

## Meeting of the Board of Governors

4.00 - 6.00 pm on Thursday, 22 November 2018  
in 1B27 - Technopark, SE1 6LN

### Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
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 - 10	JC
4.	Matters arising	11 - 12	JC
<b>Chair's business</b>			
<b>Items to discuss</b>			
5.	Vice Chancellor's report	13 - 30	DP
6.	Chief Financial Officer's report	31 - 54	RF
7.	Key performance indicators report 2017/18 and targets 2018/19	55 - 58	RF
8.	Corporate strategy progress report	To Follow	DP
9.	Health and Safety annual report, 2017/18	59 - 86	SW
<b>Year End reporting and approvals, 2017/18</b>			
10.	Audit Committee Annual Report	87 - 96	SB
11.	External audit findings	To Follow	KPMG
12.	Letter of representation to KPMG	97 - 106	RF
13.	Remuneration Committee report to Board (to approve)	107 - 114	MLN
14.	Annual report and accounts (to approve)	To Follow	RF
15.	Written resolution to reappoint KPMG as External Auditors with delegation of remuneration to Executive (to approve)	115 - 116	JS
<b>OfS reporting</b>			
16.	Quality assurance return to OfS	117 - 118	SW

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
17.	Annual Academic Board report	119 - 124	SW
18.	Prevent annual return	125 - 128	DP

**Items to note**

*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*

19.	Corporate Risk	129 - 158	RF
20.	Reports and decisions of committees <ul style="list-style-type: none"> <li>• Modern slavery statement</li> </ul>	159 - 166	JS

**Date of next meeting  
4.00 pm on Thursday, 14 March 2019**

<b>Members:</b>	Jerry Cope (Chair), Douglas Denham St Pinnock (Vice-Chair), David Phoenix, Steve Balmont, Shachi Blakemore, Duncan Brown, Julie Chappell, Michael Cutbill, Nelly Kibirige, Kevin McGrath, Hilary McCallion, Mee Ling Ng, Jenny Owen, Jeremy Parr, Tony Roberts and Nazene Smout
<b>Apologies:</b>	Pat Bailey, Peter Fidler
<b>In attendance:</b>	Michael Broadway, Richard Flatman, James Stevenson and Shân Wareing,
<b>Auditors</b>	Fleur Nieboer

# Agenda Item 3

	CONFIDENTIAL
Paper title:	Meeting minutes and proposed redactions
Board/Committee	Board of Governors
Date of meeting:	22 November 2018
Author:	Michael Broadway, Deputy University Secretary
Sponsor:	James Stevenson, University Secretary and Clerk to the Board of Governors
Purpose:	To approve the minutes of the last meeting as a correct record and note the redactions for publication.

## Executive Summary

The Board is asked to approve the minutes of its meetings of 18 October 2018 and note the proposed redactions (in grey) for publication on LSBU's website.

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**Minutes of the meeting of the Board of Governors  
held at 4.00 pm on Thursday, 18 October 2018  
1B27 - Technopark, SE1 6LN**

**Present**

Jerry Cope (Chair) (*for minutes 1 -18*)  
Douglas Denham St Pinnock (Vice-Chair) (*in the chair for minute 19*)  
David Phoenix  
Steve Balmont  
Shachi Blakemore  
Duncan Brown  
Julie Chappell  
Michael Cutbill  
Nelly Kibirige  
Peter Fidler  
Mee Ling Ng  
Hilary McCallion  
Jenny Owen  
Jeremy Parr  
Tony Roberts  
Nazene Smout

**Apologies**

Kevin McGrath

**In attendance**

Pat Bailey  
Richard Flatman  
James Stevenson  
Michael Broadway

**1. Welcome and apologies**

The Chair welcomed Jeremy Parr to his first Board meeting.

The above apology was noted.

The Chair noted that the Board had just received an informative pre-board presentation on the student journey transformation project "LEAP". Progress on the project would be regularly reported to the Major Projects and Investment Committee.

**2. Declarations of Interest**

The Board noted the following declarations of interest:

- Jerry Cope declared an interest in the re-appointment of the Chair. Mr Cope would leave the meeting for the discussion. The item would be chaired by the Vice Chair;

- Jerry Cope and David Phoenix declared an interest in the update on project Larch as directors of South Bank Colleges.
- All members of the executive present declared an interest in the senior remuneration policy item.

### 3. **Minutes of previous meeting**

The Board approved the minutes of the meeting of 12 July 2018 and their publication.

### 4. **Matters arising**

All matters arising from the previous meeting had been completed.

The Board noted that the University had been unsuccessful in application for the Race Equality Chartermark. The response would be circulated to governors.

### 5. **Chair's business**

The Chair updated the Board that two key topics discussed at a recent CUC Board meeting were students' mental health and the cost of pensions.

The Chair requested governors to express an interest in becoming a director of South Bank Colleges, the recently created wholly-owned subsidiary to run further education in the group.

The Chair reported to the Board that Audeliss were the preferred recruitment agency for new independent governor recruitment. Audeliss's focus is on providing good quality, diverse candidates for boards.

The Chair reminded the Board that a detailed governance effectiveness review is due in summer 2019.

### 6. **Staff Governors**

The Board approved the extension of Jenny Owen's and Tony Roberts' first term as staff governors to 28 February 2019, due to the ongoing review of the membership of the Academic Board.

### 7. **Finance, Planning & Resources Committee - Chair's overview**

The Chair of the Finance, Planning and Resources Committee gave an update to the Board on the recent work and focus of the committee. The Board noted that workforce planning and NSS performance are current areas of focus for the committee.

The Chair invited governors to attend any committee meeting as an observer to help develop their understanding of the work of the committee and of the university.

## 8. Vice Chancellor's report

The Board discussed the Vice Chancellor's report in detail.

The Board welcomed the positive student recruitment outcome for 2018/19. This had been achieved despite increasing competition and while not lowering entry tariffs.

The Board noted with concern that initial indications showed that progression from year 1 to year 2 had dropped by 4 percentage points to 71%. The Board was advised that if progression rates for overseas students dropped below 85% (currently 87%) the university's international student licence could be revoked by UKVI. An update on the position would be provided at the next Board meeting.

The Board discussed the personal challenges some students faced during summer recess which may be a factor in lower than expected re-enrolments. The Executive was analysing the reasons for a similar decrease in re-enrolments and an update would be provided to the next meeting.

The Board discussed in detail the 3 percentage point decrease in National Student Survey (NSS) performance. The Board discussed the importance of the NSS as an indicator of student experience and its impact on TEF rating and league table scores. The Board requested an update on plans to address the decline in performance to the next meeting of the Finance, Planning and Resources Committee.

## 9. Chief Financial Officer's report

The Board noted the Chief Financial Officer's report, which updated the Board on current financial position, forecast surplus of £1.6m for 2017/18 (subject to audit), LSBU group matters, risk and control.

The year end audit was due to finish shortly. No significant issues had been raised by the auditors.

The Board noted that the draft internal audit annual report for 2017/18 had been reviewed by the Audit Committee. The report and the auditor's opinion was positive.

The Board discussed the variance compared to budget on third party staff costs. An update would be circulated to the Board.

The Board discussed the proposal to take on Lambeth College's commercial debt with Barclays as part of Project Larch. Barclays requires security in the form of asset cover at 140% of the outstanding loan values. It already has security over two of LSBU's properties and these are currently being valued. It might be possible to release some of the existing security but this has not yet been confirmed.

The Board approved the transfer of LSBU's current banking from RBS to Barclays.

#### 10. **Corporate Risk annual detailed review**

The Board discussed in detail the corporate risk register. The Board noted that the risk register is reviewed by the Audit Committee at each meeting.

The Board noted the risk management process had been reviewed by the internal auditors and was rated as "low risk".

The Board agreed that the risk on "revenue reduction if Home and EU recruitment targets are not achieved" should remain as critical.

The Board requested the Executive to review the likelihood and impact of the risks on pensions deficit, and unrealised international and student revenue. A board working-group on pensions will be established.

The Board questioned whether there should be additional risks on student experience due to the decrease in NSS performance, and on the current review of fees by the Government. This would also be considered by the Executive.

Based on the definitions in the risk appetite framework the Board agreed to maintain the following risk appetite for the University:

- a. Legal and compliance – "cautious";
- b. Financial – "open";
- c. Reputational – "open"; and
- d. Academic delivery – "seek."

#### 11. **Larch transaction update**

The Board noted the update on Project Larch. The South Bank Colleges (SBC) Board had met earlier on 18 October 2018 and had authorised exchange of the transfer agreement with Lambeth College. The Lambeth College Board was meeting in the evening of 18 October 2018 to consider authorising exchange of the transfer agreement with SBC.

The Board noted that the order to designate SBC to run Lambeth College had been laid before Parliament on 11 October 2018.

The Board noted that the LSBU Project Larch transaction sub-committee (established and given delegated authority by the Board at its meeting of 12 July 2018 – minute 10 refers) had discussed the legal due diligence report in detail at its meeting of 11 October 2018. The key risks arising from the report are on estates and on having legally compliant processes in place. The committee had agreed that these risks were manageable. The impact of the estates risks would be largely on the overage repayable to the ESFA. The



Board requested that the legal due diligence report is circulated to all governors for information.

*{Secretary's note: contracts were exchanged on 8 November 2018.}*

**12. Senior remuneration policy**

The Board approved the updated senior remuneration policy which had been discussed in detail by the Remuneration Committee. An independent report on executive remuneration had been commissioned by the committee to be considered at its meeting of 6 November 2018.

**13. Terms of Reference**

The Board approved the revised terms of reference for the Finance, Planning and Resources Committee and the Remuneration Committee.

**14. Annual declaration of interests**

The Board authorised the declared interests of its members.

**15. Reports and decisions of committees**

The Board noted the report.

**16. Review of standing orders**

The Board noted that a further review would take place post the transfer of Lambeth College into the University group.

**17. Board strategy day report**

The Board noted the report.

**18. Board annual work plan**

The Board noted its proposed work plan for 2018/19.

**19. Re-appointment of Chair (to approve)**

*In the absence of Jerry Cope, Chair of the Board. Chaired by the Vice Chair, Douglas Denham St Pinnock*

Based on positive feedback from governors as part of the annual appraisal of the Chair and the recommendation from the Nomination Committee:

- the Appointments Committee (all independent governors) approved the re-appointment of Jerry Cope as an independent governor; and
- the Board approved the re-appointment of Jerry Cope as Chair of the Board of Governors.

Both re-appointments will be for a second term of four years and with effect from 1 August 2019.

**Date of next meeting**  
**4.00 pm, on Thursday, 22 November 2018**

**Confirmed as a true record**

..... (Chair)

**BOARD OF GOVERNORS - THURSDAY, 18 OCTOBER 2018  
ACTION SHEET**

<b>Agenda No</b>	<b>Agenda/Decision Item</b>	<b>Action</b>	<b>Officer</b>	<b>Action Status</b>
4.	Matters arising	Circulate response for Race Equality Charter application to governors	Shân Wareing	Published as a <a href="#">supplement</a> . (Board briefing on submission provided to the Board at its meeting on 12 July 2018)
5.	Chair's business	Express interest in becoming a director of South Bank Colleges	Board of Governors	To do
8.	Vice Chancellor's report	Update to the Board on overseas students re-enrolment rates	David Phoenix	To do
		Update to Board meeting of 22 November 2018 on drop in re-enrolments	David Phoenix	To do
		Update to FPR meeting of 6 November 2018 on plans to address decline in NSS	Pat Bailey	Completed
9.	Chief Financial Officer's report	Update to Board on increase in third party staff costs	Richard Flatman	Verbal update
10.	Corporate Risk annual detailed review	Review risk register based on feedback from the Board	Richard Flatman	Completed – on Board agenda
11.	Larch transaction update	Project Larch legal due diligence report to be circulated to the Board	James Stevenson	Completed – circulated by email on 8 November 2018

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	CONFIDENTIAL
Paper title:	Vice Chancellor's Report
Board/Committee:	Board of Governors
Date of meeting:	22 November 2018
Author(s):	Dave Phoenix, Vice Chancellor
Sponsor(s):	Dave Phoenix, Vice Chancellor
Purpose:	For Information
Recommendation:	To note the update on University matters.

## Executive Summary

We have started the new academic year in a strong position having fully enrolled 5,308 students (target 5,150), equivalent to 103% of target and re-enrolled 6,909 students against a target of 6,347 continuing students, equivalent to 108.9% of target. The mix of re-enrolling students and their associated average income is different to the budget assumptions, so whilst total headcount numbers were over-achieved for re-enrolment, the income from returning students is below budget with reduced year 1 to year 2 progression. Overall we expect to be £1.5M ahead of budget based on the strong recruitment - subject to meeting Semester 2 targets.

Having exceeded our target for Semester 1 recruitment we now need to focus on Semester 2 recruitment and have secured 124 Firm Accepts, equivalent to 19.6% of our target. In terms of applications for 2019/20 recruitment, sector applications are down -1.27% in the first weeks of the cycle however we are performing ahead of our Competitor Group (-4.8% versus -11.5%).

Progress has been made with regards the acquisition of Lambeth College. Following the laying of the Order before parliament in October 2018 we have received written confirmation from the Minister of State confirming the Government's approval for Lambeth College to become 'a wholly owned subsidiary company of London South Bank University.' Our focus will now be on integration and I will continue to update the Board as work progresses.

## Vice Chancellor's Report November 2018

**This report has been structured 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 Review of Post-18 Education and Funding**

The review of Post-18 Education and Funding, often referred to as the Augar Review, is now scheduled to report in late January or early February 2019. The government response is expected in March or April. The review has been tasked with making recommendations for “Driving up quality, increasing choice and ensuring value for money”. A key directive is that its recommendations should be consistent with the government’s deficit reduction plans.

Meanwhile, the Office for National Statistics (ONS) is undertaking a review of government accounting for student loans. This is likely to determine that the current “off balance sheet” approach which keeps these loans out of government borrowing figures, is not appropriate. It remains to be seen whether the ONS recommends that all or part of the associated government borrowing is added to the deficit and what impact that has on the government’s thinking with regard to higher education funding.

Various rumours have been circulating. One involves the introduction of variable fee caps by subject of study including a drop to £6,500 pa for cheaper to teach subjects. Whilst, according to some figures, our strength in STEM areas would ameliorate the damage to LSBU, we would be concerned about the impact on subject choices, particularly by disadvantaged learners. The wider concern is that any reduction in headline fees is unlikely to be made up fully by direct funding.

Overall, there are two key risks: 1) A cut in the unit of resource. 2) The return of student number controls in line with the scenario I discussed at the strategy day. There are further associated risks, and given that we have no information, they are varied and wide ranging; for example,

- removal to central control of the Widening Participation funding, particularly effecting those institutions, including LSBU, where the preponderance of this funding is directed at student progression rather than outreach;
- the setting of minimum entry tariffs for receipt of student loan support;
- funding targeted by student completion rather than teaching costs.

There is also a more general concern that changes to HE funding invariably have unpredictable effects on the HE market with unintended consequences eg the damage caused to mature and part time learning by tuition fee increases.

## 1.2 TEF

The majority of our students reviewed by TEF and studying full time. For this full time cohort the three year average of the TEF metrics shows 2 negative flags, both linked to the NSS. The first relates to Assessment and Feedback whilst the second relates to Academic Support. We also have a 1 double positive flag for highly skilled employment/further study. This is an improvement on the TEF 3 position of 2 negative flags for the same two NSS question areas and no positive flags. With these results the initial rating based on the majority full time cohort would be Silver for the institution.

As the Institution currently holds a TEF 2 Silver rating, the duration of which has been extended to 2020/21, and there is a very low probability of obtaining a Gold rating due to the presence of negative flags, I am not looking to put forward a Provider Submission for TEF 4.

Moving forward, TEF will change from an institutional approach to a model built up from subject level assessment. The subject level TEF will replace provider level TEF in 2020/21 and this represents a risk for the Institution, as I reported to the Board, given we were assessed and awarded Bronze in the first TEF subject pilot in 2017/18. However, the metrics are still being reviewed.

The data from the OfS for this year is shown below for information. An initial rating is determined by the value of the positive and negative flags in the majority mode (full time for LSBU). Each NSS flag is worth 0.5 points and the remaining 3 flags each have a value of 1.

- A provider with positive flags (either + or ++) in core metrics that have a total value of **2.5** or more and no negative flags (either - or - -) should be considered initially as Gold.
- A provider with negative flags in core metrics that have a total value of **1.5** or more should be considered initially as Bronze, regardless of the number of positive flags.
- All other providers, including those with no flags at all, should be considered initially as Silver.

Table 1: TEF 4 Core and Split Metric Flags. Green are positive flags and blue negative

	Core metric	Years			Level of study			Age		POLAR		National IMD		Ethnicity		Disabled		Sex	
		1	2	3	PG-UG boundary	First degree	Other UG	Young	Mature	Q1 or Q2	Q3, Q4 or Q5	Q1 or Q2	Q3, Q4 or Q5	White	BME	Yes	No	Male	Female
<b>Full-time headcount: 8,615 (77%)</b>																			
The teaching on my course	-1.8	-1.5	-1.4	-2.5	13.9	-1.7	-5.3	-2.3	-1.3	-4.3	-1.4	-1.0	-2.4	-4.4	0.2	-2.2	-1.7	0.8	-3.3
Assessment and feedback	-2.7	-2.3	-1.8	-3.8	14.8	-2.5	-6.3	-2.4	-2.9	-3.3	-2.2	-2.4	-3.3	-5.2	-0.8	-3.2	-2.5	0.1	-4.3
Academic support	-2.6	-3.7	-0.3	-3.9	15.7	-2.7	-2.2	-3.2	-2.0	-4.8	-2.6	-1.9	-3.2	-5.5	-0.6	-3.7	-2.4	-0.4	-4.0
Continuation	-0.8	-0.6	-1.8	-0.1	-3.0	-0.7	-2.2	-1.5	-0.2	-0.5	-1.9	-0.6	-1.2	-1.5	-0.5	0.0	-1.0	-0.9	-0.8
Employment or further study	0.3	-2.0	0.8	1.9	-0.1	0.3	-0.4	-0.8	1.1	0.8	-1.2	0.7	0.0	-0.2	0.5	2.1	-0.1	0.3	0.2
Highly skilled employment or further study	6.4	2.4	5.9	10.3	-0.8	6.3	7.2	5.1	7.4	9.1	3.9	7.1	5.5	5.4	7.0	7.6	6.1	6.4	6.3
<b>Part-time headcount: 2,525 (23%)</b>																			
The teaching on my course	-5.2	-7.7	-4.2	-3.9	N	-5.3	-5.0	-7.3	-1.8	-8.1	-5.2	-4.2	-6.1	-7.3	-2.4	-4.4	-5.3	-7.4	-1.6
Assessment and feedback	-6.2	-9.0	-4.7	-5.3	N	-7.4	-3.7	-7.5	-4.0	-10.9	-3.0	-6.9	-5.6	-7.7	-3.0	-2.3	-7.0	-7.0	-4.7
Academic support	-3.4	-6.2	-0.7	-3.5	N	-4.5	-2.2	-4.7	-1.3	-10.9	-4.6	-2.4	-4.9	-4.4	-2.1	-0.9	-3.9	-3.6	-3.1
Continuation	18.0	21.5	16.6	15.3	N/A	18.0		20.3	14.2	34.2	18.8	19.8	16.4	19.6	14.1	18.5	17.8	17.2	18.7
Employment or further study	-0.2	-1.2	-0.7	1.5	0.8	0.1	-0.8	0.2	-1.1	-1.5	-0.4	-0.4	0.2	1.0	-1.3	1.6	-0.3	-0.5	0.3
Highly skilled employment or further study	5.2	3.0	2.8	9.1	3.1	3.1	8.9	7.2	1.6	9.7	6.2	4.1	5.9	7.4	2.8	5.6	5.1	7.0	2.9



## **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, Enterprise and Innovation**

The research target income is £4.3M, an increase of some 27% on the previous year's outturn. Income to date is some £0.5M in addition to £3.3M contracted but not yet earned, leaving some £0.5M to find in year (excluding pipeline). Pipeline bid activity is running at £25M, a 625% increase on the same time last year. The most significant School for research income is Engineering. The end of October will see research centre 3 years plans launched and the mini REF process released. This will be reported to FPR with a presentation to a future Board recommended.

The enterprise target income is £11.7M, an increase of some 11% on the previous year. Income to date is £1M in addition to £7.7M contracted but not yet earned, leaving some £3M to find in-year. Pipeline bid activity is running at £5M, a 15% increase on the same time last year. The most significant activity is mainly outside of the schools however Engineering and Health and Social Care have been significant contributors in the past.

On the 18<sup>th</sup> October 2018, a recent Engineering alum, Muizz Almaroof, won a Highly Commended Award at the Institute of Directors (IoD) Awards in the Student of the Year Category. Muizz graduated in 2018 and is one of our new Graduate Entrepreneurs. Whilst studying, he co-founded Motivez Ltd and completed a placement at Crossrail. The award recognises the entrepreneurial and leadership skills Muizz has developed and the successes he has achieved so far.

## **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 - Semester 1 2018/19 Enrolment Position – Home/EU as at 14<sup>th</sup> November 2018**

LSBU has fully enrolled 5,308 students against a target of 5,150 new starters, equivalent to 103.1% of target.

Our performance this year is underpinned by a strong UGFT campaign, in which we've encouragingly seen substantial Firm Accept growth both in the Main Cycle and through Clearing. LSBU is one of the few universities in the sector to have generated

over 1,000 Firm Accepts through Clearing this year, a milestone shared with institutions such as the University of Nottingham and Hertfordshire (both holders of TEF Gold awards). Considering the current sector landscape (with UCAS acceptances declining year-on-year), this is an excellent achievement but does increase retention challenges as clearing students are more likely to withdraw.

Fig 1: Current Enrolment Position Home/EU/OS – 14<sup>th</sup> November

As at 14 Nov 18	Current Enrolments				Pipeline
LSBU / Mode	Current	Target	Progress to	+/- vs	Partial
Home / EU	Enrolments	Enrolments	Target	Target	Enrolments
UGFT	3,383	3,132	108.0%	251	1
UGPT	712	718	99.2%	-6	5
PGFT	699	796	87.8%	-97	5
PGPT	514	504	102.0%	10	0
<b>LSBU Overall</b>	<b>5,308</b>	<b>5,150</b>	<b>103.1%</b>	<b>158</b>	<b>11</b>
Home	4,768	4,759	100.2%	9	10
EU	540	391	138.0%	149	0

Additionally, enrolment is ongoing for the 11 remaining students Partially Enrolled across LSBU. Their enrolment is incomplete because they have not provided sufficient proof of their ability to pay their tuition fees, or have not presented sufficient evidence of their academic qualifications. In both cases, students receive a weekly pass enabling them to attend their classes, which is renewable each week (for up to 4/5 weeks) provided that sufficient progress is made in the resolution of their issue. Partially enrolled students will be withdrawn if they do not enrol by the end of enrolment (mid/late November).

### 3.1.1 Semester 1 2018/19 Re-enrolment Position (Continuers) – Home/EU/OS

LSBU has re-enrolled 6,909 students against a target of 6,347 continuing students, equivalent to 108.9% of target.

Our outbound re-enrolment contact service was in operation from mid-August to mid-October. Over 4,000 calls and 6,500 text messages were sent to students, prompting them to re-enrol and assisting with their enquiries. In the process, we addressed a number of obstacles preventing students from re-enrolling, ranging from technical issues with the online platform, to fees and bursary concerns.

Students who haven't re-enrolled for this academic year were contacted on the 19<sup>th</sup> October and given a final two-week notice to complete their re-enrolment, in order to resume their studies for this academic year; if they do not re-enrol after this time they will be withdrawn from the university.

