time, however papers for the SBUEL Board were often delayed.	To brief the Executive	Governance	Feb 2020	COMPLETED Masterclass in effective writing delivered to Executive and senior managers.
	A reminder will be issued to the Executive of the Chair's expectations that Board and committee papers are issued one week in advance and that papers should focus on those matters appropriate for Board consideration, with detail put into appendices.	To brief the Executive	Governance	Feb 2020	COMPLETED Masterclass in effective writing delivered to Executive and senior managers.
9.0 Diversity	Continued prioritisation of recruitment of diverse governors in future recruitment cycles, focusing on under-represented protected characteristics and skills.	External recruitment agencies to be briefed on requirements going forward.	Governance	Mar-20	COMPLETED Audeliss, a specialist in diverse recruitment, have been appointed for the next independent governor recruitment round (2020/21). The search is focussed on under-represented protected characteristics and skills.
11.0 Training and development	Governors welcomed the opportunity to attend appropriate Group events from time to time.	Group events to be publicised to governors	Comms [termly programme?]	Ongoing	IN PROGRESS To be reviewed when in-person events resume
12.0 Pairing	Clearer expectations of both governor and leader will be set at the start of a 'pairing' to help break the initial barrier and build the platform for a good relationship from the outset.	1. To identify expectations and agree with Chairs; 2. Clearer expectations at the start of pairing to governor and pair.	Governance		COMPLETED

14.0 Remuneration	It is proposed that LSBU, through its Chair, support this direction of travel, and, with Proposals on governor remuneration to be brought back to the Board for consideration, as appropriate, and that LSBU is in the first wave of any material changes in sector policy.	To monitor sector approach to governor remuneration	Chair of Board	Jul-20	<p>IN PROGRESS</p> <p>CUC review of HE governor remuneration published in spring 2021. A paper is being drafted for consideration at the Oct 21 Board meeting.</p>
17.0 Vice-Chancellor of the University	A special meeting of the Nomination Committee around key Executive Succession planning will be arranged.	<ol style="list-style-type: none"> 1. The LSBU Chair to develop a succession plan for the VC; 2. The VC to develop a succession plan for members of the Executive. 	Chair of Board & VC	Jul-20	<p>COMPLETED</p> <p>Plan circulated to Nomination Committee members in spring 2021.</p>

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	CONFIDENTIAL
Paper title:	Report and decisions of committees
Board/Committee:	Board of Governors
Date of meeting:	22 July 2021
Author(s):	Kerry Johnson, Governance Officer
Sponsor(s):	Relevant committee chairs
Purpose:	To update the Board on committee decisions
Recommendation:	The Board is requested to: i) note the report on decisions of committees and subsidiary boards; and ii) approve the Remuneration Committee terms of reference.

Executive summary

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

The Board is requested to approve:

- Remuneration Committee terms of reference

Other relevant papers are included separately as agenda items.

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Group Audit and Risk Committee – [15 June 2021](#)

The committee approved:

- 2020/21 LSBU Group external audit plan;
- Changes to the 2020/21 internal audit plan, necessitated by the IT outage;
- Draft 2021/22 Group internal audit plan and three year internal audit strategy.

The committee discussed:

- The report on the results of the committee effectiveness review and associated action plan, which would be updated and expanded;
- An update on preparations for the financial year-end audit processes;
- Corporate risk appetite and strategy for the LSBU Group – requested the Executive to consider the definitions and categories of risk to ensure they were representative of current good practice within the sector;
- Anti-fraud policy and fraud response plan – requested amendments be made and brought back to the October 2021 meeting for approval.

The committee noted:

- The corporate risk register, comprised of zero critical risks, thirteen high risks, fourteen medium risks and three low risks;
- The report on the recent review of consumer protection, communication and regulation, as required by the Office for Students – the committee was assured that the review provided evidence that LSBU met its obligations in this area;
- Fire door works update
- Data protection report, including details of four incidents involving breaches of personal data since the previous meeting;
- No new speak up cases since the previous meeting;
- The impact of the IT incident on a specific group of students had been reported to the OfS;

Academic Board – [16 June 2021](#)

The Board approved:

- Minor changes to the Academic Regulations 2021/22, glossary, and accompanying Assessment and Examinations procedure.
- Removal of a list of awards that are not on the Framework for Higher Education Qualifications.
- Minor changes to the Student Protection policy 2021/22, introduction of a Covid addendum, and a course closure and suspensions process.

- Changes to the Admission and Enrolment policy 2021/22, taking into account immigration rules and procedures, and incorporating under-18s.
- Recommendations from the Academic Development Steering Group for promotion of the continuous professional development of academic staff.

The Board discussed:

- The Access and Participation plan implementation process.
- The Collaborative Proposals Approval process.