Fig 2: Re-Enrolment Position Home/EU/OS

As at 18th Oct	Current Re-enrolments			
LSBU / Mode Home / EU / OS	Current Re-enrolments	Target Re-enrolments	Progress to Target	+/- vs Target
UGFT	4,382	4,340	101.0%	42
UGPT	1,110	1,046	106.1%	64
PGFT	721	419	172.1%	302
PGPT	696	542	128.4%	154
<hr/>				
<b>LSBU Overall</b>	<b>6,909</b>	<b>6,347</b>	<b>108.9%</b>	<b>562</b>
Home	5,838	5,307	110.0%	531
EU	587	515	114.0%	72
OS	484	525	92.2%	-41

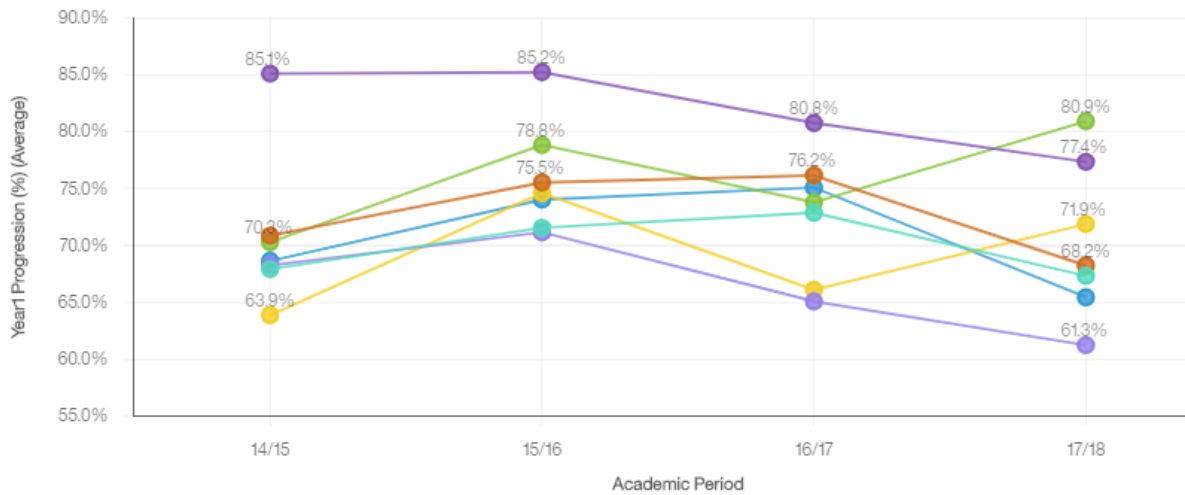
We intend to make the outbound re-enrolment service an annual business process, with greater coordination between the operations team and Schools/Academics in the next iteration of this activity.

In terms of progression, compared to 2016/17, LSBU has seen a decline in year 1 progression but no change in continuation. Of greatest concern is year 1 progression (2.6% decline).

In terms of individual School performance, ACI has shown strong performance across all measures overall and compared to last year. BEA have also shown improvement in both measures. HSC have declined in both measures. ENG and APS have declined in Progression but slightly improved in Continuation due to differences in population. The remaining Schools have shown significant decline in performance.

Continuation is currently tracking at 85.6%, in the last TEF exercise LSBU's benchmark was 88%, meaning LSBU would be 2.4% below benchmark. There is a possibility that a greater proportion of non-continuing students transferred to other HEIs than in previous years. If this has occurred, the negative reputational impact on LSBU will be minimised. However, this cannot be determined through internal data but will become apparent when the national data is reported.

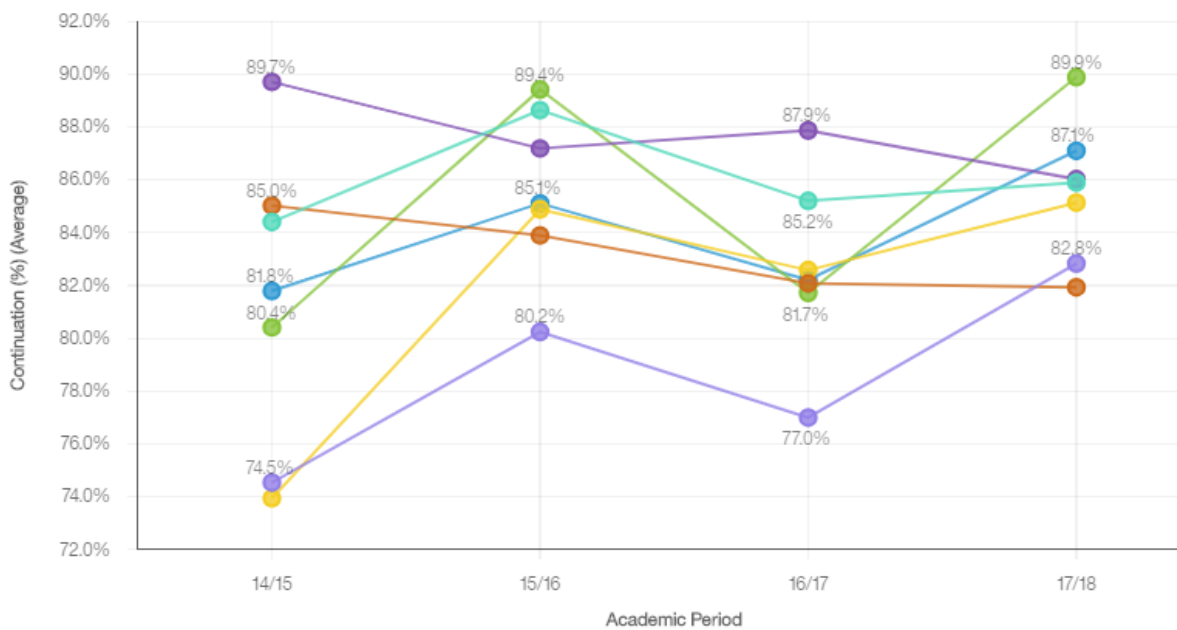
### Progression - Full Time, First Degree (Course greater than 1 year)



School / PSG

- School of Applied Sciences
- School of Arts and Creative Industries
- School of Built Environment and Architecture
- School of Business
- School of Engineering
- School of Health and Social Care
- School of Law and Social Sciences

### Continuation - Full time, First Degree



School / PSG

- School of Applied Sciences
- School of Arts and Creative Industries
- School of Built Environment and Architecture
- School of Business
- School of Engineering
- School of Health and Social Care
- School of Law and Social Sciences

In terms of Grade Point entry the tariff score year on year has improved from 106.9 in 2016/17 to 114.4 in 2017/18. It is too soon to tell what this figure is for 2018/19 but I will update the Board in January 2019 when the data becomes available. This is a strong improvement of 7.5 average tariff points which should have a positive impact on league table position in the league tables published in 2019. It also indicates that a key driver in this year's weaker progression data is unlikely to be due to deterioration in entry grade for last year's cohort.

Further analysis of progression will be covered in the next VC report.

### 3.2 Semester 1 International/EU

The recruitment cycle has gone well with International Recruitment 12% ahead of last year in a flat market. This should take us above the £8.3m target (including returners) for Semester 1 with 438 new UG/PG students compared to 420 target award students. The Study Abroad is 40 students at 60 Study Abroad (498 new students in total (fig.1)) but this is more than compensated for in terms of income by full time recruitment. If the Semester 2 intake does at least as well as last year the final income figure should achieve the £9.6m income target.

In terms of returners there is currently a £100K difference between the budget figure £3.9m and target.

European recruitment was a major success this year, 167% compared with last year, and helped make up for the small shortfall in Home recruitment.

Executive Summary	Enrolment		
Mode	Enrolment Target	EFE	EFEs Vs Target
EU	356	601	168.82%
OS	520	498	96.00%

### 3.3 International partnerships and TNE

The TNE income figure will be available by the end of November as registered numbers are finalised but will be in the region of 5000 FTE students.

The relationship between the British University in Egypt and LSBU continues to grow and the International Branch Campus (IBC) development has progressed. Key LSBU stakeholders have been consulted about the development and a project plan has been put together. A recent visit to BUE confirmed that UG level courses in Hospitality and Tourism are likely the most appropriate subject areas to start with in September 2019. A market feasibility report is currently being produced (by William Lawton the former Director of the Observatory of Borderless Higher Education) to analyse the market demand for Hospitality and Tourism degree programmes in Egypt.

It is expected that the Ministry of Education in China will report back in November 2018 as to whether they would look favourably on a joint Institute in Nanjing. Currently we have regional approval but it would assist with national recruitment if the Ministry were to endorse the operation. As previously reported this is not a joint legal entity but a jointly branded site with delivery of awards assured by LSBU.

A number of partnerships have progressed in Europe, including potential validation and franchise arrangements in Germany, Czech Republic, Switzerland and Luxembourg covering Business and Hospitality subjects.

Articulation and Progression partnerships are steadily growing with two new agreements recently set up in China and a new agreement is being developed with a private university in Mumbai.

### 3.4 Semester 2 2018/19 Recruitment Update – Home/EU/OS as at 9<sup>th</sup> November 2018

At this early stage in the Semester 2 recruitment cycle, we've secured 124 Firm Accepts LSBU-wide versus a Recruitment Target of 634. This is equivalent to 19.6% of our target; we currently require in the region of 500-510 Firm Accepts to achieve our Semester 2 - new starter recruitment target.

Fig 3: Semester 2 Recruitment Position Home/EU/OS – 18<sup>th</sup> October 2018

As at 9 Nov 18	2018/19 Semester 2 Recruitment Position			
LSBU / Mode	Year to Date	Recruitment	Progress	+/- vs
Home / EU / OS	FAs / UFs	Target	to Target	Target
UGFT	29	96	30.2%	-67
UGPT	4	209	1.9%	-205
PGFT	76	238	31.9%	-162
PGPT	15	91	16.5%	-76
<b>LSBU Overall</b>	<b>124</b>	<b>634</b>	<b>19.6%</b>	<b>-510</b>
Home	44	401	11.0%	-357
EU	15	32	46.9%	-17
OS	65	201	32.3%	-136

### 3.5 Semester 2 2018/19 Overall Postgraduate Pipeline (Firm Accepts, Offers, Applications) – Home/EU/OS as at 9<sup>th</sup> November 2018

Firm Accepts have increased (with +25 acceptances or 25.3% gain versus last year), and our supply-pipeline is in a stronger position due to growing demand in UG-S2 provision (with 37% more active offers and 40% more applications overall).

Undergraduate entry via Semester 2 is an expanding area, and represents a potential growth opportunity for LSBU. Compared to Postgraduate recruitment, our Undergraduate offering is seeing a significant growth proportionate to last year -

- UG-specific: Firm Accepts - up 120% (+18); Live Offers up 113% (+26), Live Applications up 143.8% (+46), compared to...
- PG-specific Firm Accepts – down 8.3% (+7); Live Offers up 25.7% (+38), Live Applications down -1.3% (-1).

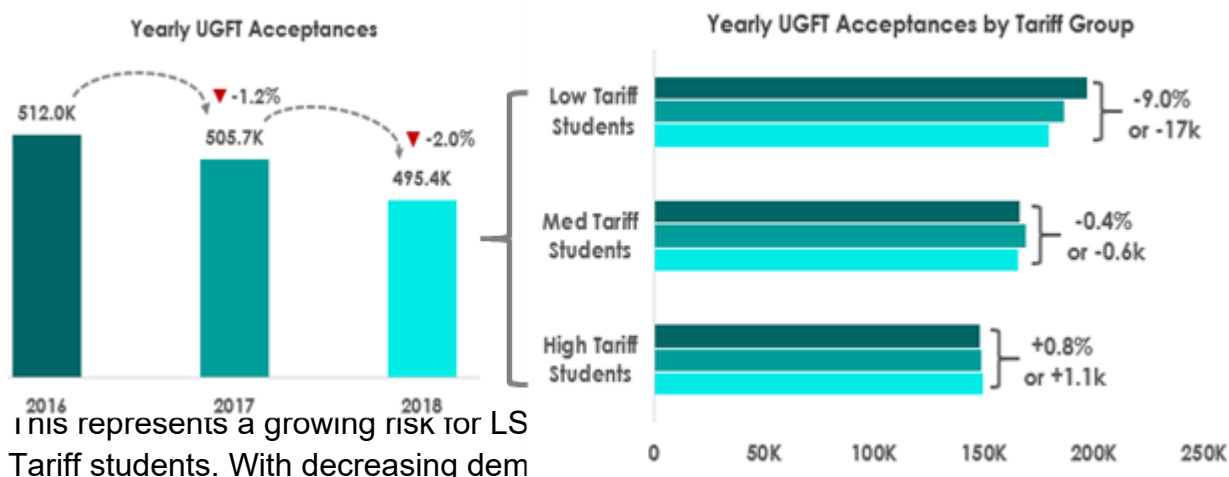
Fig 4: Semester 2 Recruitment Pipeline of FAs, Offers and Applications Home/EU/OS – 9<sup>th</sup> November 2018

H/EU/OS	Firm Accepts		Live Offers		Live Apps		Year
UGFT	29	▲ 93.3%	47	▲ 104.3%	54	▲ 68.8%	Key 2018
	15	+14	23	+24	32	+22	2017
UGPT (inc App'ships)	4	-%	2	-%	24	-	
	0	+4	0	+2	0	+24	
PGFT	76	▲ 5.6%	181	▲ 24.8%	77	▲ 2.7%	
	72	+4	145	+36	75	2	
PGPT	15	▲ 25.0%	5	▲ 66.7%	1	▼ -75.0%	
	12	+3	3	+2	4	-3	
LSBU	124	▲ 25.3%	235	▲ 37.4%	156	▲ 40.5%	
Overall	99	25	171	+64	111	+45	

### 3.6 Semester 1 2019/20 UGFT Wider Market Context – Home/EU/Overseas as at 18<sup>th</sup> October 2018

Acceptances via UCAS have fallen 3.2% or by 16,500 in the last three years from 512k to 495k. However, it is important to note that the decline is not due to higher entry requirements. Acceptance rates are declining because Low Tariff students (the largest group), are not entering H.E in the same numbers as before. Acceptances of Low Tariff students dropped by 9% or by 17k between 2016-18, while acceptances of Medium and High Tariff students were far more stable over the same period – changing by only -0.4% and +0.8% respectively.

Fig 5: Semester 1 2019/20 Cycle Wider Market Context – UGFT – as at 18<sup>th</sup> October 2018





increasing competition in the sector due to the growing application and use of Unconditional Offer-making across the sector, recruitment is becoming more challenging than ever.

### 3.7 Semester 1 2019/20 Initial UGFT Trends – Home/EU/OS as at 12<sup>th</sup> November 2018

Sector applications are down -1.27% (equating to 6,600 fewer applications) in the first weeks of the 2019/20 cycle. Similar to last year, we are seeing a decline in Home applications in the sector (down -3.34% or by 13,400 applications). The majority of UGFT applications will be made in the lead up to the first January-15 equal consideration deadline. Presently LSBU is performing ahead of its Competitor Group (-4.8% versus -11.5%).

Fig 6: Semester 1 2019/20 LSBU and Market Trends, and by Domicile – UGFT – as at 12<sup>th</sup> November 2018

Group		2018	2019	% +/-	+/-
LSBU		1117	1063	↓ -4.83%	↓ -54
Competitor Set		8.6 K	7.6 K	↓ -11.52%	↓ -986
Sector		517.0 K	510.5 K	↓ -1.27%	↓ -6.6 K

Group	Domicile	2018	2019	% +/-	+/-
LSBU	Home	978	944	▼ -3.48%	▼ -34
	OS	62	53	▼ -14.52%	▼ -9
	EU	77	66	▼ -14.29%	▼ -11
Comp. Set	Home	6.7 K	5.9 K	▼ -11.11%	▼ -742
	OS	1.1 K	1.1 K	▼ -8.13%	▼ -93
	EU	0.7 K	0.6 K	▼ -20.57%	▼ -151
Sector	Home	400.0 K	386.6 K	▼ -3.34%	▼ -13.4 K
	OS	77.9 K	85.4 K	▲ 9.55%	▲ 7.4 K
	EU	39.1 K	38.5 K	▼ -1.60%	▼ -0.6 K

### Forecast Income for S1 2018/19 New-Starters and Re-enrolments Home/EU/OS

Based on the latest forecasts from 12 November 2018, we currently stand at £92.7m of gross New Starter and Re-enrolment income (before in-year drop outs). Against a budgeted target of £91.2m, we are currently £1.5m ahead – with the key driver of success being Home/EU UGFT new entrants.

Fig 3: Forecasted Income and Budget Target HOME/EU/OS New-Starters and Re-enrolments as at 12<sup>th</sup> November

Forecast (as at 12/11/18)				Budget Targets for S1				Variance Forecast to Budget			
Group	New	Re-Enrolled	Total	Group	New	Re-Enrolled	Total	Group	New	Re-Enrolled	Total
Total	£45,849,190	£46,847,472	£92,696,662	Total	£43,881,548	£47,306,999	£91,188,547	Total	£1,967,641	-£459,527	£1,508,114
H	£36,552,446	£39,138,920	£75,691,366	H	£35,969,926	£39,610,386	£75,580,312	H	£582,520	-£471,466	£111,054
E	£4,647,380	£3,999,142	£8,646,522	E	£3,431,416	£3,793,134	£7,224,550	E	£1,215,965	£206,008	£1,421,972
O	£4,649,364	£3,709,410	£8,358,774	O	£4,480,207	£3,903,478	£8,383,686	O	£169,156	-£194,068	-£24,912



### **3.9 Apprenticeships**

LSBU has won 7 tenders with NHS Trusts (or trust consortiums) committing to 448 Nursing Associate apprentice enrolments before December 31 2018. Apprenticeships will be enrolling Nursing Associates monthly until Christmas however due to a number of factors including a delay in NHS Trust recruitment the overall numbers are likely to be less than originally forecast, with an estimated 100 enrolments before Christmas. The Apprenticeship team plan to move into the Passmore building imminently with the launch scheduled for 28 November 2018. Initial discussions have started in regards to building a closer relationship with the Lambeth College Apprenticeship team and exploring joint opportunities. The team is focused on recruiting for the School of Business in January 2019, with cohorts of Chartered Manager L6, Project Manager L4 and Digital Marketer L6 in the Pipeline. Quality are leading the Ofsted preparation and are working with the Performance and Planning Team to ensure the relevant data is available for inspection. The Apprenticeship Team is purchasing a data reporting system 'Pro achieve' (also used at Lambeth College) to ensure the relevant management data is available.

### **3.10 South Bank Academies Trust**

The majority of work relating to the Annual Report and Statement of Financial Accounts for September 2017 to August 2018 is nearing completion in accordance with the DfE Accounts Direction. The non-accounting content and formatting is ready whilst the figures will shortly be finalised. Following the finding of the HR audit undertaken for both schools, the Trust has now appointed a HR Manager to work across both schools, who will lead on all matters relating to HR transaction, compliance and organisation development. Audits of the single central register (SCR) for both schools have now taken place and a number of areas requiring action have been identified. The HR Manager will lead on the action plan. The report will be shared with the SBA Audit Committee.

Following an internal recruitment process and an interview selection panel comprised of SBA Board members, a HR lead and the PVC for South Bank Colleges, Dan Cundy, of the UTC has been appointed as the Executive Principal for the Trust effective 12 November 2018. Dan will continue to act as the Principal for the UTC for the remainder of the academic year and we will now commence the process of recruiting a Head of School for the UTC. The appointment of an Executive Principal is in line with recommendations arising from the DfE review of governance. We are continuing to engage with DfE to get agreement of the new governance arrangements for SBA.

### **3.10.2 University Academy of Engineering South Bank**

The UAE has launched a new and innovative enrichment programme entitled Day 10. All students from Year 7 – Year 10 take part in project-based learning once a fortnight, from 11.30am – 3.40pm. The curriculum covers either projects, many of which are being run by LSBU outreach staff, or visits to key organisations in and around London. This is to inspire application of learning in a practical and visible way in the local and wider community. It also enables students to develop key skills that they will need beyond the classroom.

### **3.11 Lambeth College**

Following the laying of the Order before parliament in October both the University and college have received written confirmation from the Minister of State for Apprenticeships and Skills, the Right Honourable Anne Milton, confirming the Government's approval for Lambeth College to become 'a wholly owned subsidiary company of London South Bank University.'

The subsidiary company, South Bank Colleges (from completion, trading as Lambeth College), held its second South Bank Colleges board meeting on 18 October 2018 chaired by Jerry Cope. The board welcomed Sue Dare as a new trustee of the board. Sue is a former college Principal, who has worked in a range of roles across the sector, include the Learning and Skills Council. Sue is a Governor at Procat College and is currently interim Principal at the National College for Creative and Cultural Skills. The board are in the process of securing the appointment of a permanent chair.

The board noted the due diligence report from VWV and approved the governance agreement as approved by the DFE. The Transfer Agreement between Lambeth College (the transferor) to LSBU (the transferee) was approved and signed. The Lambeth board approved the signing of the agreement at its board meeting later that day pending fulfilment of the conditions specified by the board. These conditions were met and the transfer agreement was signed and exchanged by both institutions on 8 November 2018, demonstrating a commitment from both parties to complete the transfer on 31 January 2019.

#### **3.11.1 Nine Elms Skills Centre (NESC)**

The NESC project is a key part of the estates strategy for the group's skills offer, with the £45 million build initiated under Lambeth College and due for completion under LSBU in March 2021. The university and college are working together to ensure the timeline for the development of the NESC is adhered to during this period of transfer.

#### **3.11.2 ESFA**

The October ESFA case conference was held at the end of the month with the college reporting positive final 17/18 student achievement. Provision for 16-18 year olds has

improved by 11% and is now just below national average, adult provision has also improved by 11% and is now at national average. Apprenticeship provision has declined and is significantly below national average (-23%). This was expected as we have required a number of historic records to be cleared. Provision for students with high needs is strong at 92% and 5% above national average. Actions are in place to address areas for improvement and a new Apprenticeship and Employer Engagement team have been recruited with plans to develop the provision in close partnership with the university apprenticeships team through the Passmore Centre for Technical and Professional Education.

The ESFA were updated on progress with preparation for the 31 January 2019 completion date and the transition to South Bank Colleges. The TUPE process for staff at Lambeth College and its subsidiary company SW4 commenced on the 6 November 2018. Work is underway to ensure that all statutory policies and procedures are in place ready for SBC to receive the college on the 31 January 2019.

### **3.11.3 Partnership working**

Integration of Lambeth College into the LSBU group is underway with strong partnership relations forming between teams across the two organisations. For example the University's outreach manager is working directly with the college's Curriculum Managers to support growth in progression for students from the college to LSBU. Deans and Heads of Faculty are meeting in December 2018 to begin to look at co-ordinated ways of integrating including curriculum planning, student progression and transition and signposting of career pathways.

The apprenticeship and employer engagement teams are working together with a view to addressing maximisation of funding opportunities through engagement with employers in regard to our combined offer across apprenticeships and workforce and professional development programmes. The 'one stop shop' opportunity for employers to engage with the university and the college with provision from entry level through to masters is one of the unique benefits of the group.

### **3.11 Ofsted**

We are expecting an Ofsted inspection of our apprenticeship offer. This is a new area for Ofsted and HE. There will be a number of challenges as this process is new to staff at the University. A task group, led by Maighread Hegarty, Deputy Director Academic Quality and Enhancement is in place and co-ordinating teams from across the university - apprenticeships, academics, registry, and others to ensure that everyone is fully aware of the input required of them. We are working with an ex lead HMI Ofsted inspector who is advising us and will lead a mock inspection early in the New Year.

In addition we are in discussion with the ESFA and Ofsted about the status of Lambeth College. Normally on merging any previous Ofsted grade would be removed but currently Ofsted are seeking to treat this as a re-designation of Lambeth. The issues are that this carry's over the needs improvement rating but we would also be due for an Ofsted for Lambeth College.

The UTC is also currently preparing for its first OFSTED inspection and continues to implement a number of measures to ensure readiness. A recent DfE Education Advisor visit (8 October 2018) identified a range of improvements since the last visit (March 2018) but also highlighted a number of areas which required additional attention in order for the school to be fully Ofsted ready. Areas requiring attention include (but are not restricted to); readiness of middle leader staff, readiness of governors, compliance with link governors assigned to SEN and Safeguarding (now complete), further work on the Self Evaluation Form and the Improvement plan and updating the Single Central Record. A mock OFSTED inspection took place on 13 November 2018 by Judicium. A final report will be produced by the end of the same week.

### **3.12 Public Affairs and Civic Engagement**

Further to the meeting in September with Sam Gyimah, Universities Minister, about our paper on Level 4 and 5 education, we have been invited to meet Jon Yates, the Special Advisor to the Secretary of State for Education, Damian Hinds, also to discuss Level 4 and 5 provision.

Separately, and further to our initial meeting in June 2018 with Robert Halfon, Chair of the Education Select Committee, we have also secured a visit from him, and potentially other members of the Committee.

As part of our civic engagement, we had an introductory meeting with the new Executive Mayor of Lewisham to take forward discussions on establishing a new Memorandum of Understanding on joint working.

We published the first phase of our report with [National Centre for Universities and Business entitled Talent 2050](#). This sets out to identify and make recommendations on how to address the skills and recruitment gaps in the engineering sector. The second phase commences shortly.

I sat on the Advisory Board of a joint report by UUK and the CBI which was published in October. [The Economic Case for Flexible Learning](#) made recommendations on more flexible use of the Apprenticeship Levy; investment in improving progression from Levels 2/3 to Levels 4/5; and more flexibility in the HE funding system, all of which align with our own papers for the Higher Education Policy Institute.

We also submitted to three higher education consultations:

- A new approach to regulating access and participation in English Higher Education, Office for Students
- Calculating Student Numbers, Office for Students
- Degree Apprenticeships Inquiry, Higher Education Commission

The installation of the University's new Chancellor was the final event of the 'Friends of LSBU' (formally the University Court). The Court had no governance role and was instituted with the aim of enhancing the University's external engagement. A wide range of stakeholders was invited to join including honorary graduates, local politicians and local employers. Members were provided with information about the University and asked to act as ambassadors. The annual Court event offered members the opportunity to comment on the work and plans of the university. Despite attempts to make it engaging the Court event has been poorly attended by external stakeholders

In recent years, the university has pursued a more active programme of stakeholder engagement establishing ongoing and regular communication with key stakeholders. This includes active membership of a wide range of local organisations, regular one to one meetings and small group discussions focused on specific areas of interest. We have found these to have been better attended, more engaging and more productive than less focused events, such as the Court. With the discontinuation of the Court, it is our intention to invest further in this approach. Former members of Court will continue to receive regular communication from LSBU through the LSBU friends email newsletter.

## **4.0 Strategic Enablers**

### **4.1 Workforce Planning – 2018 Change Programme**

The Voluntary Severance Scheme has now been successfully completed. The closing date was 6 July 2018, and all applications were considered by two Executive panels. People and Organisation have processed 60 successful VS applications. All the settlement agreements have been signed and returned, 70% of successful VS applicants had left by 31 October 2018 and the majority of salary savings will take effect from this date. The remaining VS applicants will leave by 31 January 2019 at the latest.

We have worked closely with the Trade Unions to reduce the number of anticipated redundancies from 69 to 36 - headcount of staff leaving.

It is anticipated that the recurrent combined annual salary savings from both the change proposals and VS, allowing for overlap between the two, is approximately

£4m. The 2018/19 savings impact, coupled with the roll forward impact of 17/18 in year savings means that we are approximately £0.75M short of our £5m target.

At executive level I am currently seeking assurance/understanding on growth in third party spend and assurance that additional resource put into schools over recent years has been targeted at academic delivery

## **4.2 Industrial Relations**

Of the HEIs balloted by UCU in furtherance of its trade dispute over the New JNCHES 2018-19 pay round, only 11 could face the possibility of industrial action; with 10 of those branches voting for both strike action and action short of a strike (ASOS). At LSBU, out of 320 voting papers only 99 were returned, a 30.9% turnout, which is well below the required 50% to enable a union to call industrial action. Of those voted, 76 were in favour of the strike and 23 against.

In similar fashion, UNISON has not won a mandate for strike action in England. Our third Union, GMB, has already accepted the offer.

### **4.2.1 Lambeth UCU**

The UCU trade union have lodged a trade dispute with Lambeth College at the beginning of this academic year and subsequently, on 19 October 2018 held a strike ballot on the basis of a claim that consisted of a 5% pay uplift and the removal of the new contract of employment (which was implemented in 2014). There were 82 eligible voting members and the turnout was 50 members or 61%; of those eligible, 34 members or 68% voted for strike action. The first dates for action have now been announced and currently they are 28 & 29 November 2018.

## **4.3 USS Employer position on Joint Expert Panel recommendations**

The UUK consultation with USS employers regarding the JEP recommendations closed on 30 October 2018 and over 120 responses were received from employers, representing more than 90% of the active membership. The vast majority of employers are supportive of the JEP's recommendations and would accept indicative employer contribution levels at 20.1%. However, the employers also make it clear that they believe a longer-term review of USS is essential, and indeed that employer support for the JEP's immediate recommendations is subject to such a longer-term review taking place.

# Agenda Item 6

	CONFIDENTIAL
Paper title:	Report from the Group Chief Financial Officer
Board/Committee:	Board of Governors
Date of meeting:	22 November 2018
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 note the report which provides a progress update on 2018/19 and an update on year end reporting matters.</p> <p>The Board is asked to approve the financial commentary (Appendix 1), explaining any significant variations from the data submitted to OfS in the September 2018 financial forecast submission (as approved by Board in the July meeting). This commentary requires approval before submission to OfS as part of the Annual Accountability Return (deadline 3 December 2018).</p> <p>We are not required to submit the detailed financial tables but these are enclosed in Appendix 2 for information.</p> <p>The Annual Assurance Return, which also forms part of the accountability submission, is approved by the Vice Chancellor as Accountable Officer and does not require Board approval. It has been enclosed in Appendix 3 for information. A detailed report has been submitted to Executive setting out the assurance sources underpinning the Annual Assurance Return.</p>

## Attachments:

Appendix 1: AAR financial commentary (for approval)

Appendix 2: Financial tables (for information)

Appendix 3: Annual Assurance Return 2017/18 (for information)

## **Report from the Chief Financial Officer: November 2018**

### **1. Management accounts to 31 October 2018**

The full year forecast as at 31 October 2018 is trending towards a surplus of £1.5m, this would deliver the University on budget.

We have billed £92.5m of Tuition Fees from Semester 1 students as compared to £82.7m at the same period last year, an increase of £9.8m. There are timing differences particularly with regard to the School of Health & Social Care, as £9m of students move from being funded by the Health Contract to paying their own fees. This explains some of the Year on year increase. We are still expecting Semester 1 to finish between £1m and £2m better than budget due to strong UG and PG recruitment. There is still a risk in terms of Semester 2 recruitment and so the University is holding its income forecast at the budgeted level.

The University is currently holding cash and cash equivalents of £49.7m. This is £2.4m higher than the position at this date last year.

### **2. Year-end reporting matters**

#### *Year-end accounts*

The audit is now complete and a final version of the accounts is presented for approval at this meeting.

KPMG identified seven audit misstatements in across LSBU and SBUEL, the majority of which related to issues around correct classification and none of which had a material impact on the reported surplus. All have been corrected. A further one immaterial item was reported by KPMG but has not been corrected.

There are five control recommendations around bank reconciliations, journal review, capturing data to calculate pay multiples, Intercompany recharges and filing of employment contracts. One recommendation was rated as high risk. One of the Universities bankers, HSBC, closed an account with a balance of £751k and did not transfer these funds to another University account. The bank reconciliation process failed to identify this bank error until later in the year. Immediate action has been taken to ensure that balances for all accounts are confirmed at least monthly (even where there has been no movement) and, that when accounts are closed, remaining funds are transferred by journal into the expected ledger account to ensure that they are followed up in a timely manner if not received.

The statutory financial accounts are presented in a separate paper to the board. The operating surplus reported is £1.6m and is line with agreed budget for the year.



A full compliance statement on our systems of internal control is included in the financial statements. A detailed report went to November Audit Committee setting out the various sources of assurance underpinning this statement. No matters have arisen since audit committee which would change our opinion in this regard.

The Board agrees when signing the accounts that they think it appropriate to prepare the statements on a going concern basis and a detailed going concern paper was also reviewed by Audit Committee in November and approved.

The Letter of Representation for both the University and SBUEL contain standard representations only and there are no matters specific to either company that have been included in response to matters arising during the course of the audit.

#### *HESA student return – potential clawback*

Following submission of student data to HESA our HEFCE/OfS Funding grant is re-calculated and then compared to our HEFCE grant that was based on the HESES submission made the previous December. As HESES contains a number of estimates – for example, student non-completion and second semester enrolments – there is always a risk of clawback following the HESA submission.

The university has now submitted the final 2017/18 HESA student return and our re-calculated grant shows a potential reduction in HEFCE/OfS Funding grants of £188,000 when compared to HESES17 submitted in December 2017. The main driver for this reduction is the reclassification of full time students to part time. This is due to a number of students reducing their academic load in year i.e. switching from full time to part time.

HEFCE had a fixed Funding Grant budget for each Academic Year and they also applied a further adjustment to funding at the end of the cycle when individual allocations are adjusted as necessary to ensure the sum of all allocations matches the funds they have available. It is not known whether the OfS will apply a similar adjustment for 2017/18.

The potential clawback of £188k is only an estimate at this stage and is not provided for in the reported results for 2017/18. Typically we do not recognize it until the following year although we would consider doing so if material in relation to the reported results.

#### *South Bank Academies*

The Audit of South Bank Academies (SBA) is almost complete and our auditors Kingston Smith have said they will have concluded their work by 23 November. The draft surplus for the year is £71k compared to a budget of £207k.

During the course of the audit there were delays due to difficulty obtaining information requested by the auditors and a number of matters have been raised by Kingston Smith and are likely to be reported in their audit findings report. These include matters relating

to trade creditors, fixed assets and grant income. Full details of these matters will go to SBA Audit committee on 22 November and the accounts will be approved at the Board meeting on 27 November.

### **3. Annual accountability return (AAR)**

The annual accountability return is due for submission to OfS on 3 December 2018 and will inform their overall assessment of risk for LSBU.

Currently LSBU's risk rating (from HEFCE in Spring 2018) is "not at higher risk at this time".

The majority of the financial and control related papers that comprise the December 2018 return have already been to Audit Committee, or Finance, Planning & Resources Committee under separate cover, including:

- Audit committee annual report (Nov Audit Committee)
- Audited financial statements (Nov Audit Committee & FPR)
- External audit findings report (Nov Audit Committee)
- Internal audit annual report (Nov Audit Committee).

Financial tables were approved at the July 2018 Board meeting setting out details of our forecast financial position, our balance sheet and cashflow for the period 2017/18 to 2021/22. The tables are consistent with agreed corporate KPIs, and our longer term financial objectives to deliver the following by 20/21:

- income of (minimum) £170m
- surplus of 5%
- EBITDA margin of 15%.

The forecasts were subsequently submitted to OfS in September 2018.

Consistent with OfS guidance, we are now required to submit as part of our AAR submission, a commentary on the 17/18 forecast element of the July submission compared with the actual reported results to 31 July 2018 and this requires approval by Board before submission.

This commentary is attached as Appendix 1 for approval. We are not required to submit detailed financial tables but these are included as Appendix 2 for internal purposes only.

The 2017/18 financial submission was based on the University's forecast position at the end of April 2018 and there have been a number of changes between the forecast and year end position. The final position for the year showed a surplus of £1.6M which was an increase of £0.1M from the April forecast of £1.5M. Our cash and cash equivalents finished the year at £37.8M, an increase of £2.7m compared with our forecast position. Total net assets at year end were £110.3M, an increase of £19.2M compared to forecast

primarily as a result of year end pension movements.

The Annual Assurance Return, which also forms part of the accountability submission, is approved by the Vice Chancellor as Accountable Officer and does not require Board approval. It has been enclosed in Appendix 3 for information. A detailed report has been submitted to Executive setting out the assurance sources underpinning the Annual Assurance Return.

Other documents forming part of the annual Accountability submission which require Governors approval are:

- The year end report and accounts, and
- The Audit committee annual report.

Both are included as separate items on the Board agenda for approval.

#### **4. Lambeth College update**

Matters are progressing in accordance with the agreed timescale.

The transfer agreement has now been exchanged by South Bank Colleges and Lambeth College. This demonstrates a commitment from both parties to complete the transfer on 31 January 2019, subject to a number of conditions being met.

Since the last Board meeting we have had numerous discussions with Lambeth College about cashflow requirements and potential draw down of TU funding pre acquisition. These discussion have resulted in

- An agreed side letter to the Transfer agreement which clearly sets out if and when Lambeth College would need permission from SBC to draw down funds, and
- Approval by MPIC for LSBU to lend Lambeth College up to £1.1m by way of loan on a short term basis to fund cashflows associated with the Nine Elms Skills Centre (NESC) in order to preserve the TU funding of £13.8m in tact at point of acquisition. Such approval being subject to a number of conditions.

Barclays have now given formal Credit sanction for the loan novation and have provided a final Term Sheet. Lawyers have been appointed on both sides to progress matters regarding the term sheet and Gerald Eve have been appointed to value McLaren House and David Bomberg House so that we can move forward regarding loan security.

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## **APPENDIX 1**

### **Commentary on financial variations**

## AAR Financial Commentary - 2017/18

The September 2018 Financial Submission to the OFS was based on the Full Year Forecast as at April 30 2018 and in the final 3 months of the year there were a number of movements, particularly in the areas of Surplus, Income, Staff costs, Operating Expenditure and Pensions Liability, between that forecast and the final accounts produced as at July 31st.

### Summary

Description	Projected Outturn 2017/18 £'000	Actual Outturn 2017/18 £'000	Variance £'000
<b>Total Income</b>	<b>£143,330</b>	<b>£145,301</b>	<b>£1,971</b>
Staff Costs (including 3 <sup>rd</sup> Party)	£84,811	£85,199	£388
Operating Expenses	£42,984	£44,565	£1,581
Depreciation	£9,663	£9,626	-£37
Interest & Finance costs	£4,372	£4,298	-£74
<b>Total Expenditure</b>	<b>£141,830</b>	<b>£143,688</b>	<b>£1,858</b>
<b>Surplus</b>	<b>£1,500</b>	<b>£1,614</b>	<b>£114</b>
Gain on investments	£0	£17	£17
Actuarial gain in respect of pension schemes	£0	£19,083	£19,083
<b>Total comprehensive income for the year</b>	<b>£1,500</b>	<b>£20,714</b>	<b>£19,214</b>

### Surplus

One change between the April forecast and the year end was the increase in the University's final surplus. The final position for the year showed a surplus of £1.6M which was an increase of £0.1M from the April forecast of £1.5M. This was driven by a number of factors including an increase in Income, an increase in Staffing costs and increase in Operating Expenses. There were minor changes to Depreciation and a decrease in Interest and Other Finance costs.

The surplus as a % of income also increased from the forecast 1.0% to a final 1.1%

### Income Changes

As detailed above, the positive movement in our surplus was driven by both income and expenditure factors. In terms of income, our final position was £2.0M higher than our April Forecast. This was driven by 4 factors.

- **Tuition Fees & Education Contracts**

In terms of Tuition Fees, our final mix was slightly different to the original forecast. Tuition fees from Undergraduate students were ahead of forecast whilst Tuition Fees from Post Graduate students were down as compared to forecast. This was due to 2 factors; firstly, the re-classification of Level 4, 5 & 6 Tuition Fees from Integrated Masters students to Undergraduate Tuition Fees and secondly the reclassification of

some students to Part Time as their mode of study shifted during the year. Tuition Fees from EU students were ahead of forecast, as were fees received from the Department of Health. The net impact of the above was that our final tuition fee income was in excess of £106.5M, an increase of £0.2M as compared to the April forecast.

- **Funding Body Grants**

In terms of grants, the university finished slightly behind forecast with a final outcome of over £16.5M. The mix of funding partners was slightly different to forecast and there was a change due to the reclassification of capital grants.

The net impact of the above was a decrease of £0.1M as compared to the April forecast.

- **Research Grants & Contracts**

In terms of funding for Research, the university finished ahead of forecast following a strong fourth quarter. In particular, income from BEIS Research Councils was up and this enabled us to finish £0.3M ahead of forecast with a final outturn of £3.7M.

- **Other Income**

In terms of Other Operating income, the university finished £1.2M ahead of forecast. Income from our Residences and Catering operations finished behind forecast at £10.6M. Although there was a strong performance from our Summer schools, a change in the accounting treatment of Catering income which is delivered through a 3rd Party, caused a reduction of £1.1M as compared to the April forecast. Other income increased by £2.3M. This was primarily due to the release of £1.5M of matching income to fund the transformation of the Passmore Centre, the release of £0.4M of Schools Direct income and the release of £0.3M of donation income to match targeted expenditure. The net impact of the above was that Other Income finished the year at £5.4M.

- **Donations and Endowments**

In terms of Endowment income, the university finished slightly ahead of forecast. The University has changed its approach to fundraising and this was more successful than anticipated.

After the above changes, the University finished the year with £145.3M in income, an increase of £2.0M or 1.4% as compared to the April forecast.

### **Expenditure Analysis**

Our total expenditure at £143.7M was £1.8M or 1.3% higher than the anticipated expenditure of the April forecast.

- **Staff costs**

The University remains focused on balancing the costs of staff with the income generated and our total staff costs in the year end submission were £0.4M higher than forecast at £85.2M, including 3rd party staff. Our recurring staff costs were broadly on forecast. Staff costs included a forecast for staff restructuring. We had been forecasting that a provision in line with the budget of £1.5M would be required. However following the implementation of a targeted change programme the final position was a charge of £1.9M.

- **Operating Expenses**

There was an increase in Operating Expenses of £1.6M between the April Forecast and the July outturn, this was driven by a number of factors. In terms of utilities, this

year due to the extraordinary temperatures our final bills were £0.4M more than forecast. Our International Agent costs were also £0.2M more than forecast due to higher than forecast international recruitment. There was an increase in the legal and professional costs associated with expanding the LSBU family of £0.3M. We also took the opportunity to make a provision relating to the potential settlement costs of a number of student complaints. Finally, as well as the construction costs associated with the Passmore Centre we also took the opportunity to write off a number of ICT project costs as well as a number of other capital projects following a review of our 'Assets in the Course of Construction' balance sheet account. The net impact of the above was that our final expenditure at £44.7M was £1.6M higher than forecast.

- **Depreciation**

The university finished the year with Depreciation of £9.6M, this was broadly in line with our April forecast.

- **Interest and Other finance costs.**

The university finished the year with Interest and Other finance costs of £4.3M, this was broadly in line with our April forecast of £4.4M.

### **Balance Sheet Movements**

In terms of the balance sheet there are 3 key differences between our April forecast and the final position at the end of July. These changes are a decrease in the expected level of Fixed Assets, a change in working capital and a decrease in the university's pension liability. The net position was a £19.2M improvement in the Total Net Assets of the university as compared to the April forecast.

- **Fixed Assets**

Our Fixed Assets are £0.3M less than forecast and the mix is slightly different. Our Intangible Assets have decreased by £1.0M and this reflects the change in treatment of Software under Accounting Standard FRS 102 and our depreciation period of 4 years. Our Tangible Assets were £0.6M more than forecast; this was primarily due to more Capital Expenditure than originally forecast. The net position was that the University finished the year with Fixed Assets valued at £218.9M, a reduction of 0.2% against the April forecast.

- **Current Assets**

As compared to the April forecast, Net Current Assets were £2.0M more than forecast at £37.6M. Key movements included a reduction of £5M in Investment assets, an increase of £2.7M in our cash reserves and an increase of £1M in Trade and receivables. Other creditors falling due within 1 year reduced by £3.4M partly due to the release of income to match the Passmore Centre and lower than expected Year End accruals.

- **Pension Liability**

Finally, the University's pension liability held in totality on the balance sheet decreased by a net £16.2M to £100.78M. The key driver was the change in pension liability with the London Pension Scheme Authority (LPFA), which decreased mainly as a result of actuarial gains.

The net impact of the above was that our total net assets at Year End year were £110.3M, an increase of £19.2M as compared to the April Forecast and 23% higher than 2016/17.



## **Cash Flow movements**

In terms of Cash flow statement and the reconciliation of the surplus for the year to net cash flow there were 4 key differences that reflect the changes to surplus described above and the changes in working capital.

- **Net Cash inflow from operating activities**  
Cash inflows were £0.2M higher than forecast due to our increased surplus
- **Adjustment for non-cash items**  
The Adjustment for non-cash items was £1.9M more than forecast reflecting changes to working capital including increased levels of debtors, decreasing levels of creditors and a decrease in our provisions.
- **Adjustment for Investing or Financing Activities**  
The Adjustment for Investing or Financing Activities was £1.0M less than forecast due to lower than expected Interest costs.
- **Cash flows from investing activities**  
The University withdrew £5M from Investment Assets as detailed above

The Net impact of the above was an increase of £5.7M in cash and cash equivalents during the year, an increase of £2.7M as compared to the April Forecast.

The University finished the year with Cash and Cash Equivalents of £37.8M and Investments of £11.5M. This total of £49.4M is £0.6M higher than 2016/17.

expenditure as we planned for the next stage of the development of our Estate, as a result the University spent almost £17M less than forecast on Capital expenditure

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**APPENDIX 2**

**Financial Tables 2017/18  
(for information only)**

# Financial and student number forecasts

Reconciliation with September 2018 submission

Provider: London South Bank University

UKPRN: 10004078

<b>Adjusted net operating cash flow (automated table)</b>			
	Projected outturn	Actual	Variance
	2017-18	2017-18	
	£000	£000	£000
1. Net cash flow from operating activities	15,535	12,746	-2,789
2. Add: cash received from investment income	0	0	
3. Add: endowment cash received	0	0	
4. Deduct: cash paid on interest on borrowings	-1,208	-1,128	80
5. Deduct: cash paid on interest element of finance leases	0	0	
6. Adjusted net operating cash flow	14,327	11,618	-2,709

<b>Table 1: Consolidated statement of comprehensive income and expenditure</b>			
	Projected outturn	Actual	Variance
	2017-18	2017-18	
	£000	£000	£000
<b>1. Income</b>			
1a. Tuition fees and education contracts	106,303	106,536	233
1b. Funding body grants	16,634	16,543	-91
1c. Research grants and contracts	3,422	3,739	317
1d. Other income	16,455	17,708	1,253
1e. Investment income	184	179	-5
1f. Donations and endowments	332	596	264
1g. Total income	143,330	145,301	1,971
<b>2. Expenditure</b>			
2a. Staff costs - including 3rd party Staff	84,811	85,199	388
2b. Fundamental restructuring costs	0		0
2c. Other operating expenses	42,984	44,565	1,581
2d. Depreciation	9,663	9,626	-37
2e. Interest and other finance costs	4,372	4,298	-74
2f. Total expenditure	141,830	143,688	1,858
<b>3. Surplus/(deficit) before other gains/losses and share of surplus/(deficit) in joint ventures and associates</b>			
	1,500	1,614	114
4. Gain/(loss) on disposal of fixed assets	0		
5. Gain/(loss) on investments	0	17	17
6. Share of operating surplus/(deficit) in joint venture(s)	0		
7. Share of operating surplus/(deficit) in associate(s)	0		
<b>8. Surplus/(deficit) before tax</b>			
	1,500	1,631	131
	1.0%	1.1%	
<b>9. Taxation</b>			
9a. Taxation on research and development expenditure credit	0		
9b. Other taxation	0		
9c. Total taxation	0		
<b>10. Surplus/(deficit) for the year</b>			
	1,500	1,631	131

	Projected outturn 2017-18 £000	Actual 2017-18 £000	Variance £000
11. Unrealised surplus on revaluation of land and buildings	0		
12. Actuarial gain/(loss) in respect of pension schemes	0	19,083	19,083
13. Change in fair value of hedging financial instrument(s) plus foreign currency translation	0		
14. Miscellaneous type of other comprehensive income - enter details in the text box under validation check 1	0		
<b>15. Total comprehensive income for the year</b>	<b>1,500</b>	<b>20,714</b>	<b>19,214</b>
<b>16. Total comprehensive income for the year represented by:</b>			
16a. Endowment comprehensive income for the year	52	17	-35
16b. Restricted comprehensive income for the year	0		
16c. Unrestricted comprehensive income for the year	1,448	20,697	19,249
16d. Revaluation reserve comprehensive income for the year	0		
16e. Attributable to the University	1,500	20,714	19,214
16f. Attributable to the non-controlling interest	0	0	
16g. Total	<b>1,500</b>	<b>20,714</b>	<b>19,214</b>
<b>17. Surplus for the year attributable to:</b>			
17a. Non-controlling interest	0	0	
17b. University	1,500	1,631	131

<b>Table 1a: Analysis of income</b>			
	Projected outturn 2017-18 £000	Actual 2017-18 £000	Variance £000
<b>1. Tuition fees and education contracts</b>			
1a. Home domicile full-time undergraduate	49,314	49,720	406
1b. Home domicile full-time postgraduate	5,188	3,855	-1,333
1c. Home domicile part-time	11,145	11,398	253
1d. Home domicile fees paid by the Department of Health	22,020	22,352	332
1e. EU domicile full-time undergraduate	5,755	5,884	129
1f. EU domicile full-time postgraduate	644	802	158
1g. EU domicile part-time	549	579	30
1h. EU domicile fees paid by the Department of Health	222	222	0
1i. Apprenticeship fee income	615	615	0
1j. Non-EU domicile students	10,851	10,939	88
1k. Other fees and support grants	0	170	170
<b>1l. Total tuition fees and education contracts</b>	<b>106,303</b>	<b>106,536</b>	<b>233</b>
<b>2. Funding body grants</b>			
2a. HEFCE/Office for Students teaching grant	9,952	10,120	168
2b. HEFCE/Research England research grant	1,894	1,838	-56
2c. HEFCE/Office for Students/Research England other grants	4,788	3,522	-1,266
2d. ESFA funding	0		0
2e. NCTL funding	0	99	99
2f. Capital grants recognised in the year	0	964	964
<b>2g. Total funding body grants</b>	<b>16,634</b>	<b>16,543</b>	<b>-91</b>

	Projected outturn 2017-18 £000	Actual 2017-18 £000	Variance £000
<b>3. Research grants and contracts</b>			
3a. BEIS Research Councils	728	1,768	1,040
3b. UK-based charities	288	201	-87
3c. EU sources	1,220	1,350	130
3d. Other research grants and contracts	1,186	420	-766
<b>3e. Total research grants and contracts</b>	<b>3,422</b>	<b>3,739</b>	<b>317</b>
<b>4. Other income</b>			
4ai. Other services rendered: BEIS Research Councils, UK central govt/local authorities, health and hospital authorities	1,696	1,696	0
4aii. Other services rendered: EU government bodies	0		
4aiii. Other services rendered: Other EU sources	0		
4aiv. Other services rendered: Other	0		
4b. Residences and catering operations (including conferences)	11,716	10,634	-1,082
4c. Income from health and hospital authorities (excluding teaching contracts for student provision)	0		
4d. Other operating income from EU sources	0		
4e. Other operating income	3,043	5,377	2,334
<b>4f. Total other income</b>	<b>16,455</b>	<b>17,708</b>	<b>1,253</b>
5. Investment income	184	177	-7
<b>6. Total income before donations and endowments</b>	<b>142,998</b>	<b>144,704</b>	<b>1,706</b>
<b>7. Donations and endowments</b>	<b>332</b>	<b>596</b>	<b>264</b>
<b>8. Total income</b>	<b>143,330</b>	<b>145,300</b>	<b>1,970</b>

Note: HEFCE = Higher Education Funding Council for England; EU = European Union; NCTL = National College of Teaching and Leadership; ESFA = Education and Skills Funding Agency; BEIS = Department for Business, Energy and Industrial Strategy.