The Board noted:

- An update from the Provost on:
 - contingency plans for teaching and delivery over the summer and in 2021/22 depending upon different scenarios for governmental guidance on Covid-19;
 - progress of systems restoration following the IT outage;
 - progress of the London Road and Croydon building projects; and
 - the 2020/21 year-end financial position.
- An update on the future plans for the Portfolio and Curriculum review project.
- The final draft of the Lecture Capture policy, which would be approved by Chair's Action out of committee subject to minor changes following final discussion of the policy with the trade unions.
- Summaries of sub-committee meetings held since the last Academic Board meeting.

Enterprise Advisory Board – 23 June 2021

The Committee discussed:

- Research and enterprise activities for the 2020/2021 academic year to date, including the re-forecasted year end position, the direction and progress of the department's strategy, and a breakdown of successful research and enterprise bid values. The Committee also refined the reporting it would like to receive on research and enterprise activity going forward.
- A pipeline analysis of enterprise bids and the use of internal and external metrics to evaluate the impact and performance of bids.
- The development of LSBU Global's online study offer, the 2021/22 budget and five-year budget targets, and how prospective and existing partnerships are reviewed. The Committee encouraged routine review of partnerships and asked the Associate PVC (International) to develop a programme for ongoing review of existing and new partnerships. The Committee also noted that the Team University partnership in Tashkent has been fully validated and refined the reporting it would like to receive from LSBU Global going forward.

- A presentation on the Research, Enterprise, and Innovation department's strategic plan, which described its objectives, targets, and its new moniker 'South Bank Innovation'. The Committee was supportive of the strategy.

The Committee noted:

- An update on the HEIF (Higher Education Innovation Funding) Accountability Statement.
- A summary of the Group position of South Bank Enterprise for the next business cycle.

Major Projects and Investment Committee – [24 June 2021](#)

The committee recommended for approval:

- LSBU Global: partnership risk framework.

The committee discussed:

- Update on London Road construction – noted the time and cost challenges in constructing the LSBU Hub, and the estimated completion date of October 2021.

The committee noted:

- Project LEAP update;
- An update on progress of the LSBU major capital development programme and relevant estate-related issues;
- An update on the Nine Elms STEAM Centre (NESC).

Finance, Planning and Resources Committee – [6 July 2021](#)

The committee recommended for approval:

- LSBU 2021/22 draft budget, containing a £2.7m investment in the Croydon campus, £2m in exceptional items and delivering a surplus of £2m.

The committee discussed:

- Management accounts to 31 May 2021 – full year forecast was trending towards a surplus of £2m;
- Student recruitment and retention update – undergraduate full-time courses were performing on a like-for-like basis compared with the previous year, though the EU pipeline had halved from 600 to 300 firm accepts;
- Group roadmap and KPI targets 2020-25 and regulatory metrics;
- SBC annual performance and value review;
- LSBU student harassment, bullying and sexual misconduct policy;

The committee noted:

- Review of 2015-20 corporate strategy;
- Treasury management report;
- Proposed renewal of LSBU and SBC insurance provision;
- Gender pay gap report, showing that the median gender pay gap had reduced from 5.1% in 2019 to 3.8% in 2020.
- Cashflow update, as presented to the Board as part of the London Realty discussions.

South Bank Academies Board – [8 July 2021](#)

The Board discussed:

- The newly established Hitesh Tailor awards for students for activities they have engaged in which aimed to improve people's lives on a local or global scale
- How best to articulate and demonstrate the advantages for SBA students to being part of the wider LSBU group, in terms of career pathways
- Results for 2020-21 and the internal cohort comparisons that would be made, but that external comparisons would not be possible for a second year
- Rationalisation of engineering courses across both schools and the introduction of a new digital media course at UAE/SBUA which ties into a new course at LSBU
- Impact of maths and English achievement in the schools and how to improve the level of attainment
- The draft SBA People Strategy was approved for implementation in September 2021
- Introduction of a new termly Health and Safety report to the Board
- The requirement to develop a detailed capital spending programme for 2021-22
- Pupil number forecasting and its impact on the five year budget forecasting – the board requested a number of scenarios to be circulated by email as soon as possible to allow the submission to the ESFA
- A statutory amendment to admissions policies applying to entry from September 2021 regarding children adopted overseas
- Proposed governance review to take place over summer 2021 and finalised by December 2021

South Bank Colleges Board – [14 July 2021](#)

The Board discussed:

- an EDI update, work being undertaken by the College.
- the Executive Principal's report including; impact of the pandemic on the teaching delivery and achievement outcomes, 2020/21 student predicted achievement, retention, and attendance outcomes and preparation work for the next Ofsted visit in autumn 2021.
- an update on the development of the NESC Vauxhall site.

- an update on SBC estate disposal and development – London Realty proposal.
- an update on the financial matters at Lambeth College; May 2021 management accounts and year to date financial position.

The Board discussed and approved:

- the 2021/22 budget.
- the 2021/22 curriculum plan.
- Tuition Fees Policy 2021/22
- ESFA Financial Return 2020/21
- the updated financial regulations

The Board noted:

- an update on SBC Regulatory Framework
- the Speak Up policy and report
- The revised Board skills audit approach and form

The Board received an update from the Students' Union President and feedback from two trustees on student matters.