	Projected outturn 2017-18 £000	Actual 2017-18 £000	Variance £000
<b>Table 1b: Analysis of staff costs</b>			
1. Salaries and wages	64,201	65,562	1,361
2. Social security costs	6,998	6,526	-472
3a. Employer pension costs: USS	710	435	-275
3b. Employer pension costs: other pension schemes	12,902	12,676	-226
4a. Changes to pension provisions: USS	0		
4b. Changes to pension provisions: other pension schemes	0		
5. Other staff related costs	0		
<b>6. Total staff costs</b>	<b>84,811</b>	<b>85,199</b>	<b>388</b>
7. Staff numbers (FTEs <sup>1</sup> academic and other)	1,503		
Of which:			
7a. EU staff working at institution (staff based most of their time in the UK) - academic FTEs <sup>1</sup>	72		
7b. EU staff working at institution (staff based most of their time in the UK) - non-academic FTEs <sup>1</sup>	52		
7c. UK staff working in the EU on behalf of institution (staff based most of their time in the EU) - FTEs <sup>1</sup>	0		

Note: FTE = full-time equivalent.  
<sup>1</sup> Staff FTEs for 2016-17 have been prefilled with data from the 2016-17 HESA staff record.

Projected outturn 2017-18 £000	Actual 2017-18 £000	Variance £000
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**Table 2: Consolidated balance sheet**

	Projected outturn Year ended 31-Jul-18 £000	Actual Year ended 31-Jul-18 £000	Variance £000
<b>1. Non-current assets</b>			
1a. Intangible assets	1,991	1,015	-976
1b. Goodwill	0		
1c. Negative goodwill	0		
1d. Net amount of goodwill and negative goodwill	0	0	
1e. Fixed assets	217,218	217,854	636
1f. Heritage assets	0		
1g. Investments	38	38	0
1h. Investment in joint venture(s)	0		
1i. Investments in associate(s)	0		
1j. Total non-current assets	219,247	218,908	-339
<b>2. Current assets</b>			
2a. Stock	8	10	2
2b. Trade and other receivables	18,378	19,408	1,030
2c. Investments	16,620	11,573	-5,047
2d. Cash and cash equivalents	35,126	37,841	2,715
2e. Other (e.g. assets for sale)	0		
2f. Total current assets	70,132	68,831	-1,301
<b>3. Creditors - amounts falling due within one year</b>			
3a. Bank overdrafts	0		
3b. Bank loans and external borrowing	1,347	1,367	20
3c. Obligations under finance leases and service concessions	0		
3d. Loans repayable to funding council	0		
3e. Other (including grant claw back and interest rate hedges - swaps)	33,306	29,919	-3,387
3f. Total creditors (amounts falling due within one year)	34,653	31,285	-3,368
4. Share of net current assets/(liabilities) in associate	0		
5. Net current assets/(liabilities)	35,479	37,546	2,067
6. Total assets less current liabilities	254,726	256,454	1,728
<b>7. Creditors: amounts falling due after more than one year</b>			
7a. Bank loans and external borrowing	22,915	22,895	-20
7b. Obligations under finance leases and service concessions	0		
7c. Loans repayable to funding council	0		
7d. Other (including grant claw back and interest rate hedges - swaps)	23,794	22,527	-1,267
7e. Total creditors (amounts falling due after more than one year)	46,709	45,422	-1,287
<b>8. Provisions</b>			
8a. Pension provisions	116,942	100,743	-16,199
8b. Other provisions	0		
8c. Total provisions	116,942	100,743	-16,199
9. Total net assets	91,075	110,289	19,214

	Projected outturn 2017-18 £000	Actual 2017-18 £000	Variance £000
<b>10. Reserves</b>			
<b>Restricted reserves</b>			
10a. Income and expenditure reserve - endowment reserve	806	824	18
10b. Income and expenditure reserve - restricted reserve	0		
<b>Unrestricted reserves</b>			
11a. Income and expenditure reserve - unrestricted	62,887	82,743	19,856
11b. Revaluation reserve	27,382	26,722	-660
12. Total restricted and unrestricted reserves	<b>91,075</b>	<b>110,289</b>	<b>19,214</b>
13. Non-controlling interest	0	0	
14. Total reserves	<b>91,075</b>	<b>110,289</b>	<b>19,214</b>

**Table 3: Consolidated statement of cash flows**

	Projected outturn 2017-18 £000	Actual 2017-18 £000	Variance £000
<b>1. Cash flow from operating activities</b>			
1a. Surplus for the year	1,500	1,631	131
<b>2. Adjustment for non-cash items</b>			
2a. Depreciation	9,663	9,626	-37
2b. Amortisation of intangibles	0		
2c. Benefit on acquisition	0		
2d. Amortisation of goodwill	0		
2e. Loss/(gain) on investments	0	-179	-179
2f. Decrease/(increase) in stock	0	-2	-2
2g. Decrease/(increase) in debtors	0	-1,030	-1,030
2h. Increase/(decrease) in creditors	0	-355	-355
2i. Increase/(decrease) in pension provisions	3,164	2,876	-288
2j. Increase/(decrease) in other provisions	0		
2k. Receipt of donated equipment	0		
2l. Share of operating (surplus)/deficit in joint venture	0		
2m. Share of operating (surplus)/deficit in associate	0		
2n. Other: enter details in the text box under validation check 20	0		
<b>3. Adjustment for investing or financing activities</b>			
3a. Investment income (enter as negative)	0	22	22
3b. Interest payable	1,208	157	-1,051
3c. Endowment income (enter as negative)	0		
3d. Loss/(gain) on the sale of fixed assets	0		
3e. Capital grant income (enter as negative)	0		
4. Net cash inflow from operating activities	<b>15,535</b>	<b>12,746</b>	<b>-2,789</b>



	Projected outturn 2017-18 £000	Actual 2017-18 £000	Variance £000
<b>5. Cash flows from investing activities</b>			
5a. Proceeds from sales of fixed assets	0		
5b. Proceeds from sales of intangible assets	0		
5c. Capital grants receipts	0		
5d. Disposal of non-current asset investments	0		
5e. Withdrawal of deposits	0	5,047	5,047
5f. Investment income	0		
5g. Payments made to acquire fixed assets	-10,000	-9,623	377
5h. Payments made to acquire intangible assets	0		
5i. New non-current asset investments	0		
5j. New deposits	0		
5k. Total cash flows from investing activities	<b>-10,000</b>	<b>-4,576</b>	<b>5,424</b>
<b>6. Cash flows from financing activities</b>			
6a. Interest paid	-1,208	-1,128	80
6b. Interest element of finance lease and service concession payments	0		
6c. Endowment cash received	0		
6d. New secured loans	0		
6e. New unsecured loans	0		
6f. Repayments of amounts borrowed	-1,347	-1,347	-0
6g. Capital element of finance lease and service concession payments	0		
6h. Other: enter details in the text box under validation check 21	0		
6i. Total cash flows from financing activities	<b>-2,555</b>	<b>-2,475</b>	<b>80</b>
7. (Decrease)/Increase in cash and cash equivalents in the year	<b>2,980</b>	<b>5,694</b>	<b>2,714</b>
8. Cash and cash equivalents at the beginning of the year	32,146	32,146	0
9. Cash and cash equivalents at the end of the year	35,126	37,840	2,714

**Table 4: Supporting data**

	Projected outturn 2017-18 £000	Actual 2017-18 £000	Variance £000
<b>1. Identification of items included in other operating expenses (Table 1 head 2c)</b>			
1a. Operating leases and other long-term operating expense commitments	217	217	
1b. Annual contract cost of PFI deals	0		
1c. Maintenance expenditure	1,749	3,771	
Note: PFI = Public Finance Initiative.			

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**APPENDIX 3**

**Annual Assurance Return 2017/18  
(for information only)**

## Annex B: Annual assurance return for higher education institutions

The completed and signed return should be scanned and then submitted via the OfS portal.

<b>Provider:</b>	London South Bank University .....
<b>Year ended:</b>	31 July 2018
<b>Part 1</b>	<b>Yes/No/Comment</b>
Please confirm that in this period and up to the date of this return the provider has met its responsibilities to HEFCE under the memorandum of assurance and accountability and funding agreement and to the OfS under its terms and conditions of funding.	Yes
Please indicate whether the provider has complied with the Concordat to support research integrity. (Note: this information will be shared with Research England.)	Yes
Please confirm that any Teaching and Research Capital Investment Funding the provider received in 2017-18 has been spent within the year for the purposes intended. (Note: this information will be shared with Research England.)	Yes
If the provider has received funding for very high-cost science, technology, engineering and mathematics subjects, please confirm that you have maintained provision of taught programmes in these disciplines.	Yes
I confirm that the data and annual accountability returns submitted to OfS conforms to the requirements of the terms and conditions of funding for higher education institutions (OfS 2018.15) and the agreement on institutional designation (OfS 2018.17).	
Signed by the accountable officer: .....	
Print name: .....	
.....	
Date: .....	

### Part 2

As a governor and on behalf of the governing body, I confirm that for the 2017-18 academic year and up to the date of signing the return:

- The governing body has received and discussed a report and accompanying action plan relating to the continuous improvement of the student academic experience and student outcomes. This included evidence from the provider's own periodic review processes, which fully involve students and include embedded external peer or professional review.
- The methodologies used as a basis to improve the student academic experience and student outcomes are, to the best of our knowledge, robust and appropriate.

For providers with degree awarding powers:

- The standards of awards for which we are responsible have been appropriately set and maintained.

For providers without degree awarding powers:

- The standards of awards for which we are responsible have been appropriately maintained.

Signed by the accountable officer as a governor on behalf of all of the governors:

Signed: .....

Print name: .....

Date: .....

**Part 3**

I confirm that the provider's trustees have complied with their legal obligations in exercising control and management of the administration of the charity.

Signed by the accountable officer as a trustee on behalf of all of the trustees (where the accountable officer is not a trustee, it must be signed by a trustee instead):

Signed: .....

Print name: .....

Date: .....

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	CONFIDENTIAL
Paper title:	Key Performance Indicators – 2018-19 Targets
Board/Committee:	Board of Governors
Date of meeting:	06 November 2018
Author(s):	John Baker, Corporate & Business Planning Manager
Sponsor(s):	Richard Flatman, Chief Financial Officer
Purpose:	To present the proposed target figures for the KPIs for the 18/19 cycle.
Recommendation:	The Board is requested to approve the proposed target figures & associated rating criteria.

## **Executive Summary**

Following Executive review of 2017-18 performance against the Key Performance Indicators, and consideration of planned strategic activity during 2018-19, the targets for the 2018-19 academic year are presented for approval, for the next annual reporting cycle.

The targets for financial performance measures are drawn from the budgets approved at the July 2018 Board meeting.

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Report Date		18th October 2018		Past Performance		Benchmark	Target	Forecast	Result	DoT	Target		Ambition	18/19 Rating Criteria		
Corporate Strategy Goals	20/20 Success Measures	#	Key Performance Indicators	15/16	16/17	Aspirational Group 15/16 average	17/18		YoY	18/19	Exec. Lead	20/21	Green	Amber	Red	
Teaching and Learning	Top 50% of universities for graduate employment / starting salaries.	1	Graduate level employment &/or Further study (EPI population)	76.0%	81.8%	67.1	80%		87.7%	↑	X	DVC (E)	80%			
Student Experience	Top quartile of all universities in NSS	2	NSS scores – overall satisfaction (First Degree respondents)	82%	82.2%	82.4%	84%		79.1%	↓	83.0%	Provost	89%	83 % +	80 - 82 %	< 80 %
		3	International Student barometer (% recommending LSBU)	77%	77%	not available	78%		80%	↑	80.0%		81%	80% +	77 - 79%	< 77 %
		4	PGT experience (% satisfaction)	74%	71%	not available	77%		71%	↓	74.0%		82%	74 % +	70 - 73 %	< 70 %
		5	Student Staff Ratio	17:1	16.5:1	17.6:1	17:1	16.5:1		→	17:1		18:1	<=17	17 - 18	> 18
Employability	95% students in employment / further study (EPI)	6	DLHE Positive Outcomes; employment or further study (EPI)	90.8%	94.6%	92.0%	95%		95.3%	↑	X	DVC (E)	95%			
	Top 10 UK universities for student start ups	7	Number of Student start ups (Active Firms in HE-BCI 4aiv)	50	45	53.6	90	65		↑	110	DVC (I)	150	110 +	100 - 109	< 100
Research & Enterprise	Top 50% UK for Research & Enterprise Income	8	Research Income (non Hefce)	£1.9	£2.8	£10.3	£3.1	£3.4		↑	£4.3	Provost	£6.0 m	£4.3 m +	£4.0 - 4.3 m	< £4 m
		9	Enterprise Income	£7.8	£9.2	not available	£10.5	£11.0		↑	£12.0	DVC (I)	£19.0 m	£12 m +	£11 - 11.9 m	<£11 m
Access	Top London Modern for LPN recruitment	10	% recruits from low participation neighbourhoods (Young FT FD)	8.4%	9.2%	6.8%	8.2%		8.9%	↓	8.0%	CCO	9.0%	8.0% +	7.7 - 7.9 %	<7.7 %
		11	FTUG % (w/o HSC contract) recruited before Clearing	71.8%	71.1%	not available	75%	79.8%		↑	78.0%		90%	78 % +	74 - 77 %	< 74 %
	Exceed expectations on completion	12	First Degree Completion projection (at or above benchmark)	-5.8%	-5.5%	-2.5%	-2%		-1.8%	↑	-1.0%	Provost	+3%	>=-1 %	-2 to -3 %	<-3 %
		13	Year 1 progression	77.3%	74.7%	not available	80%	71.0%		↓	76.0%		85%	76 % +	72 - 75%	<72%
		14	Good Honours	66.4%	69.1%	67.4%	63 - 67%	69.6%		↑	66 - 71%		63 - 67%	66-71%	72-73% 64-65%	>73% <64%
15	PGT completion	58.7%	69%	not available	70%	tbc				75.0%	85%	75% +	71-74%	< 71%		
International	4 QS Stars	16	QS Star Rating	3 stars	4 stars	not available	4		4 stars	→	4	VC	4	4	3	2
		17	Overseas student income (millions)	£9.8	£11.2	£31.9 m	£13.1	£10.9		↓	£12.6	DVC (I)	£20m	£12.6 m +	£12.2 - 12.5 m	<£12.2 m
People and Organisation	Rated as a good employer	18	Appraisal completion % (Amongst all eligible staff)	91%	95.6%	not available	100%	46.6%	* to date	↓	100%	DVC (E)	100%	100%	95 - 99 %	< 95 %
		19	Average Engagement Score as a %	58%	62%	70%	66%		61%	↓	69.0%		75%	69%	65 - 68 %	< 64 %
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	2.4%	1.3%	3.0%	1.0%	1.1%		↓	1.0%	CFO	5.0%	1 % +	0.7 - 0.9 %	< 0.7%
		21	Income (£m)	£138.2	£144.5	£202.8m	£150.5m	£145.3		↑	£145.2		£170.0m	£145.2 m +	£142 - 145 m	< £142 m
		22	EBITDA margin (EBITDA expressed as % of income)	11.8%	12.0%		13.0%	10.7%		↓	12.8%		15.0%	12.8% +	11.7 - 12.7%	<11.7%
	Student satisfaction with facilities & environment in top UK quartile	23	Student satisfaction ratings with facilities & environment (FD)	90.0%	87.2%	86.5%	90.0%		84.0%	↓	87.0%	DVC (I)	90%	87 % +	84 - 86 %	< 84%
		24	ICS Service Index %	76%	66%	-	76%			-	X		80%			
Overall	Top London Modern university (excl UAL)	25	Times - League table ranking	120 / 128	106 / 128	98	103		107 / 132	↓	99	VC	85	99 or higher	100 - 104	105 or lower
		26	Guardian – League table ranking	107 / 119	92 / 121	86	87		78 / 121	↑	75		70	75 or higher	76 - 78	79 or lower
		27	Complete University Guide – League table ranking	115 / 127	108 / 129	90	105		93 / 131	↑	90		87	90 or higher	91 - 94	95 or lower

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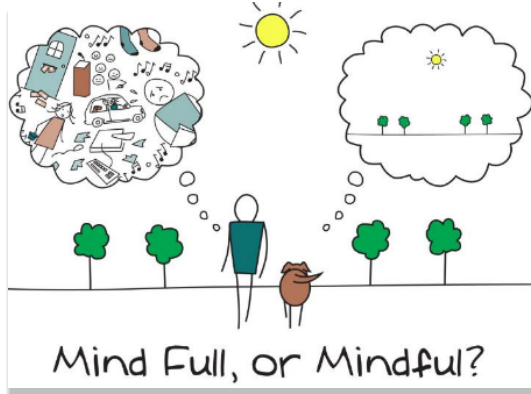
	CONFIDENTIAL
Paper title:	Annual Wellbeing, Health, Safety and Resilience Report 2017/18
Board/Committee:	Board of Governors
Date of meeting:	22 November 2018
Author(s):	Dr Markos Koumaditis, Acting Director of People and Organisation Ed Spacey, Acting Deputy Director HR Services Dave Garioch, Andrea Allen, Luke Fletcher and Sven Harris, Wellbeing, Health Safety and Resilience Team
Sponsor(s):	Shan Wareing, Deputy Vice-Chancellor (Education) & Chief Operating Officer
Purpose:	For Information
Recommendation:	The Board of Governors are requested to note the update of the progress made on health safety and wellbeing across LSBU over the last academic year.

## **Executive Summary**

This report is to inform the Board of Governors of the progress made across LSBU over the last academic year.

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# Annual Wellbeing, Health, Safety and Resilience Report 2017/18



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## 1.0 Executive Summary

Wellbeing, Health, Safety and Resilience continued to evolve and develop across the University and Family of Educational Institutions, during 2017/18. This has been achieved through significant programmes of

- wellbeing activities and events;
- policy development;
- training;
- resilience exercises and updated emergency incident plans;
- audits of four Halls of Residence; and
- audits of two Academy Schools.

### 1.1 Our achievements:

- awarded Mayor of London Healthy Workplace Excellence Level Award in 2017;
- signed the “Time to Change” pledge regarding de-stigmatising Mental Health illness;
- revised the stress survey and improved response rate across all Schools and Professional Service Groups leading to action plans for improvement being developed alongside the staff engagement survey works;
- maintained the Royal Society for the Prevention of Accidents (RoSPA) health and safety management silver award in 2018;
- modernised and updated several policies, including the Health and Safety Policy, Fire Safety, Working at Height, Alcohol and Drug;
- internal audit by PwC deemed fire policy and evacuation procedures were suitable;
- reviewed Halls of Residence compliance with the UUK Code of Practice and provided a report on significant findings;
- reviewed health and safety management at the two academy schools and provided a report on significant findings;
- updated emergency incident response plans and tested them to improve knowledge and skills of key stakeholders;
- effectively managed 23 emergency out of hours incidents, and
- maintained top Office for Students rating for Prevent Strategy and Policy.

### 1.2 Our challenges

- changing organisational culture to embrace the philosophy that wellbeing, health, safety and resilience is everyone’s business;
- ensuring all key managers and staff have the correct level of H&S knowledge to meet their legal requirements; and
- the size of the project to successfully implement the new fire evacuation procedures.

## 2.0 Wellbeing and Health

### 2.1 Wellbeing

In November 2017 LSBU was awarded the Mayor of London's Health Workplace Charter Excellence award, the highest level attainable. LSBU was commended for submitting evidence of a particularly high standard. The award positively raised our profile and helped to embed a culture of Wellbeing across the University and shape future initiatives. To help promote this a Wellbeing dashboard has been created, see Appendix 1.

2.1.1 LSBU was recognised nationally for the London Health Workplace Charter Excellence award in the Healthy Universities UK newsletter, which is distributed to 71 Universities, 19 Non-Universities and 24 stakeholder organisations.

2.1.2 LSBU collaborated and led on a number of initiatives with other organisations:

- Mayor of London's office: LSBU - regular host of Wellbeing business breakfasts.
- Southwark Healthy Workplace Network: lead member and driver for Health and Wellbeing in the workplace.
- Public Health England: LSBU selected for case study on best practice for alcohol awareness.
- University of West Scotland: sharing of good practice.

2.1.3 The 3<sup>rd</sup> annual Wellbeing Activity day was held in March which focused on mental health. The Deputy Vice Chancellor, endorsed LSBU 's Time To Change pledge which aims to end mental health stigma, improve awareness and encourage wider engagement from staff across the University. The well attended event included:

- a lecturer from the School of Built Environment and Architecture shared her personal story of mental ill health;
- 15 other speakers presented on the topic of mental health and wellbeing;
- drop-in seminars;
- activities and stalls.



2.1.4 A number of initiatives have emerged from our Pledge, including a Mental Health at Work Plan leaflet, Stress Awareness workshops for staff and managers and mindfulness sessions.

2.1.5 Our first participation in the Virgin Pulse 100 day Global Challenge started on 6 September 2017, where 2 teams of 7 began a virtual 100 day journey with a global community of other teams from around the world, with a pulse tracker. They also utilised the online resource which helped to track nutrition and sleep habits. Out of 5834 teams our top team





was ranked 566 globally, which is in the top quarter. The second team came in at 2333, an outstanding effort by both teams.

2.1.6 On individual levels, results were exceptional clocking 2,104,833 steps the two closest also recorded significant distance with 1,860,966 and 1,695,124 steps respectively. The good news, is that the next Global Challenge started on 23 May 2018 and participation increased by 350% to 63 participants in seven teams.

2.1.7 4 new social spaces were allocated and furnished for staff across the Southwark campus totalling 203m<sup>2</sup> in area. These areas provide staff with the opportunity to relax and recharge away from their places of work, with games available such as table tennis, darts and pool.

2.1.8 We held the second annual Summer Wellbeing Barbecue at Havering, which was well attended and enjoyed by over 60% of their staff. The event is held primarily to engage those members of staff who are unable to attend the Wellbeing initiatives regularly held at Southwark.

2.1.9 Free health initiatives were offered to staff including flu jabs (110% increase on previous year), diabetes type 2 tests, ovarian and prostate cancer tests, glucose and cholesterol tests.

## **2.2 Stress**

A second online survey was developed by the HSR team to include two open ended questions to provide Schools and PSGs with some context to the multiple choice questions. To help improve the response rate, the following actions were taken:

- the survey was carried out slightly later in the year than the first one
- it was fully anonymous; and
- allowed Hourly Paid Lecturers to participate.

2.2.1 There was a significant improvement in the response rate where 739 replies were received, compared with 480 for the initial survey, this is a 54% increase in participation.

2.2.2 The tables 2.2.1 to 2.2.4 below show results of the stress survey for the University, Schools and PSGs. Using the HSE Management Standards Survey analytical tool a score is calculated for each area identified as potential workplace stressor. The actual score is colour coded and compared with the HSE benchmark. The analytical tool also recommends an interim target for each area.

**Table 2.2.1 – Colour coding for tables below**

	Description
	Doing very well - need to maintain performance
	Good, but need for improvement
	Clear need for improvement
	Urgent action needed

2.2.3 The HSE Benchmark has been developed from data across different industries and large organisations in the UK over several years.

**Table 2.2.2 University comparison of 2016 and 2017 results**

LSBU (N = 739, 37%)	2016	2017	% difference
Demands	2.83	2.90	2.0%
Control	3.54	3.61	1.9%
Management Support	3.43	3.45	0.4%
Colleague Support	3.68	3.67	-0.3%
Relationships	3.71	3.72	0.2%
Role	3.91	3.87	-1.1%
Change	2.72	2.86	5.2%

**Table 2.2.3 Schools comparison of 2016 and 2017 results**

Schools (N = 366, 29%)	2016	2017	% difference
Demands	2.58	2.67	3.6%
Control	3.44	3.53	2.6%
Management Support	3.21	3.28	2.2%
Colleague Support	3.55	3.56	0.3%
Relationships	3.51	3.60	2.5%
Role	3.77	3.74	-0.7%
Change	2.52	2.64	4.9%

**Table 2.2.4 PSGs comparison on 2016 and 2017 results**

PSGs (N = 374, 49%)	2016	2017	% difference
Demands	3.07	3.12	1.6%
Control	3.64	3.69	1.4%
Management Support	3.63	3.63	0.1%
Colleague Support	3.81	3.80	-0.3%
Relationships	3.90	3.85	-1.2%
Role	4.05	4.02	-0.7%
Change	2.90	3.10	6.8%

2.2.4 The result of the 2017/18 survey show the main improvement has been in change management across the university in both schools and PSGs, all other results are within 5% so are not significantly different. The majority of areas are classified as good. The area requiring most improvement is on the Demands faced by staff. This year the HSR team also requested copies of the action plans developed from the survey reports to identify any common themes and good practice to share across the university. Work is ongoing and a further survey will be carried out in the future to assess the progress being made.

### **2.3 Sickness absence**

Sickness absence data is aligned to the Universities and Colleges Employers Association (UCEA) reporting standard and is based on the current sickness absence recording system. Compared to the latest data across the sector from UCEA for 2016/17 which stands at 5.8 days on average per employee, LSBU rate of 4.6 days remains lower.

- 2.3.1 It is recognised by UCEA there is significant under reporting of sickness absence in universities especially among academic staff and our data supports this, with three schools and one Professional Service Group (Arts & Creative Industries, the Built Environment & Architecture, Engineering and International PSG) reporting sickness absence rates below 1 day per full time equivalent in 2017/18.
- 2.3.2 Mental health is identified in the UCEA data as the most common reason for sickness absence in the sector (21.2%). At LSBU stress after two years of decline has again become the largest cause of sickness absence (15.6%) and when the Mental Health (not including stress) percentage is added (5.5%) the total for LSBU mental health sickness absence is 21.1% matching the UCEA statistic.
- 2.3.3 In 2016/17 nearly a quarter (24%) of recorded sickness absence has no detailed identifiable reason. This has been reduced to under 10%, in 2017/18 and will continue to be monitored as part of improving the sickness absence statistics.
- 2.3.4 The top three reasons for sickness absence in 2017/18 were Stress (15.6%), Operations/Recovery/Medical Appointment (14.8%) and Cold/Cough/Flu (13.3%). Of these the latter two were also in the top three causes last year, see tables 2.3.3 to 2.3.5 for more details.
- 2.3.5 The number of staff recording stress across the university is 18, six recording long term absence and twelve recording short term absence, this is 1.4% of our FTE employees, see Table 2.3.2 for more details.
- 2.3.6 Musculoskeletal absence has moved from one of the top three short term causes of sickness absence in 2016/17 to one of the top three long term causes of sickness absence in 2017/18. The HSR team will work with Academic Related Resources and the School of Health and Social Care to identify further guidance, training and support to be put in place that will help reduce the instances of musculoskeletal disorders.

2.3.7 The Professional Service Group with the highest level of sickness absence per full time equivalent staff is Teaching Quality and Enhancement with 13.8 days and is an increase from the 10.1 days in 2016/17. The School of Business (8.4 days) Academic Related Resources (8.1 days) and Student Support & Employment (7.7 days) are the next areas with the highest levels of reported sickness absence, see table 2.3.6 and graph 2.3.1 for more details.

2.3.8 The three areas to significantly reduce their reported sickness absence were International -10.0 days per FTE, Estates and Academic Environment -9.0 days per FTE and Research Enterprise and Innovation -7.5 days per FTE due to a significant decrease in long term sickness absence. The three areas with the largest increase in absence reporting were School of Business +7.3 days per FTE, Teaching Quality & enhancement +3.7 days per FTE and Academic Related Resources +3.4 days per FTE, mostly due to increases in long term sickness absence. Three PSGs and four schools recorded no long term sickness absence during 2017/18.

2.3.9 An analysis of the ill health data shows the university is significantly below the national average for referral to occupational health on stress, depression, mental health and anxiety at 32% against 40%, see Wellbeing Data Dashboard, Appendix 1.

**Table 2.3.1 Summary of sickness absence for the last four years**

Period	1/11/14 - 31/10/15	1/11/15 - 31/10/16	1/8/16 - 31/7/17	1/8/17 – 31/7/18
No of working days reported sick	5577	4413	5655.5	6352.9
Average no of days sickness per staff full time equivalent.	4.5	3.7	4.6	4.8
No of occasions sickness absence	Not available	Not available	1063	1153
% Sickness days due to Stress	6.6	0.4	2.5	15.6

2.3.10 The large increase in % stress sickness absence can be attributed to better data recording than in previous years. The 2017/18 percentage is similar to UCEA data for 2016/17.

**Table 2.3.2 Number of PSG/School staff reporting stress sickness absence**

PSG/School	Short Term	Long Term	Total
PSG - Academic Related Resources & Support	2	2	4
PSG - Estates and Academic Environment	1		1
PSG - People and Organisation	1		1
PSG - Student Support and Employment	4		4
PSG - Teaching Quality and Enhancement		1	1
School of Business		1	1
School of Health and Social Care	3	2	5
School of the Built Environment and Architecture	1		1
Total	12	6	18

**Table 2.3.3 Top three reasons for sickness absence comparison of 2016/17 & 2017/18**

Reason	2016/17 Total (days & percentage)		2017/18 Total (days & percentage)	
	Days	Percentage	Days	Percentage
Stress			992.1	15.6%
Operation, recovery & medical	762	13.5%	940.7	14.8%
Cold, cough, flu	823	14.6%	842.5	13.3%
Sickness	769.5	13.6%		

**Table 2.3.4 Top three reasons for short term sickness absence comparison of 2016/17 & 2017/18**

Reason	2016/17 Short Term (days & percentage)		2017/18 Short Term (days & percentage)	
	Days	Percentage	Days	Percentage
Cold, cough, flu	796	24.5%	842.5	23.6%
Stomach, digestive & gastrointestinal problems	368	11.3%	564.2	15.8%
Operation/recovery/Medical appointment			473.7	13.3%
Musculoskeletal	322	9.9%		

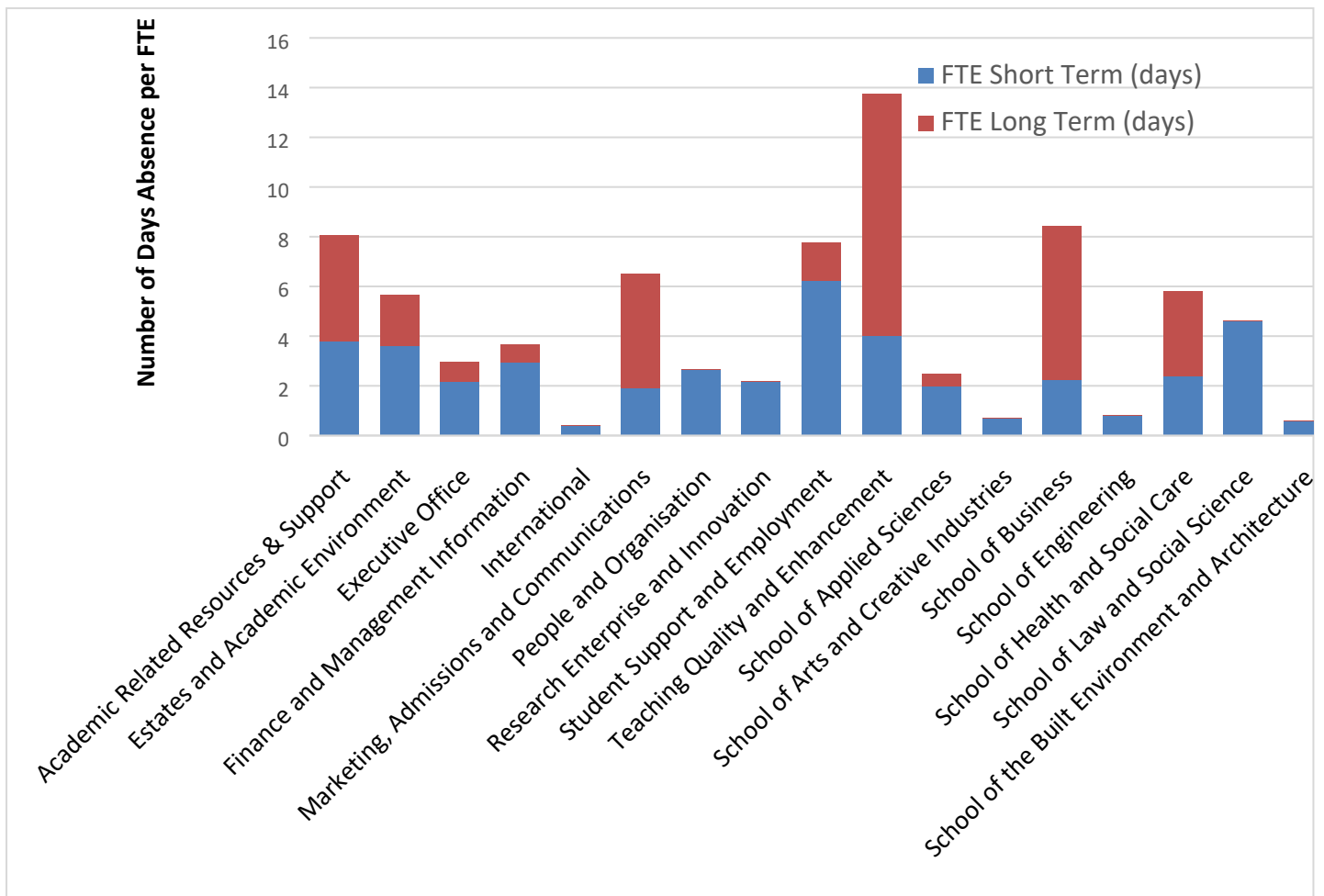
**Table 2.3.5 Top three reasons for long term sickness absence comparison of 2016/17 & 2017/18**

Reason	2016/17 Long Term (days & percentage)		2017/18 Long Term (days & percentage)	
	Days	Percentage	Days	Percentage
Stress			885	31.8%
Operation, recovery & medical	519	21.5%	467	16.8%
Musculoskeletal			384	13.8%
Sickness	536	22.2%		
Cancers and tumours	240	10.0%		

**Table 2.3.6 2016/17 & 2017/18 Comparison of FTE Short & Long Term Sickness Absence**

Professional Service Group / School	2016/17 per FTE			2017/18 per FTE			Change 16/17 to 17/18 days
	Short Term days	Long Term days	<b>Total days</b>	Short Term days	Long Term days	<b>Total days</b>	
Academic Related Resources & Support	3.7	1.0	<b>4.7</b>	3.8	4.3	<b>8.1</b>	<b>+3.4</b>
Estates and Academic Environment	5.8	8.9	<b>14.7</b>	3.6	2.1	<b>5.7</b>	<b>-9.0</b>
Executive Office	1.7	-	<b>1.7</b>	2.2	0.8	<b>3.0</b>	<b>+1.3</b>
Finance and Management Information	2.4	0.4	<b>2.8</b>	2.9	0.7	<b>3.7</b>	<b>+0.9</b>
International	2.1	8.3	<b>10.4</b>	0.4	-	<b>0.4</b>	<b>-10.0</b>
Marketing, Admissions and Communications	5.6	3.3	<b>8.9</b>	1.9	4.6	<b>6.5</b>	<b>-2.4</b>
People and Organisation	3.3	0.6	<b>3.9</b>	2.6	-	<b>2.6</b>	<b>-1.3</b>
Research Enterprise and Innovation	5.8	3.9	<b>9.7</b>	2.2	-	<b>2.2</b>	<b>-7.5</b>
Student Support and Employment	4.7	1.4	<b>6.1</b>	6.2	1.5	<b>7.7</b>	<b>+1.6</b>
Teaching Quality and Enhancement	4.6	5.5	<b>10.1</b>	4.0	9.7	<b>13.8</b>	<b>+3.7</b>
School of Applied Sciences	1.9	0.5	<b>2.4</b>	2.0	0.5	<b>2.5</b>	<b>+0.1</b>
School of Arts and Creative Industries	0.6	-	<b>0.6</b>	0.7	-	<b>0.7</b>	<b>+0.1</b>
School of Business	1.1	-	<b>1.1</b>	2.3	6.2	<b>8.4</b>	<b>+7.3</b>
School of Engineering	0.7	0.2	<b>0.9</b>	0.8	-	<b>0.8</b>	<b>-0.1</b>
School of Health and Social Care	1.6	1.9	<b>3.5</b>	2.4	3.4	<b>5.8</b>	<b>+2.3</b>
School of Law and Social Science	0.6	2.7	<b>3.3</b>	4.6	-	<b>4.6</b>	<b>+1.3</b>
School of the Built Environment & Architecture	1.1	2.1	<b>3.2</b>	0.6	-	<b>0.6</b>	<b>-2.6</b>

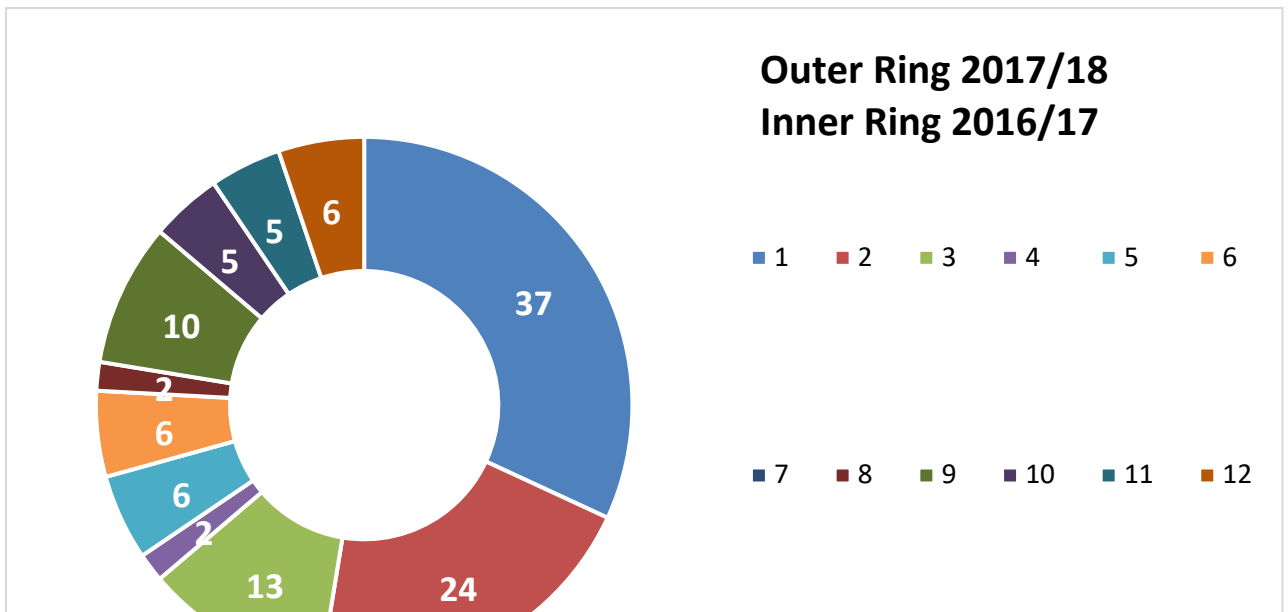
**Graph 2.3.1 2017/18 Staff Sickness Short & Long Term Absence per Full-Time Equivalent**



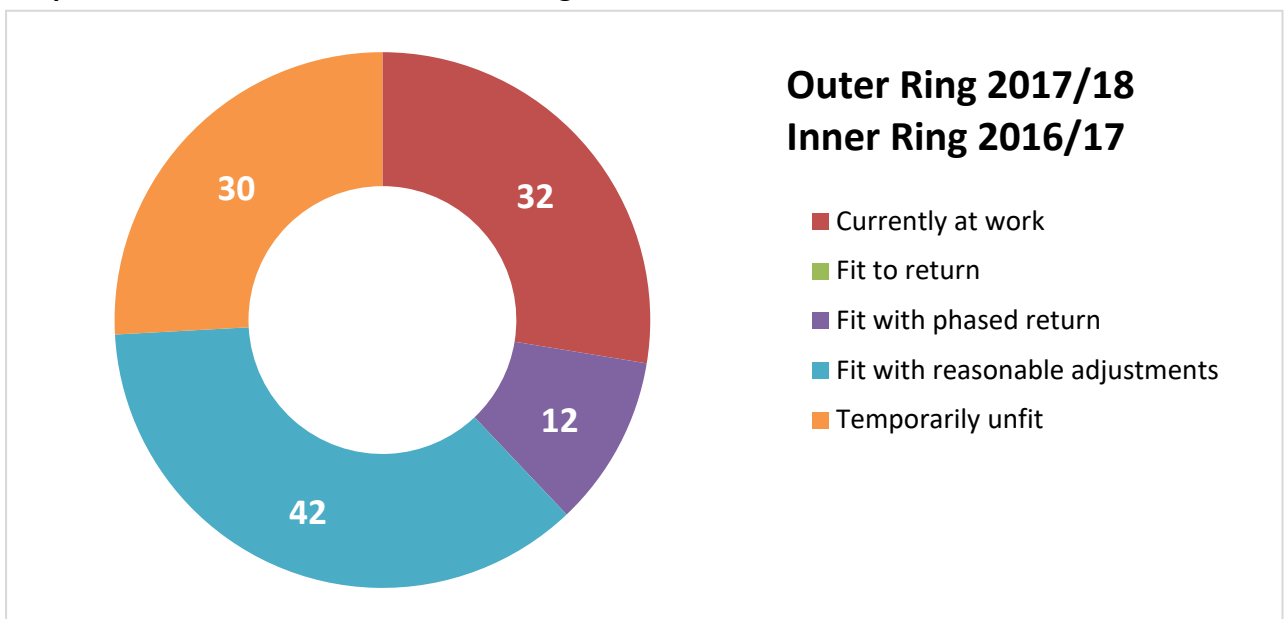
## 2.4 Occupational Health

The majority of reasons for referral to the OH service were due to stress and musculoskeletal issues, this is similar to the statistics from 2016/17. The wellbeing adviser is working with colleagues on projects aimed at reducing these issues.

**Graph 2.4.1 Reason for Referral to OH Service**



**Graph 2.4.2 Work outcome from attending OH service referral**



2.4.1 84% of staff were currently or fit to attend work after attending OH services with the majority of these being enabled through reasonable workplace adjustments. This is a significant improvement on 2016/17 where the figure was only 74%. In 2016/17 there were 116 referrals and this was reduced by 20% in 2017/18 to 93.

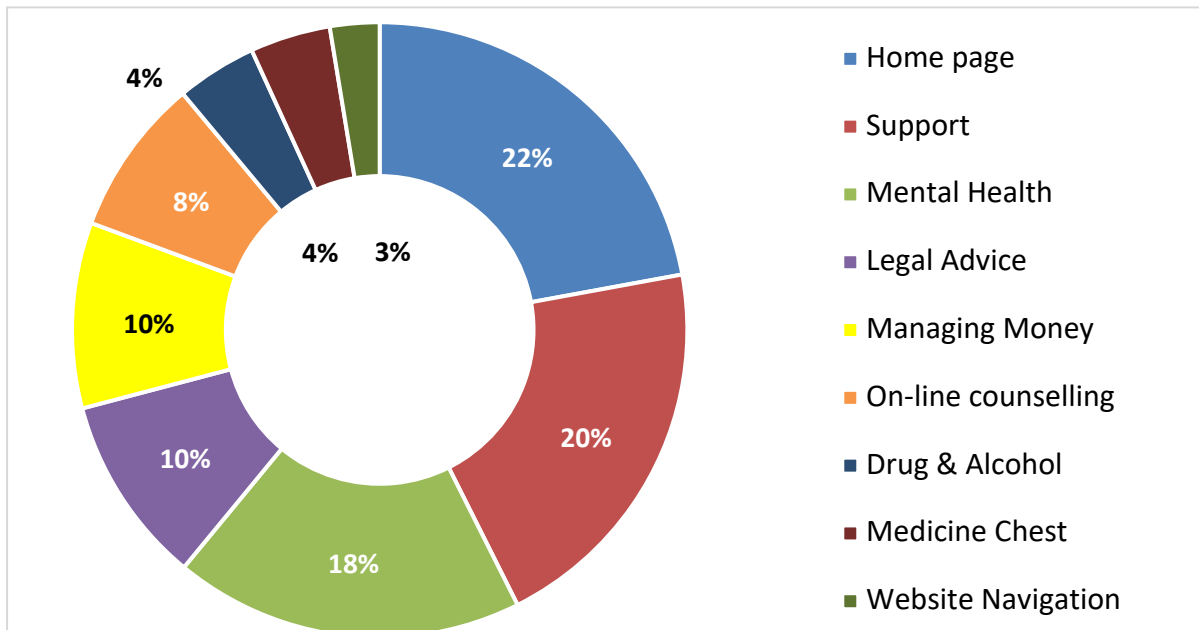
**2.5 Employee Assistance Programme (EAP)**

The Employee Assistance provider covers the period September 2017 to August 2018 as a result of the new contract. The majority of interaction with the EAP service has been through their website where staff have accessed information 615 times. Graph 2.5.1 shows the type of information being accessed. The greatest access has been to



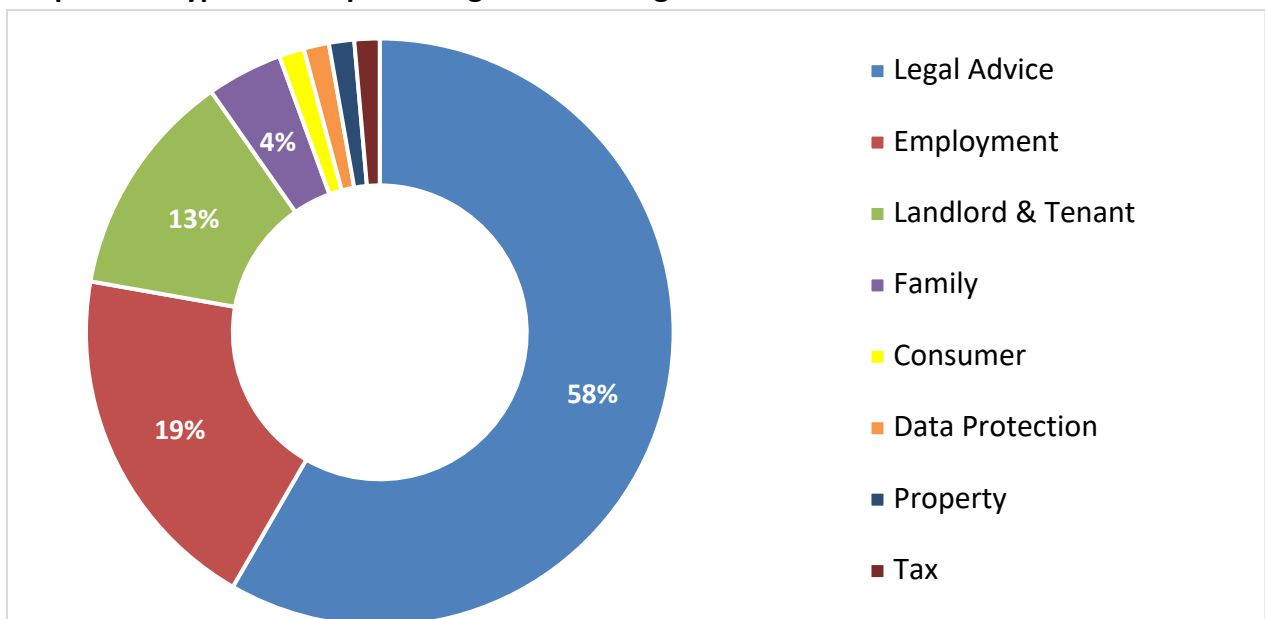
look at the website. The next areas of interest were what support is provided and guidance on Mental Health.

**Graph 2.5.1 EAP type of website information access**



2.5.1 Information has been provided on the type of legal advice being sought through the telephone service and details are provided in graph 2.5.2. The majority is for general legal advice followed by employment law and residential law. This shows the EAP is being used not only for work issues and is helping to support staff with personal issues, which could affect their work performance.