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	INTERNAL
Paper title:	Remuneration committee terms of reference
Board/Committee:	Board of Governors
Date of meeting:	22 July 2021
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	Jeremy Parr, Chair of Remuneration Committee
Purpose:	For Approval
Recommendation:	The Board is requested to recommend the updated Remuneration Committee terms of reference.

Executive summary

The committee's terms of reference have been reviewed.

Following review a minor change is proposed:

- to confirm that it is an LSBU remuneration committee (rather than a group one) but to recognise the role of the SBA and SBC remuneration committees in determining PVC(CE)'s pay and bonus. This is covered in new section 12.

Following review by the Remuneration Committee at its meeting of 22 June 2021, the Board is requested to recommend the updated Remuneration Committee terms of reference.

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LSBU Remuneration Committee
Terms of reference

1. Constitution

1.1 The Board of Governors has established a committee of the Board known as the Remuneration Committee.

2. Membership

2.1 The Remuneration Committee and its chair shall be appointed by the Chair of the Board, from among the independent governors, and must consist of members with no executive responsibility for the management of the institution.

2.2 The Chair of the Board shall not be Chair of the Committee.

2.3 There shall be no fewer than three members; a quorum shall be at least two members.

2.4 The chair of the Board shall be a member of the committee.

2.5 Members should not have significant interests in LSBU.

2.6 The committee may, if it considers it necessary or desirable, co-opt members with particular expertise.

3. Attendance at meetings

3.1 The Vice Chancellor will be invited to present his/her recommendations to the Remuneration Committee on his/her direct reports. He/she will not be present for any discussion on her/his own remuneration. The Vice Chancellor will not have a role in the final decision on pay and other awards for themselves or other Senior Executives.

4. Definition:

4.1 The following definition applies to these terms of reference:

- Senior Executives: senior leaders who report directly to the Vice Chancellor. This group includes the Senior Post Holders as defined in the Standing Orders.

5. Remit of the committee

The responsibilities of the committee are to:

- 5.1 determine the broad policy for the remuneration of LSBU's Senior Executives. No individual shall be involved in any decisions as to their own remuneration;
- 5.2 approve the design of, any bonus scheme for Senior Executives operated by LSBU and approve the total annual payments made under such schemes;
- 5.3 approve individual objectives for any bonus scheme for the Vice Chancellor based on recommendations by the Chair of the Board;
- 5.4 monitor the objectives set for performance bonuses for the Vice Chancellor and Senior Executives;
- 5.5 within the terms of the agreed policy and in consultation with the Chair of the Board and/or Vice Chancellor as appropriate, determine the total individual remuneration package of each Senior Executive, including bonuses, incentive payments;
- 5.6 determine the policy for, and scope of, pension arrangements for each Senior Executive;
- 5.7 approve guidance on severance payments to Senior Executives;
- 5.8 approve a policy on external income for Senior Executives;
- 5.9 oversee any major changes in employee benefits structures throughout LSBU or group;
- 5.10 monitor compliance with the expenses policy for Senior Executives in line with note 8 of the CUC Higher Education Senior Staff Remuneration Code;
- 5.11 ensure that all provisions regarding remuneration as set out in CUC and OfS guidance are fulfilled;
- 5.12 review and note annually the remuneration trends across LSBU and the HE sector;
- 5.13 obtain up-to-date information about remuneration in other comparable organisations; and

5.14 approve the HE Senior Executive benchmark set.

6. Reporting responsibilities

6.1 The committee chair shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities.

6.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

6.3 An annual remuneration committee report shall be included in the annual report and accounts.

7. Authority

7.1 The committee is authorised by the board, at LSBU's expense:

7.1.1 to obtain any outside legal or other professional advice; and

7.1.2 within any budgetary restraints imposed by the board, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.

8. Secretary

8.1 The University Group Secretary or their nominee shall act as the secretary of the committee.

9. Minutes

9.1 The secretary shall minute the proceedings and resolutions of all remuneration committee meetings. Minutes shall be circulated to the members of the committee.

10. Frequency of Meetings

10.1 The committee shall usually meet twice a year and at such other times as the chair of the committee shall require.

11. Remuneration policies

- 11.1 in determining any of the policies within its remit the committee shall comply with 'The Higher Education Senior Staff Remuneration Code' published by the CUC (June 2018).
- 11.2 in determining the remuneration policy under 5.1, the committee shall take into account all factors which it deems necessary. The objective of such policy shall be to ensure that the Senior Executives are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of LSBU and group.
- 11.3 In determining the severance guidance under 5.7 the committee shall comply with the CUC's "guidance on decisions taken about severance payments in HEIs".

12. Remuneration of PVC (Compulsory Education)

- 12.1 In making decisions under paragraph 5 relating to the PVC (Compulsory Education), the committee shall have regard to advice received from the remuneration committees of South Bank Academies and of South Bank Colleges.

*Approved by the Board of Governors on 18 October 2018.
Reviewed by the Remuneration Committee on [22 June 2021].
Revisions approved by the Board of Governors on [22 July 2021].*