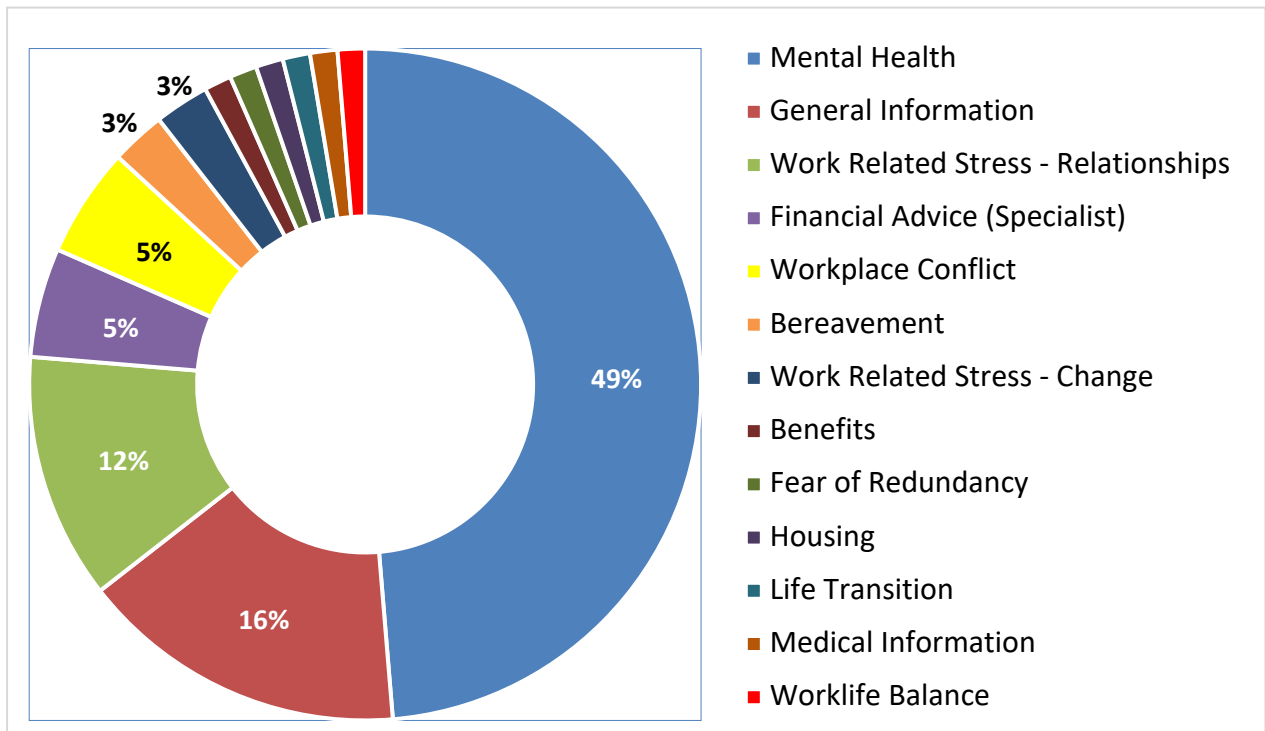
**Graph 2.5.2 Types of Freephone Legal advice sought**



2.5.2 The final graph provides details of the other free telephone call service provided by the EAP. The majority of calls have been for mental health support, 49%, showing

how important the provision of the EAP service is in providing free impartial advice to staff.

**Graph 2.5.3 Other types of Freephone advice sought**



### 3.0 Safety and Resilience

#### 3.1 Legislation

There were no HSE or Fire Brigade visits during the last year, neither were there any enforcement notices or prosecutions served on the University.

3.1.1 During last year there have been updates and changes to legislation, with an effect on the University. The most important are:

3.0 The Ionising Radiation Regulations 2017

4.0 The Gas Safety (Installation and Use) (Amendment) Regulations 2018

5.0 Minor amendments to the Guidance regarding First Aid at Work.

3.1.2 The Health, Safety and Resilience Team is working with appropriate Schools and Professional Service Groups to ensure the above are complied with and is reviewing existing policies to bring them up to the new standard.

#### 3.2 Accident/Incident Reporting in 2015/16 and 2016/17

The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) requires certain types of incident to be reported to the Health and Safety Executive. Below are details of the incidents for 2017/18 and a comparison with previous years' data. There were no staff RIDDOR reportable accidents in 2017/18. For brief details of the RIDDOR reports incidents see table 3.2.2.

**Table 3.2.1 Details of the incidents for 2017/18 and previous years**

Person / Year	2014/15	2015/16	2016/17	2017/18
Staff	3	1	1	-
Student	-	-	2	2
Contractor	1	1	-	-
Customer / Member of Public	-	-	2	-
Total	4	2	5	2

**Table 3.2.2 Details of the reportable incidents for 2015/16 and 2016/17**

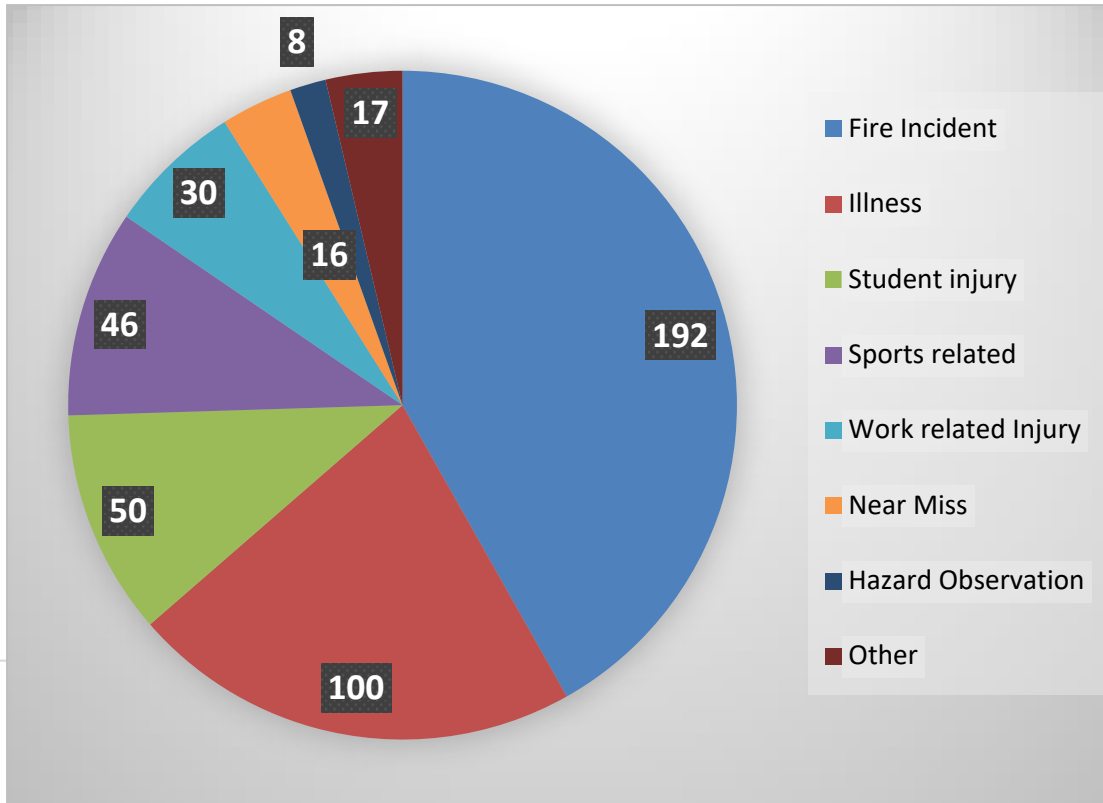
Category for 2017/18	Details
Taken to hospital for treatment	A student left an experiment laboratory, became dizzy and fell over cutting open head. Procedures for experiments were amended to ensure wellbeing checks are carried out after the experiment
Taken to hospital for treatment	An open window dropped closed, smashing - resulting in glass cutting a student's back. All similar windows were inspected and restrictors fitted where necessary.

3.2.1 In 2017/18 there were no staff RIDDOR reportable accidents. Compared to other Universities for 2014/15, 2015/16 and 2016/17 (see Table 2.2.3) our Employee accident rate reporting remains higher, which indicates we are better at reporting, as it is widely recognised that there is significant under-reporting of accidents in the University Sector. The RIDDOR numbers are small and any change in numbers can create a significant change in the corresponding rate. There is no comparison with 2017/18 data as that has yet to be issued by the University Safety and Health Association (USHA).

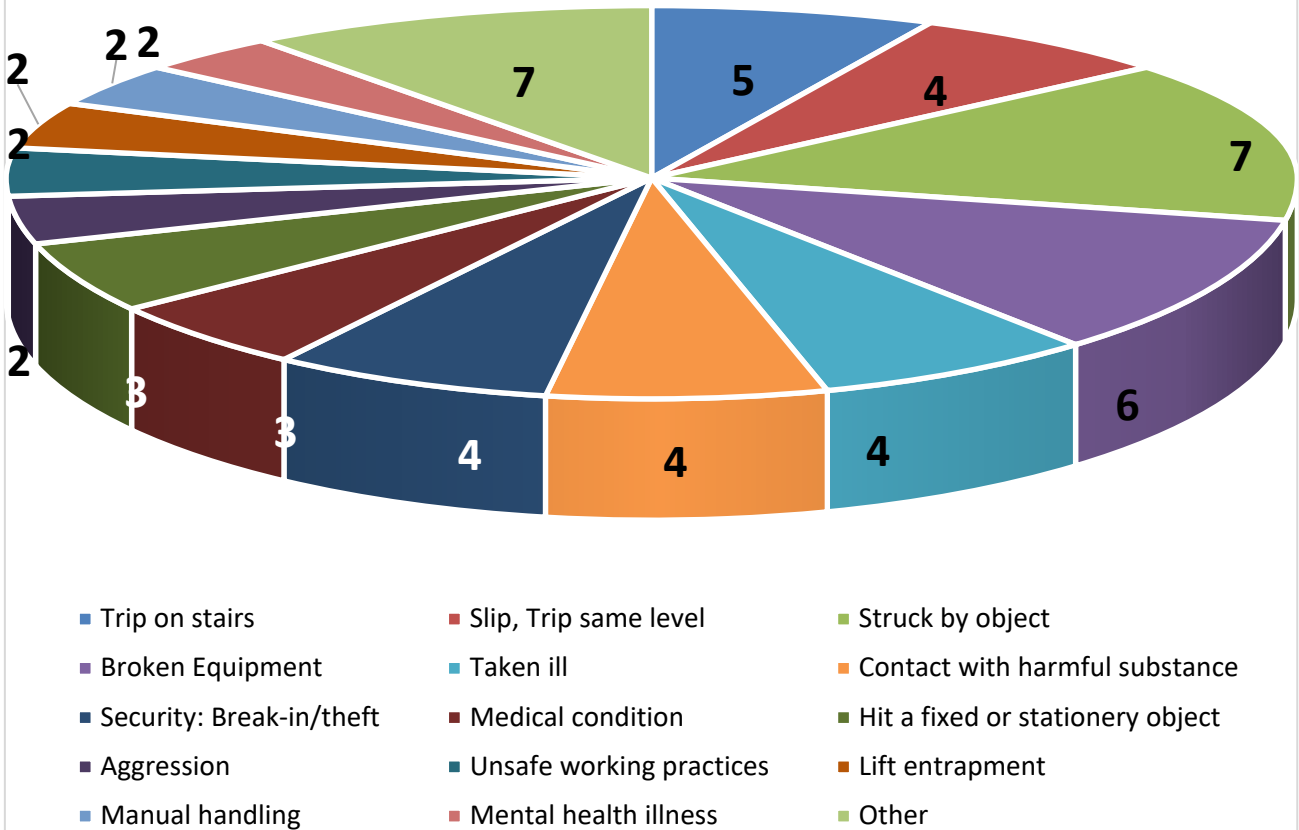
**Table 3.2.3 LSBU comparison with latest USHA data**

Year	2014/15		2015/16		2016/17	
	USHA	LSBU	USHA	LSBU	USHA	LSBU
Universities						
Employee RIDDOR rate (per 1000 fte)	1.02	2.19	1.08	0.75	1.19	0.78
Student RIDDOR rate (per 1000 fte)	0.09	0.00	0.11	0.17	0.08	0.12
Employee accident rate (per 1000 fte)	37.67	58.48	40.08	78.53	28.79	33.52

**Graph 3.2.1 Number of reported incidents and accidents during 2017/18**



Graph 3.2.2 Number of reported staff incidents and accidents during 2017/18



### 3.3 Fire Safety

Improving fire safety across the University, including Halls of Residence remains a major focus of the Health, Safety and Resilience Team. Significant improvements include:

- the fire safety policy and revised evacuation procedures were deemed to be suitable by PwC auditors;
- Estates and Academic Environment completed the PwC recommendation to keep their records fully up to date, for the work they had undertaken, required by the fire risk assessments;
- a major project to upgrade fire safety evacuation procedures, included:
  - improved signage by creating bespoke graphical and zonal Fire Action Plan (see Figure 3.3.1) for all floors of all buildings, this work will be completed in Semester 1 2018/19;
  - development and provision of short training events for staff on the new roles of Fire Evacuation Assistant and Fire Coordinator;
  - creation of videos to support the short training events;
  - development of information for students in the form of banners placed round the campus and social media support from the students union; and
  - testing of the new procedures.

**Figure 3.3.1 Example Fire Action Plan**

Each notice is bespoke to the location it is displayed and has been orientated to the same view of the person looking at it.

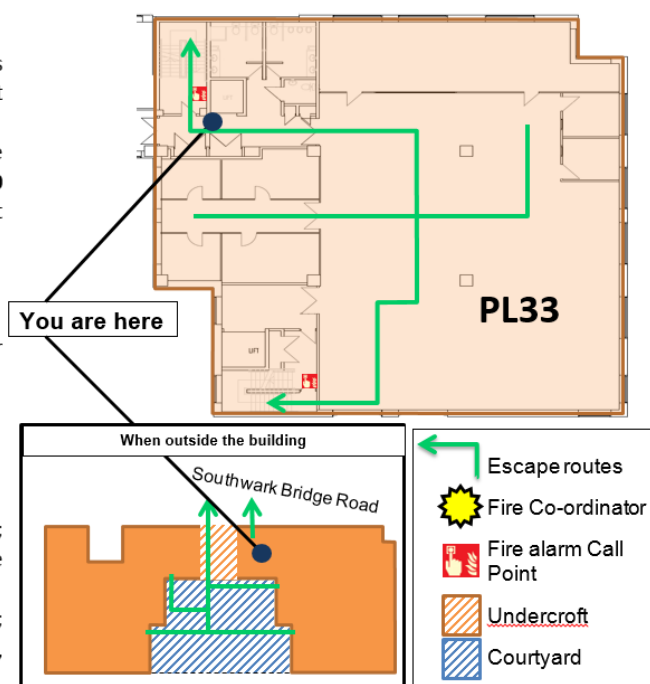
## Fire Action Plan Perry Library

#### On discovering a fire:

- Raise the alarm by setting off the fire alarm, as this will give building occupants the most time to get out safely;
- After setting off the alarm, as soon as in a safe place, contact security on **6666** (internal) or **020 7815 6666** (external/mobile phone) to report details about the fire.

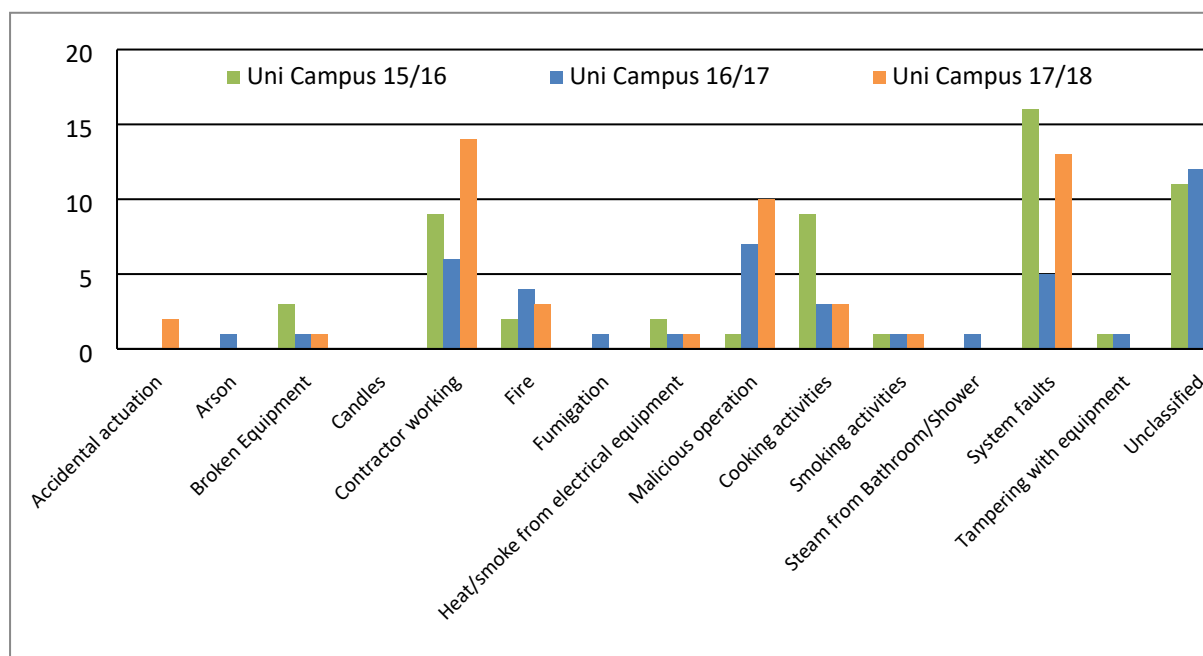
#### On hearing the fire alarm:

- leave building by nearest safe exit route;
- if in charge of staff, students or visitors escort or direct them out of the building;
- do not stop to collect personal belongings;
- walk quickly and calmly; do not run;
- if you can, close doors and windows;
- do not take risks;
- if Evacuation Assistant report to Fire Co-ordinator;
- Disperse to a safe area at least 100m from the building;
- Stay away from the building for about 10 minutes;
- Only re-enter when told, by a responsible person, it is safe to go back in.



- 3.3.1 The Estates and Academic Environment Fire Safety Strategy Group are regularly reviewing the fire risk assessments carried out by the fire consultants and have confirmed all severe risks identified in the assessments have been successfully resolved. The KPI was 11 out of 11 issues resolved. Other less serious risks are ongoing issues, e.g. staff wedging doors open and these are addressed by EAE with help and support from the HSR team and from other stakeholders.
- 3.3.2 There was one potentially serious fire in London Road when a candle was left unattended in the multi-faith room. This event has helped to reinforce the message on bringing in the new fire evacuation procedures for the protection of staff, students and other building users.
- 3.3.3 A review of the fire alarm activations identified, for teaching campus buildings, the main reasons are System Faults, Unclassified and Contractors' work. The number of malicious activations has also significant increased, especially around exam times. Action has been taken to combat this increase, including fire safety patrols.
- 3.3.4 Estates and Academic Environment have been working on the fire alarm system with an aim of reducing the number of system faults and unclassified alarms. The Health, Safety and Resilience Team will work with Estates and Academic Environment colleagues to reduce the number of activations caused by contractor works.

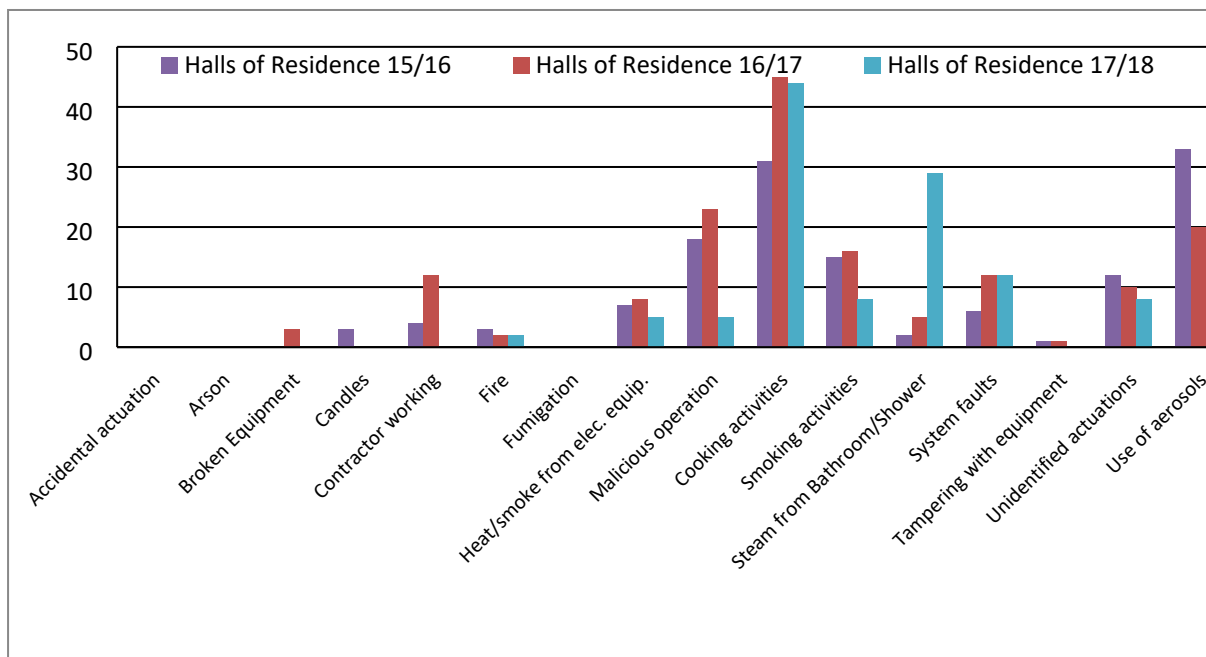
**Graph 3.3.1 Fire Alarm Activations in university campus buildings**



3.3.4 The fire activations at our halls of residence are mainly due to cooking activities, see graph 3.3.2. Following investigations, which identified setting the alarm off by use of aerosols was a deliberate act in most of our halls has reduced the number of activations from 33 in 2015/16 to 16 in 2017/18. There is a spike in 2017/18 due to

steam setting of the alarm, this was partially due to the new fire alarm system installed in Maclaren House Halls and the need for the sensors to be adjusted; there should be a reduction in this type of activation in 2018/19. Halls management will continue to work with students to educate them of the fire risks from inattentive cooking.

**Graph 3.3.2 Fire Alarm Activations in university halls of residence**



3.3.5 Overall there has been a good improvement in fire safety standards, identified by the Fire Risk Assessment Contractors especially the improvement in fire doors and the reduction of ignition sources and combustible materials in corridors due to re-siting of the multi-function devices.

### 3.4 Display Screen Equipment Workstation Assessment Compliance

There is ongoing work across all schools and Professional Service Groups to continue to refresh the percentage of computer workstation assessments completed by staff. This work is being monitored by the Health and Safety Joint Committee and improvements have been made with the development of shared workstation risk assessments.

### 3.5 Training

The HSR team are focussed on improving staff competence and knowledge within the University by revitalising the health and safety training programme. The team run the nationally recognised IOSH Managing Safely Certificate as part of this programme, which this year 39 managers successfully completed.

### 3.5.1 Other areas covered include,

- The safety use of hazardous substances
- Working at height safely
- Risk assessment workshop
- Fire safety
- Dealing with violence and aggression
- Use of Evac-Chairs
- Stress awareness for managers
- Travel safety
- Display Screen Equipment assessor
- Manual handling safely
- Contractor safety
- First aid

3.5.2 As online training is a significant route to provide accessible health and safety training, the HSR team have worked with the Organisational Development team to modify the online training to the needs of the University

3.5.3 Training has also been made available to teams on request an example being the provision of Manual Handling for the Library and Learning Resources staff, Risk assessment workshop for the School of Applied Science and Evac-Chair operator for Academy of Sport to enable wheelchair basketball to be played in the sports hall.

3.5.4 Additionally, from the request of a senior lecturer of civil engineering in the School of the Built Environment and Architecture, the HSR team ran risk assessment and risk control workshops for 84 students participating in the bridge building project.

**Table 3.5.1 Summary of training provided during 2015/16 and 2016/17**

Course Type	2015/16	2016/17	2017/18
Full day / Four day	90	44	80
Half day	98	132	161
60 – 90 minutes	389	312	162
Online training	815	541	1042
<b>Staff Training Total</b>	<b>1392</b>	<b>1029</b>	<b>1445</b>
<b>Student</b>	-	-	84

3.5.5 The HSR team plan for 2018/19 is to continue to work with Schools, PSGs and organisational development colleagues to help develop training targets for the different areas of the University, which will be added to the data dashboard to help identify if the necessary training is being undertaken by managers and staff.

## 3.6 Safeguarding and Prevent

During 2017/18 work has continued to embed and further develop our approach to Prevent, building on the positive external recognition from the former Higher Education Funding Council for England (HEFCE), highlighted in last year's report.



3.6.1 There were no prevent referrals which required further investigation by an external Channel Panel (the highest level of escalation).

3.6.2 Highlights included:

- annual Prevent Report to HEFCE December 2017 was graded by the regulator as demonstrating full compliance with the Duty (highest category possible);
- acting Deputy Director of HR Services invited to become a member of the Department for Education Counter Extremism Committee, advising on HE Sector Prevent issues; and
- acting Deputy Director of HR Services invited to present LSBU case study of Prevent good practice to Office for Students Prevent Meeting of HE Providers.

3.6.3 The Safeguarding Committee has been developing procedures around Child and Adult Protection.

3.6.4 The Acting Deputy Director of HR Services led a successful bid for £49,000 of Catalyst Funding for Preventing Hate Crime. This follows a successful bid last year for £43,000 of Catalyst Funding for Student Safeguarding.

### **3.7 The Emergency Planning and Business Continuity report for 2017/18**

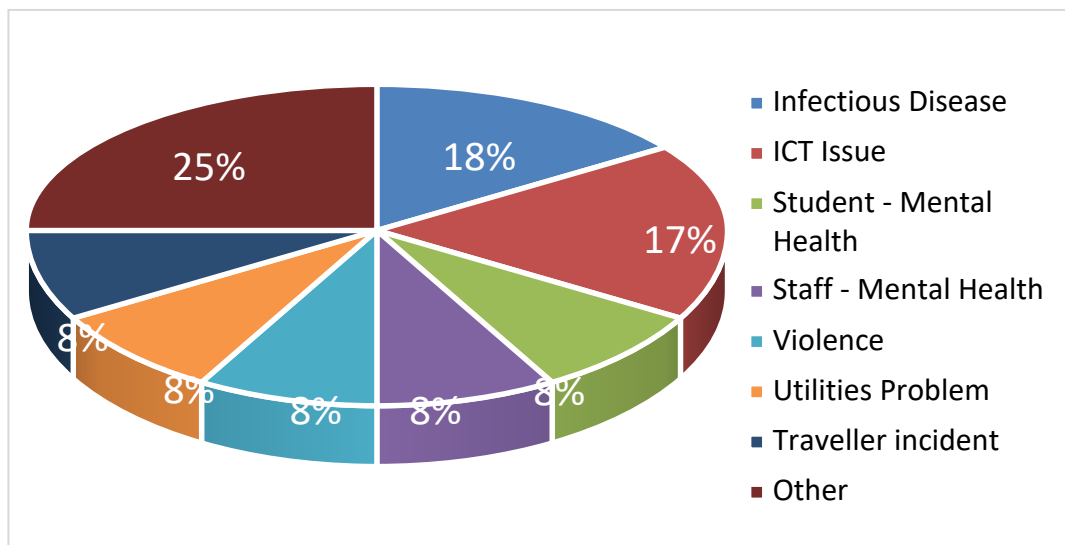
There have been significant improvements in Emergency Planning and Business Continuity at LSBU over the last year that should be noted by the committee. LSBU is the only educational institution in the multi-agency Borough Resilience Forum

3.7.1 An Incident Response Plan has been developed, approved, tested and reviewed. The plan sets out the universities approach to managing major incidents, highlighting key roles and responsibilities, notification processes with guidance. A Gold, Silver and Bronze structure has been developed in line with local emergency service structures to deal with these incidents.

3.7.2 On 5<sup>th</sup> February a counter terrorism exercise was delivered for the university's Executive Strategic Response Team. Senior Management gained significant experience from the exercise and the consultant's feedback report was very positive about the level of engagement and the developed procedures. The key recommendations from the training have been actioned and a report was provided to the audit committee.

3.7.3 The HSR team provide a 24 hour Duty Manager service to coordinate the response to serious and major incidents. Twenty four calls were made in the last year with infectious disease and ICT issues as the leading causes for escalation. This service is continuously reviewed and procedures updated to learn lessons from each experience, see Graph 3.7.1.

**Graph 3.7.1 Type of Emergency Call Out to the Duty Manager in 2017/18**



3.7.4 Alert Cascade, mass message notification system, was procured in December 2017 to allow Duty Managers to send a message via recorded voice, text and email to members of the incident response teams about a major incident. Feedback from the system allows backup personnel to be notified if the primary contact is not available, improving the university's resilience.



3.7.5 Following the terrorist attacks in the summer last year, counter terrorism support material has been developed which includes a presentation at the new staff induction, information on various media platforms (student portals, TV screens, staff intranet) and 'Z' cards for all staff as shown on page 21.

3.7.6 Traveller emergency planning arrangements have improved significantly following the procurement of the International SOS (ISOS) support contract. Travellers are now able to send immediate alerts through the ISOS App and by telephone. ISOS support ranges from over the phone advice to emergency evacuations. A pre-trip safety package for staff to deliver to students prior to travelling has also been developed.

3.7.7 Other developments include:

- **Infectious Disease** – response and preparation work with Public Health England (PHE);
- **Safety Concern Response Meeting** – 2 weekly student concern meetings;

- **Halls Mutual Aid Agreement** – Agreement with LSE for backup student accommodation;
- **Business Continuity Plans** – Plans being developed with schools and PSGs;
- **Business Continuity Training** – Online competition and cascade / town hall presentations.

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**Wellbeing Activity Day 2018**

**Endorsed by the Vice Chancellor**

**proud to support time to change**  
let's end mental health discrimination

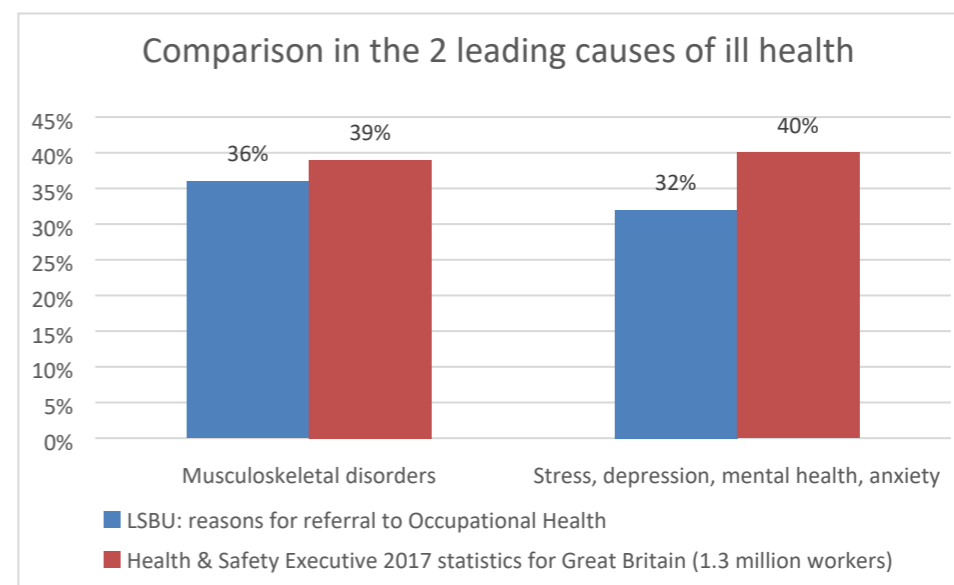
- 15 speakers on topic of Mental Health and Wellbeing

*LSBU lecturer shares her personal story of ill mental health*

**Increased attendance of 133%**

**25 Health and Wellbeing related initiatives, stalls and activities:**

- Art therapy
- Chair yoga class
- Nutrition and exercise
- Games by the Drama School
- Chinese medicine
- Diabetes awareness
- Tag rugby
- Student Wellbeing



24/7/365 confidential support and advice for staff

<b>Onsite trauma counselling following incident</b>	Face to Face counselling: 44 sessions	Telephonic support: 89 calls	Website: accessed 192 times
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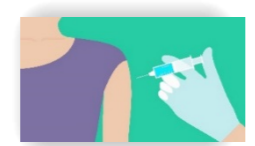
**4 new social spaces for staff - 203m<sup>2</sup>**

- London Road
- Borough Rd
- T Block
- E Block

Page 85

**Occupational Health initiatives for staff:**

- 'Meet your OH Advisor' time slots
- Cholesterol tests
- Diabetes Type 2 tests



**Free flu jabs provided to staff**  
- 110% increase in take up

**yammer**

**Social groups: 1191 members**  
= 71% increase



**New initiative:**  
Free prostate cancer and ovarian cancer tests for staff.  
Offer 100% taken up

**Transgender Awareness Day:**

- 70 attendees
- LSBU student shares her story



LSBU recognised nationally for it's Healthy Workplace Excellence Award.

**Featured in winter newsletter:**  
Distributed to 71 Universities, 19 non-Universities and 24 stakeholder organisations

**LSBU collaborations**

<b>University of West Scotland (London campus)</b> sharing of good practice	<b>Southwark Healthy Workplace Network</b> LSBU lead member and driver for Health and Wellbeing in the workplace
<b>Public Health England</b> LSBU selected for case study: best practice for alcohol awareness	<b>Mayor of London's Office</b> Supported a Wellbeing in the Workplace event - attended by 60 people



**Planning underway for benchmarking Wellbeing across all sectors**

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	CONFIDENTIAL
Paper title:	Audit Committee Annual Report
Board/Committee:	Board of Governors
Date of meeting:	22 November 2018
Author(s):	James Stevenson, University Secretary
Sponsor(s):	Steve Balmont, Audit Committee Chair
Purpose:	For Review
Recommendation:	The Board is requested to review the Audit Committee's annual report.

## Executive Summary

### Introduction

The Audit Committee is required under the Financial Memorandum with HEFCE / OfS to produce an annual report of the committee to the Board of Governors and the Accountable Officer (the Vice Chancellor). The report will also be submitted to OfS in December 2018.

Guidance from OfS is that it must include any significant issues and should be considered by the Board before approval of the accounts. It must also include the committee's opinions on the adequacy and effectiveness of LSBU's arrangements for the following:

- Risk management, control and governance;
- Economy, efficiency and effectiveness (value for money);
- Management and quality assurance of data submitted to HESA and to HEFCE/OfS, SLC and other funding bodies.

### Audit Committee Opinions

1. The Committee's opinion on the institution's risk management, control and governance is that these arrangements are adequate and effective.
2. The Committee's opinion on the arrangements for the economy, efficiency and effectiveness of the University is that they are adequate and effective.

3. The Committee's opinion on the management and quality assurance of data submitted to HESA, HEFCE (OfS from 1 April 2018), SLC and other funding bodies is that the University has adequate assurance.

### **Recommendations**

The Board of Governors is requested to review the audit committee annual report.



## **Annual Report of the Audit Committee to the Board of Governors and the Accountable Officer 2017/18**

### **Executive summary**

During the year to 31 July 2018, the Audit Committee was chaired by Steve Balmont and met four times.

Matters completed by the Committee for the year 2017/18 include:

- review and clearance of the University's annual report and accounts for 2017/18 (paragraph 8);
- approval of the plan for PwC's internal audit review work for the year (paragraph 12);
- at each meeting, detailed consideration of PwC's internal audit reports (paragraph 12);
- three meetings with PwC and four meetings with KPMG in the absence of all University staff;
- consideration of the annual internal audit report (paragraph 14);
- regular review of the corporate risk framework (paragraph 19);
- approval of a statement of internal control (paragraph 31).

## **Introduction**

1. This report covers the financial and academic year from 1 August 2017 to 31 July 2018 and includes any significant issues up to the date of the signing of this report and consideration of the financial statements for the year.
2. No member of the Audit Committee has, or has had during the year, a direct role in the management of the University. All members of the Committee are asked to declare any interests in any item of business on the agenda at each meeting.
3. During 2017/18, the Audit Committee was chaired by Steve Balmont, an independent governor. Other members of the Committee during the year were: Mee Ling Ng, Shachi Blakemore, Duncan Brown and independent co-optee, Roy Waight (resigned 12 January 2018). The Audit Committee considers it has individuals with an appropriate mix of skills and experience to allow it to discharge its duties effectively.
4. All members of the Committee are independent of management. James Stevenson, University Secretary & Clerk to the Board, served as secretary to the Committee throughout the year.
5. The Committee held four business meetings during the financial year to 31 July 2018. The Vice Chancellor, Chief Financial Officer and other members of the Executive were present. The internal auditors and the external auditors were present at all four meetings. For the financial & academic year 2018/19 the Committee will also hold four business meetings (October, November, February, and June.)
6. The Committee's terms of reference are reviewed annually in the autumn. The Committee has an agreed forward business plan which is used to plan its agendas during the year and is reviewed at each meeting.

## **External Audit**

7. At its meeting of 7 June 2018, the Committee approved the external audit plan for the financial year 2018/19.
8. At its meeting of 8 November 2018, the Committee considered and recommended to the Board for approval the draft financial statements for the year ended 31 July 2018. The Committee considered in detail an audit opinion from KPMG UK LLP. The Committee considered and recommended to the Board for approval the letter of representation from the Board of Governors to KPMG UK LLP.

9. Performance indicators have been agreed against which the performance of the external auditors is measured. At its meeting of 8 November 2018, the Committee received a report on performance against indicators. The external auditors met all of the agreed performance indicators.
10. On 8 November 2018, the Committee met KPMG UK LLP in the absence of any University employees to discuss the year end audit and other matters.
11. Non-audit work provided by KPMG UK LLP for LSBU for the year ended 31 July 2018 is as follows:
  - £4,525.00 (SBUEL tax computation) [to be confirmed once accounts are finalised]

### **Internal Audit**

12. The University's Internal Auditors for the year were PricewaterhouseCoopers (PwC). PwC worked to an internal audit plan of 125 days approved by the Committee at its meeting of 8 June 2017. 125 days of work were delivered. The Committee has received progress reports from PwC against the plan at every meeting.
13. During the year 10 internal audits were undertaken (2017: 8) The Continuous Audit programme of key financial systems and student data was undertaken throughout the year.
14. The internal auditor's annual report for 2017/18 (dated September 2018) provided a positive assurance statement. The internal audit annual report found:

“Governance, risk management and control, and value for money arrangements in relation to business critical areas is generally satisfactory. However, there are some areas of weakness in the framework of governance, risk management and control and value for money arrangements which potentially put the achievement of objectives at risk. Improvements are required in those areas to enhance the adequacy and effectiveness of governance, risk management and control and value for money arrangements.”
15. “Our [PwC's] view on London South Bank University's operational control environment and governance arrangements is underpinned by the audit reviews that we have performed during the year. There has been one high risk rated report, two medium risk rated reports and two low risk rated reports prepared during the financial year...

The findings from these reports are not considered significant in aggregate to the system of internal control. None of the individual assignments completed in 2017/18 have an overall classification of critical risk.”

16. The Committee met PwC prior to three meetings (November 2017 excepted), in the absence of any of the University’s employees.
17. Following a tender process in 2014/5, PwC was re-appointed as internal auditors from 1 August 2015. The contract is for three years with the possibility of a further two 12 month extensions, subject to performance.
18. Through a tender process conducted in Spring 2018, PwC has been selected as Change Partner for a major LSBU IT project, Project LEAP. PwC will continue to act as internal auditors until 31 July 2019: the role of Internal Auditor will be re-tendered in Spring 2019 and new internal auditors will take over on 1 August 2019. Any potential or actual conflict of interest affecting the role of Internal Audit will be closely monitored by the Executive.

### **Risk management, control and governance**

19. The Committee reviewed the corporate risk register at each meeting. In addition, the committee annually reviews risk strategy and risk appetite and makes recommendations to the Board of Governors. The University’s corporate risk framework is aligned to the Corporate Strategy.
20. During the year PwC undertook an internal audit on risk management controls which concluded the control environment remains “robust” and “stable” and there is a low risk to the University.
21. At its meeting on 8 October 2018, the Committee reviewed the effectiveness of internal controls and approved the full compliance statement for inclusion in the annual report and accounts.

### **Economy, Efficiency and Effectiveness**

22. PwC considers value for money as part of its work on LSBU’s systems of internal control. Its assessment is that LSBU’s value for money processes are in accordance with good practice.

23. Following changes to HEFCE guidance, applicable at the time, a new mandatory Annual Efficiency Return was approved by the Accountable Officer. This report was ratified by the committee at its meeting of 8 February 2018.

### **Management and Quality Assurance of Data submitted to HESA, HEFCE and Student Loans Company**

24. Both financial and student data are monitored regularly through management controls and independently tested through the internal audit continuous audit programme. No significant findings have been reported.
25. Following two reports on the continuous auditing of student data controls during the year 2017/18, the Internal Auditors “have not identified any significant exceptions regarding student data controls, but we [PwC] have seen an increase in exceptions over the course of the year”.

### **HEFCE’s Assessment of Institutional Risk**

26. In a letter dated 21 February 2018, the committee received HEFCE’s assessment of the University’s institutional risk by the Annual Provider Review (APR) Group. HEFCE’s statement was that LSBU was “not at higher risk” at this time. The regulator has given the same opinion each year since 2007.

### **Public Interest Disclosure**

27. Under the “Speak Up” policy the University Secretary reported on Speak Up activity at every meeting of the Audit Committee. The Chair of the Audit Committee acts as the independent point of contact for anyone wishing to raise a Speak Up matter outside line management, and reviews the conclusion of any subsequent investigation.
28. Three matters were reported / reviewed through the Speak Up policy during the year.
- The first was an allegation of unfairness in a University process: following investigation, no evidence was found of deliberate malpractice.
  - The second related to terms of employment in one of the University’s wholly owned subsidiaries. This case was reviewed and the allegation was not supported: the case has been closed.

- The third was an allegation of bullying in one of the University's subsidiary companies. The matter was investigated and judged not to be a Speak Up matter but one relating to the company's Grievance Policy to which it was referred.

## **Anti-Fraud**

29. Under LSBU's anti-fraud policy the Chief Financial Officer reported on any fraud matters at every committee meeting. One irregularity was reported to the Committee during 2017/18. At its meeting on 9 November 2017, the Committee was informed of an incident of Payroll fraud. Payments were subsequently made correctly to the employee and reported to the police through Action Fraud. HEFCE was not informed as the amounts were below the required threshold.

## **Audit Committee effectiveness assessment**

30. The Audit Committee undertook an effectiveness review in May 2017 and received a report on the findings at its meeting on 8 June 2017. The recommendations from the report have been implemented. The next review is due in May 2019.

## **Opinion of the Audit Committee**

### *Risk Management, Control and Governance*

31. The Committee's opinion on the institution's risk management, control and governance is that these arrangements are adequate and effective.

32. This opinion is based on:

- the Internal Audit annual report for 2017/18 which gave the opinion that "we believe London South Bank University has adequate and effective arrangements to address the risks that management's objectives are not achieved over risk management, control and governance".
- the Executive's detailed review of internal controls. This review was considered by the Audit Committee on 8 October 2018.

*Economy, Efficiency and Effectiveness*

33. The Committee's opinion on the arrangements for the economy, efficiency and effectiveness of the University is that they are adequate and effective.
34. This opinion is based on the Internal Audit annual report, 2017/18 which gave the opinion that "[PwC's] work indicates that LSBU has processes in place to ensure value for money which are in accordance with good practice". This is demonstrated through use of purchasing consortiums, adherence to financial controls.

*Management and quality assurance of data submitted to HESA, HEFCE / OfS, and Student Loans Company*

35. The Committee's opinion on the management and quality assurance of data submitted to HESA, HEFCE (OfS from 1 April 2018), and Student Loans Company is that the University has adequate assurance.
36. Both financial and student data are monitored regularly through management controls and independently tested through the internal audit continuous audit programme. No significant findings have been reported.

This annual report was approved by the Audit Committee on 8 November 2018.

Signed .....

Steve Balmont  
Chairman of the Audit Committee  
22 November 2018

*[To be signed at the Board meeting of 22 November 2018]*

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	CONFIDENTIAL
Paper title:	External audit Letter of Representation
Board/Committee:	Board of Governors
Date of meeting:	22 November 2018
Author(s):	Natalie Ferer, Financial Controller
Sponsor(s):	Richard Flatman, Chief Financial Officer
Purpose:	For Approval
Recommendation:	The Board is requested to approve the Letter of Representation

## **Executive Summary**

The letter of representation requires the Board of Governors to give specific assurances to the auditors over matters regarding the financial statements and the year-end audit. Following approval, the Chair of the Board will be required to sign the original at the time of signing the accounts. The attached letter contains standard representations only; there are no items that have been inserted specific to LSBU.

## **Recommendation**

The Audit Committee reviewed the letter and recommends that the Board approve the attached Letter of Representation.

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(Letterhead of Client)

KPMG LLP  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

[Date]

Dear Fleur

This representation letter is provided in connection with your audit of the Group and University financial statements of London South Bank University (“the University”), for the year ended 31<sup>st</sup> July 2018, for the purpose of expressing an opinion:

- i. as to whether the financial statements give a true and fair view of the state of the Group’s and University’s affairs as at 31<sup>st</sup> July 2018 and of the Group’s and University’s income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- ii. whether the financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education (FEHE SORP);
- iii. whether the financial statements meet the requirements of the Accounts Direction dated 19 June 2018 issued by the Office for Students; and
- iv. whether the financial statements have been prepared in accordance with the Companies Act 2006.

These financial statements comprise the Group and University’s balance sheets as at 31<sup>st</sup> July 2018, the Group and University’s Statements of Comprehensive Income, the Group and University Statements of Changes in Reserves, and the Group Statement of cash flows, and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Governing Body confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Governing Body confirms, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

### **Financial statements**

1. The Governing Body has fulfilled its responsibilities, as set out in the terms of the audit engagement dated 30 March 2017, for the preparation of financial statements that:

- give a true and fair view of the state of the Group's and the University's affairs as at the end of its financial year and of the Group's and University's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended; and
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and the FEHSORP; and
- have been prepared in accordance with the Companies Act 2006.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Governing Body in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which Section 32 of FRS 102 (*Events after the End of the Reporting Period*) requires adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter. A list of the uncorrected misstatements is attached to this representation letter.

### **Information provided**

5. The Governing Body has provided you with:
  - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - additional information that you have requested from the Governing Body for the purpose of the audit; and
  - unrestricted access to persons within the Group and the University from whom you determined it necessary to obtain audit evidence.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. The Governing Body confirms the following:
  - (i) The Governing Body has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

- (ii) The Governing Body has disclosed to you all information in relation to:
  - (a) Fraud or suspected fraud that it is aware of and that affects the Group and the University and involves:
    - management;
    - employees who have significant roles in internal control; or

- others where the fraud could have a material effect on the financial statements;  
and
- (b) allegations of fraud, or suspected fraud, affecting the Group and the University's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Governing Body acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Governing Body acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

8. The Governing Body has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
9. The Governing Body has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with FRS 102 Section 21, Provisions and Contingencies, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
10. The Governing Body has disclosed to you the identity of the Group and the University's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with FRS 102 Section 33, Related Party Disclosures.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in FRS 102.

11. The Governing Body confirms that:
  - (a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the University's and Group's ability to continue as a going concern as required to provide a true and fair view.
  - (b) Any uncertainties disclosed are not considered to be material and therefore do not cast significant doubt on the ability of the University and the Group to continue as a going concern.
12. On the basis of the process established by the Governing Body and having made appropriate enquiries, the Governing Body is satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities are consistent with its knowledge of the business and in accordance with the requirements of section 28 of FRS 102 .

13. The Governing Body further confirms that:

- (a) all significant retirement benefits, including any arrangements that are:
  - statutory, contractual or implicit in the employer's actions;
  - arise in the UK and the Republic of Ireland or overseas;
  - funded or unfunded; and
  - approved or unapproved,

- have been identified and properly accounted for; and
- (b) all plan amendments, settlements and curtailments have been identified and properly accounted for.
14. The Governing Body confirms that costs or credits attributable to the agreement of a deficit recovery plan for the Universities Superannuation Scheme (USS) are calculated using assumptions that are consistent with its knowledge of the business. In particular, the Governing Body confirms that the assumptions for assumed salary inflation in each year during the life of the plan and assumed USS membership changes during the life of the plan are consistent with the University's projected employee population profile.
15. In particular the Governing Body confirms that:
- there are no significant matters that have arisen that would require a restatement of the corresponding figures.
  - to the best of our knowledge and belief the University has complied with the requirements of the Charities Act 2011. In particular, the University has disclosed all payments made in relation to trustees expenses and all "connected institutions and bodies" have been disclosed appropriately. Furthermore, all serious incidents, as defined under the Act, have been captured and recorded appropriately.
  - there are no issues arising from the finalisation of student data for the year ending 31 July 2018 which has been used to produce the University's 2018 HESA return/recreation of HESES17 which would have a material impact on teaching funding from HEFCE or Office for Students or English undergraduate fee income recognised in the financial statements.
  - we are not aware of any issues relating to the University's other HEFCE, Office For Students or Research England funding streams years (e.g. Higher Education Innovation Fund grants) which may lead to a clawback in funding over and above that recognised in the financial statements.
  - to the best of our knowledge and belief the University has complied with the terms and conditions of any capital grant funding received during the year and in respect of other capital grant funding received in prior years. In all instances, the University is satisfied that the agreed outputs against which each project will be assessed will be delivered.
  - to the best of our knowledge and belief the University has complied with the terms and conditions of any revenue grant funding (for example research funding) received in recent years and where agreed outputs are to be delivered as part of the grant agreement, the University has or anticipates delivering these.
  - In all material respects funds from whatever source administered by the Group and the University for specific purposes have been applied to those purposes during the year ended 31 July 2018;

- in all material respects the University has complied with the requirements of its Memorandum of Assurance and Accountability with the Higher Education Funding Council for England in the period from 1 August 2017 to 31 March 2018.
- in all material respects the University has complied with the Office for Students and Research England terms and conditions of funding in the period from 1 April 2018 to 31 July 2018.

This letter was tabled and agreed at the meeting of the Board of Governors on [insert date].

Yours faithfully,

[Chair]

## **Appendix A to the Representation Letter of London South Bank University: Definitions**

### **Financial Statements**

A complete set of financial statements comprises:

- Group and University balance sheets as at the end of the period;
- Group and University Statement of Comprehensive Income for the period;
- Group and University Statement of Changes in Reserves for the period;
- Group Cash Flow Statement for the period; and
- notes, comprising a summary of significant accounting policies and other explanatory information.

### **Material Matters**

Certain representations in this letter are described as being limited to matters that are material.

FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* states that:

Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or combination of both, could be the determining factor.

### **Fraud**

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

### **Error**

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.



## **Management**

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

## **Related Party and Related Party Transaction**

### **Related party:**

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* as the “reporting entity”).

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
  - i. has control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions apply:
  - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii. Both entities are joint ventures of the same third party.
  - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - vi. The entity is controlled, or jointly controlled by a person identified in (a).
  - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

### **Related party transaction**

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

## Appendix B to the Management Representation Letter of London South Bank University

### Summary of unadjusted audit differences

Under the requirements of ISA 260 we are required to present any unadjusted audit differences, other than those which are clearly trifling, to the Audit Committee.

Uncorrected audit differences (£000)	SOCIE		Balance Sheet	
	Debit	Credit	Debit	Credit
Dr Long Term Debtors			£350k	£350k
Cr Short Term Debtors				
<b>Overall net I&amp;E effect</b>	£0	£0	£350k	£350k

### Adjusted audit differences

ISA 260 also requires us to report differences found during our audit which have been adjusted by management in arriving at the final results for the University. These adjusted amounts need to be considered by the Audit Committee as they may indicate broader failures in systems of controls which will need addressing.

Corrected audit differences (£000)	SOCIE		Balance Sheet	
	Debit	Credit	Debit	Credit
<b>HSBC Euro Account</b> £751k of funds held with HSBC were not in the bank account at 31 July 2018 and are to be returned to the University.			£751k Trade and Other Receivables	£751k Cash and cash equivalents
<b>Other Operating Income</b> £1,331k had been incorrectly classified as Strategic Health Authority contracts.	£1,331k Tuition fees and education contracts	£1,331k Other income		
<b>Nathu Puri Institute Deferred Income</b> The full deferred income balance relating to the Nathu Puri Institute had been recorded as long term deferred income.			£353k Long Term Deferred Income	£353k Short Term Deferred Income
<b>SBUEL Consultancy Costs</b> £219k of consultancy costs relating to Lambeth college were processed through SBUEL and not recharged to the University.	£219k Other operating expenses			£219k Intercompany creditors
Total	£1,550k	£1,331k	£1,104k	£1,323k
<b>Overall net SOCIE effect</b>	£219k	£0	£0	£219k

	CONFIDENTIAL - RESTRICTED TO MEETING PARTICIPANTS
Paper title:	Remuneration Committee report to Board
Board/Committee:	Board of Governors
Date of meeting:	22 November 2018
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	Mee Ling Ng, Chair of the Remuneration Committee
Purpose:	For Information
Recommendation:	The Board is requested to note: - the annual remuneration report; - the Vice Chancellor's salary increase and bonus as approved by the Remuneration Committee.

## Executive Summary

### *Annual remuneration report*

Under 'The Higher Education Senior Staff Remuneration Code' by the CUC, the Remuneration Committee has produced an annual remuneration report to the Board. The University must also publish a remuneration annual statement, which the Code expects should be the same as the report provided to the Board.

The Remuneration Committee has agreed that the report to the Board and the public report should be the same. The report will form part of the annual report and accounts and be published on the University's website.

Under the Code, the report should "provide sufficient assurance to the governing body that the Remuneration Committee has effectively discharged its responsibilities".

The report largely follows the template report provided by the CUC and sets out the University's approach to remuneration for all staff and Senior Executives, how executive salaries are benchmarked, institutional performance, the performance, pay and bonus of the Vice Chancellor and the University's approach to external income for executive members, severance and expenses.

As set out in the report and following recommendations from Korn Ferry, the

Committee agreed that due to the distinctive challenges and structure of the LSBU group the following relevant benchmarks and indicators will be taken into consideration when setting and reviewing Senior Executive salaries:

- Institutions of similar size and type based on UCEA data (this data will be interpreted to take account of LSBU's London location by adding 5%);
- London modern universities; and
- Other universities with a group structure.

The committee agreed to extend the bonus scheme to include a team bonus to a maximum of 5% in addition to the 10% individual bonus for 2018/19. The Senior Remuneration Policy as approved by the Board at its meeting of 18 October 2018 will be updated accordingly.

#### *Vice Chancellor salary and bonus*

At its meeting of 6 November 2018, the Remuneration Committee discussed in detail the performance of the Vice Chancellor and salary level.

Based on the Korn Ferry review and the UCEA benchmarks for similar sized post-92 universities the committee agreed to award the Vice Chancellor a 2.9% pay rise from 1 August 2018, in line with the average annual pay rise for all employees (including the value of increments).

Based on performance against specific objectives and overall university performance as set out in the remuneration report, the committee agreed to award the Vice Chancellor a bonus of 8% for performance in 2017/18 (£19k).

Historically bonuses (for all executive members) have been calculated on salary earned at the time of calculation, not the salary earned during the year for which the bonus is applied. From next year it is intended that bonuses will be calculated on salary earned at the end of the year for which the bonus is applied.

#### **Recommendation**

The committee is requested to note the annual remuneration report and the Vice Chancellor's salary increase and bonus as approved by the Remuneration Committee.

## **Annual Remuneration Report**

### **Introduction**

This remuneration report sets out the University's approach to determining senior pay and outlines performance and reward during the year.

The Remuneration Committee is responsible for determining the remuneration of the Vice Chancellor and Senior Executives covered by the Senior Remuneration Policy as approved by the Board. Senior Executives are the senior leaders of LSBU who report directly to the Vice Chancellor. The Senior Executives for the year are listed on page **x**.

During the year, the Board adopted the CUC Remuneration Code and approved the senior remuneration policy.

Full details of the senior pay policies referred to in this report are available on the LSBU website.

### **Terms of Reference**

The Remuneration Committee's Terms of Reference are available online.

### **Committee Membership 2017/18**

The members of the committee for the year 2017/18 were Mee Ling Ng (Committee Chair), Jerry Cope (Chair of the Board), Carol Hui (resigned 20 February 2018), Michael Cutbill (appointed 1 April 2018) and Douglas Denham St Pinnock. All members of the committee are independent governors. No members of the executive are members of the committee. The Vice Chancellor is invited to committee meetings where appropriate, such as to make recommendations on pay award and bonuses of senior executives. No member of the executive was present for any discussion on their own remuneration.

### **Committee meetings 2017/18**

The committee met twice in the 2017/18 academic year.

- 23 November 2017
- 12 July 2018

The committee also met on 6 November 2018 to consider Senior Executive performance and remuneration for 2017/18.

### **Approach to remuneration of all staff in 2017/18 and for 1 August 2018 onward**

LSBU is a large complex organisation requiring both general and specialised leadership to fulfil its strategic objective of being seen as the leading Modern University in London. This requires the provision of high quality teaching and support to its students, at home and

overseas, enabling them to face the real world confidently and successfully. The teaching environment will be underpinned by input from employers and will have a strong focus on Enterprise and applied Research.

To achieve this objective, LSBU needs to attract, retain and motivate a strong calibre of leaders with competitive remuneration packages, within both a London and international labour market. However, the approach to senior remuneration must be framed within a context that all LSBU employees are, and feel, remunerated fairly for their roles and responsibilities and enthusiasm for the success of the University.

At LSBU, we create an environment which attracts and fosters the very best staff, and in which all staff, whatever their role, feel valued and proud of the University and take appropriate responsibility for its development. Embracing and integrating equality and diversity and inclusion is fundamental to our success and growth as an institution of higher education.

## **Senior Remuneration**

In setting senior remuneration, LSBU has adopted the CUC Higher Education Senior Staff Remuneration Code (2018).

LSBU's Senior Remuneration Policy sets out the following principles for senior remuneration:

- Remuneration will be applied to ensure that it is discrimination free, and based on job scale and complexity;
- Overall remuneration levels, including benefits, will be comparable, taking account of geography and affordability, to a set of equivalent institutions, decided by the Remuneration Committee but independently validated and, if appropriate, refreshed at least once every three years;
- Starting packages will reflect the experience and capability and particular circumstances of candidates, and the size and challenge of the particular role facing them;
- New starters will initially therefore often receive higher than average annual increases as their performance moves above the median expected for the role;
- Overall nonetheless the average % annual pay increases for senior executives as a whole will normally be no higher than for all employees, including the value of increments, where paid;
- Account will also be taken of the ratio of the VC's base salary and total remuneration to the median earnings of the Institution as a whole, both absolute and the change from the previous years.
- Individual annual pay increases will be influenced by performance, but in general good or exceptional performance will be rewarded mainly by annual unconsolidated bonus rather than basic pay;
- This individual performance annual bonus scheme, currently set at a maximum of 10% of basic pay, will be based on pre-agreed clear measurable output-based

objectives; no individual bonus will normally be paid unless the University meets an overall financial target set by the Board as a whole;

- At the Board's discretion, the overall package may also include a longer-term incentive scheme, the perceived value of which should be included in assessing comparability with equivalent institutions;
- The Board will publish the value of the packages of some or all of its senior executives, in the way defined and required by the Office for Students (OfS);
- These principles will be resubmitted to the full Board for endorsement, as a minimum once every three years and will be published in LSBU's Report & Accounts

### *Benchmarking*

An independent review of the benchmark set for Senior Executive salaries was carried out by Korn Ferry in September 2018 and based on recommendations a revised approach to benchmarking was approved by the Committee at its meeting of 6 November 2018.

The committee agreed that due to the distinctive challenges and structure of the LSBU group the following relevant benchmarks and indicators will be taken into consideration when setting and reviewing Senior Executive salaries:

- Institutions of similar size and type based on UCEA data (this data will be interpreted to take account of LSBU's London location by adding 5%);
- London modern universities; and
- Other universities with a group structure.

The Hay Group Guide Chart Profile Method of job evaluation was used to set the benchmark for all Executive level jobs and salaries.

### **Institutional performance, 2017/18**

The Board monitors the performance of the University through the agreed key performance indicators. As set out in the *Strategic Report*, the University performed well in terms of both financial and strategic outcomes.

Institutional performance including areas measured by the key performance indicators plus individual objectives are reviewed as part of individual Senior Executive's appraisals and are overseen by the Remuneration Committee.

### **Vice Chancellor performance, 2017/18**

This assessment of Vice Chancellor performance is for academic year 2017/18. The bonus awarded based on performance for academic year 2017/18 will be paid in financial year 2018/19 and appear in next year's accounts.

The Vice Chancellor's performance was reviewed by the Chair of the Board as part of the appraisal process. Looking at key results both against key KPIs for the University, which

the Vice Chancellor oversees, and against the specific personal objectives (marked \*) set for the Vice Chancellor by the Remuneration Committee:

- \*The finances remain sound and meeting target in a difficult environment;
- Recruitment in 2018, particularly through clearing, has been above expectation, where others have struggled, thanks to the growing reputation of the University;
- Progression rates were below target;
- \*League table rankings have generally improved above the average improvement by comparators; a TEF silver has been achieved;
- \*The transaction for Lambeth College, as part of the family of educational institutions' strategy, has been all but secured, meeting the Board's 'red lines';
- LSBU secured the Times employability award for an impressive 2nd consecutive year;
- Costs have been reduced to counterbalance lower student numbers in 2017/18, and invest in key areas;
- \*The staff engagement score improved, and staff networks and diversity issues were progressed to plan;
- \*Progress has been made on the Estates strategy with a masterplan approved by the Board, but some business cases are not yet in place;
- There has been strong and confident leadership both internally and externally, including representing LSBU to key stakeholders;

So in summary LSBU has had an excellent year at a particularly complex and challenging time and is well placed to thrive in a potentially tough environment going forward, The Board recognises the importance of maintaining a strong and determined leadership team at this time.

During the year under review the Vice Chancellor was awarded a bonus of £19k (a bonus of £18k was awarded for performance in 2016/17).

#### *Performance related pay, 2017/18 and 2018/19*

Under the Senior Remuneration Policy, the Vice Chancellor and Senior Executives are eligible for a bonus of up to 10% of salary as set out in the remuneration principles above. The award of bonuses is reviewed and approved by the Remuneration Committee.

During the year, the University met its overall financial target and seven members of the executive were eligible to receive a bonus. Following the appraisal process and a report on performance against individual measurable objectives, the Committee approved eight (including the Vice Chancellor) bonuses totalling £80k (for 2016/17 performance, seven bonuses were awarded totalling £61k).

For 2018/19, a team bonus to a maximum of 5% will operate in addition to the individual bonus set out above.

There is a separate performance related pay scheme for Senior Managers (grades A – B. Bonus of up to 3% of salary) and Senior Leaders (grade C. Bonus of up to 10% of salary).



Staff eligible for performance related pay receive annual inflation uplifts to their base pay. Bonuses for performance during 2017/18 will be determined in November 2018 (15 bonuses were awarded totalling £65k in 2017/18 for performance during 2016/17).

### **Total Remuneration: Vice Chancellor**

The table below sets out payments to the Vice Chancellor during 2017/18 with a comparison to 2016/17. The bonus figure relates to performance in the previous year.

<b>Emoluments of the Vice Chancellor</b>	<b>2017–18</b>	<b>2016–17</b>
	£'000	£'000
<b>Salary</b>	228	224
<b>Performance related pay</b>	18	18
<b>Taxable benefits</b>	10	12
<b>Subtotal</b>	256	254
<b>Pension scheme contributions or payments in lieu of pension contributions</b>	33	34
<b>Total</b>	289	288

During the year the governors (as Members in general meeting) approved the extension of a loan to the Vice Chancellor of £350k for a further five years to October 2023 (full details of the loan are included in note 8(E)). Included in taxable benefits is the value of the benefit to the Vice Chancellor of the loan.

For the current year, the Vice Chancellor has been awarded a pay increase of 2.9%, in line with the average annual pay rise for all employees (including the value of increments).

#### *Pay Multiple*

The Vice Chancellor's basic salary is 6.18 times the median pay of staff across the organisation, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The Vice Chancellor's total remuneration salary is 6.86 times the median total remuneration of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The pay multiple has remained in line with that of previous years.

Year	Ratio – basic salary	Ratio – total remuneration
2017/18	6.18	6.86
2016/17	6.33	7.01
2015/16	6.1	6.97

The ratios do not include agency workers.

The LSBU ratio compares to the sector ratio of 6.8 (based on UCEA data for 2017).

### **External appointments, expenses and severance**

LSBU's policy on the retention of income generated from external bodies is that Executive members are expected to declare any external income. The expectation is that external income will not be retained but on occasion permission to retain income may be given by the Vice Chancellor (in the case of the Vice Chancellor by the Chair of the Board). Where Executive members are appointed on a fractional basis it may well be external activity can be accommodated outside of contract but it should still be declared to avoid conflict. The Remuneration Committee now reviews these declarations.

In 2017/18 the Vice Chancellor donated royalties to the University's hardship fund. The Vice Chancellor did not undertake any external remunerated activity.

LSBU's Expense policy is available online. It applies to all staff including Senior Executives.

In 2017/18 the Vice Chancellor's expenses totalled £3k. These are payments on a purchasing card for travel, accommodation, meals, entertaining and other authorised costs. In addition, work-related travel costs of £18k were booked through the University's central travel buying team for the Vice Chancellor.

During the year, the Remuneration Committee approved a policy on severance arrangements.

	CONFIDENTIAL
Paper title:	Written resolution to reappoint KPMG as External Auditors with delegation of remuneration to Executive
Board/Committee:	Board of Governors
Date of meeting:	22 November 2018
Author(s):	James Stevenson, University Secretary and Clerk to the Board of Governors
Sponsor(s):	Jerry Cope, Chair of the Board
Purpose:	For Approval
Recommendation:	The Board is requested to approve the written resolutions set out below regarding the reappointment and remuneration of KPMG as external auditors.

## **Executive Summary**

The Board is requested to approve the written resolutions set out below regarding the reappointment and remuneration of KPMG as external auditors.

An email will follow to members to enable them to signify consent prior to the meeting.

**Company Number: 00986761**

**The Companies Act 2006**

**Ordinary Resolutions**

**of**

**London South Bank University**

**(University)**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (**Act**), the Governors/directors of the University propose that the following resolutions (**Resolutions**) are passed as ordinary resolutions:

**Ordinary Resolutions**

1. That the University reappoint KPMG LLP as auditors to hold office from the conclusion of this meeting until the conclusion of the next meeting at which accounts are approved by the directors.
2. That the University delegate approval of the remuneration of the auditors, KPMG LLP, for the year ending 31 July 2019 to the Executive.

**Agreement**

The members of the University who were entitled to vote on the Resolutions on 22 November 2018 irrevocably agree to the Resolutions and authorise the Chair to sign on their behalf:

..... **Dated**.....

**Jeremy Cope, Chair of the Board of Governors**

	CONFIDENTIAL
Paper title:	Annual Assurance Return for Academic Quality
Board/Committee:	Board of Governors
Date of meeting:	22 November 2018
Author(s):	Janet Bohrer, Director of Academic Quality Enhancement
Sponsor(s):	Shan Wareing, Chief Operating Officer and DVC Education
Purpose:	For Approval
Recommendation:	The Board is requested to approve the annual quality assurance statement to HEFCE

## **Executive Summary**

Under the Annual Provider Review (APR), the Board of Governors is required by HEFCE (now OfS) to sign a statement by the beginning of December each year to confirm that:

- “The governing body has received and discussed a report and accompanying action plan relating to the continuous improvement of the student academic experience and student outcomes. This included evidence from the provider’s own periodic review processes, which fully involve students and include embedded external peer or professional review.
- The methodologies used as a basis to improve the student academic experience and student outcomes are, to the best of our knowledge, robust and appropriate; and
- The standards of awards for which we are responsible have been appropriately set and maintained”.

The evidence for these assurances has been reviewed by the Quality and Standards Committee, Academic Board and the Audit Committee.

At its meeting of 31 October 2018, the Academic Board reviewed and confirmed that the appropriate internal quality assurance processes have been completed and that standards are appropriate. In addition, the Academic Board provides an annual report to the Board of Governors (enclosed in this Board pack).

At its meeting of 8 November 2018, the Audit Committee discussed, on behalf of the Board, a report on quality assurance within LSBU and reviewed the work plan for 2018/19.

In addition to the above report, the committee noted that aspects of quality assurance are regularly reported to the Board through the Vice Chancellor's report, Key Performance Indicators report and the corporate strategy progress report.

The full Audit Committee report is available to any governor on the modern.gov website.

**Recommendation to the board**

1. Based on assurances from the Academic Board as to the appropriateness of LSBU's quality processes, the Audit Committee is satisfied that the Board of Governors may give the required assurance to OfS as above.
2. Accordingly, the Board is requested to authorise the Vice Chancellor (as accountable officer) to sign the assurance statement on its behalf.

	CONFIDENTIAL
Paper title:	Academic Board annual report
Board/Committee:	Board of Governors
Date of meeting:	22 November 2018
Author(s):	Claire Freer, Governance Assistant
Sponsor(s):	Pat Bailey, Provost
Purpose:	For Information
Recommendation:	The Board is requested to note the report of the Academic Board.

## **Executive Summary**

The Academic Board is responsible for academic standards and the direction and regulation of academic matters. Where the Academic Board delegates responsibility it maintains oversight through reports from the Student Experience Committee; from the Quality and Standards Committee; and from the Research Committee.

In this document we provide assurance for the development of academic strategy, monitoring progress against academic key performance indicators; demonstrate the oversight of the development of the academic environment; demonstrate the oversight of academic ethics; report on the approval of the academic regulations and oversight of their enactment; and report on the granting of academic titles.

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## **Academic Board Annual Report 2017/18**

### **Executive summary**

The Academic Board is responsible for academic standards and the direction and regulation of academic matters. Where the Academic Board delegates responsibility it maintains oversight through reports from the Student Experience Committee; from the Quality and Standards Committee; and from the Research Committee.

In this document we provide assurance for the development of academic strategy, monitoring progress against academic key performance indicators; demonstrate the oversight of the development of the academic environment; demonstrate the oversight of academic ethics; report on the approval of the academic regulations and oversight of their enactment; and report on the granting of academic titles.

During the year to 31 July 2018, the Academic Board was chaired by the Provost, Professor Pat Bailey, and met three times during the year. Two joint strategy days were held for members of the Academic Board and Board of Governors.

#### **1. HEFCE Quality Assurance Report**

The Academic Board reviewed the quality assurance report to HEFCE at its meeting on 1 November 2017. The Board confirmed that the appropriate internal quality assurance processes had been completed and that standards are appropriate. The Board recommended the Annual Provider Review to the Audit Committee which reviewed it on behalf of the Board of Governors.

#### **2. Quality and standards assurance**

The Academic Board received the Quality and Standards review for 2016-17. The Academic Board discussed work planned in 2017/18 to continue the assurance of quality and standards at LSBU. The Board received the Institutional Examiner report that reported on the progress of recommendations made following the first visit of the Institutional Examiner in February 2017.

The Academic Board discussed the National Student Survey results for 2017 and the quality of student experience. The Board explored initiatives to improve the student experience and discussed the importance of the student voice.

#### **3. Key performance indicators**

The Academic Board reviewed the academic KPIs at each meeting.

#### **4. Teaching Excellence Framework (TEF)**

LSBU was awarded a silver classification for “delivering high-quality teaching and outcomes for its students”, and consistently exceeding “national quality

requirements for UK higher education". LSBU participated in the TEF subject level pilot during the course of 2017/18. By participating in the pilot LSBU was able to help shape development of the process, gain insights into what was likely to be expected of institutions, test LSBU's own readiness for subject level TEF and begin preparations in the University and the Schools.

## **5. Educational Framework**

The Academic Board discussed the embedding of the Educational Framework within the curriculum. The template for course specifications had been amended, to allow for the Educational Framework to be fully embedded, and to ensure that it better aligned LSBU to the Competition and Markets Authority (CMA) guidance in relation to course specifications.

## **6. Attainment Gap**

The Academic Board discussed LSBU's data on the gap in attainment of good degrees (1st and 2:1s) correlated to race. Through the work of the Equality Diversity and Inclusion team and the Centre for Research Informed Teaching, LSBU was developing guidance, support and staff development for universal curriculum design which improves participation, engagement and outcomes for students at present at risk for demographic reasons of poorer outcomes.

## **7. Academic Regulations**

The Academic Regulations of the University provide the means through which the standards of the University's academic awards, including research degrees, are assured. The Academic Regulations are supported by a number of procedures which clarify the way in which the university ensures that students are fairly treated. The Academic regulations are agreed each year by Academic Board. Suggested amendments are received from staff and academics across the University and then discussed at QSC.

Amendments to the Academic Regulations were approved by the Quality and Standards Committee in May 2018 and then approved by the Academic Board in June 2018. The Academic Regulations for 2018/19 continue to use the Crystal Mark 22140. The revised regulations and associated procedures were published on the LSBU website.

## **8. Academic portfolio and environment**

The University's quality processes underpin the academic approval process and the way LSBU assures the maintenance of academic standards, quality and enhancement. In 2016/7 a university procedure was introduced to prioritise courses for approval according to their likelihood to recruit based on their strategic importance, market information, and the level of risk (impact on resources) that they represent.

The Academic Board reviewed the programme for new course approval, revalidation and partnerships for 2017/18, and the courses approved for academic approval and to proceed to validation to recruit for September 2018. The Board discussed assessment innovation and the need to review and develop alternative forms of assessment, and the role of the Course Director and possible steps to better support the role.

The Academic Board discussed a review of the postgraduate taught portfolio and discussed the need for periodic review to prevent the proliferation of courses and to be reactive to changes in the market, and the development of clear paths of progression from undergraduate courses that link into postgraduate taught courses and then into postgraduate research programmes.

## **9. Ethics**

The Academic Board reviewed the annual Ethics Report at its meeting on 6 June 2018 which stated that the Ethics Panels were running well. Functionality was being built into HAPLO to support applications and from September 2018 all applications would be processed through HAPLO. The Board noted the importance of training and support, in particular for those moving into a supervisory role.

## **10. Research**

The Academic Board discussed LSBU's strategy for the Research Excellence Framework (REF) submission in 2021 at its meeting on 21 February 2018. The University seeks to deliver a substantial improvement in its performance in the REF, raising its Grade Point Average (GPA, where 4.0 represents a perfect score) from the 2.52 attained in 2014 to  $\geq 2.80$  in 2021. A code of practice was being developed to identify and support LSBU staff who had significant responsibility for research.

## **11. Joint strategy days with Board of Governors**

The Academic Board held two joint strategy days with the Board of Governors in September 2017 and April 2018. Topics covered included: the new regulatory framework and the Office for Students, financial planning for the future, recruitment, retention and completion, and the student experience in higher education.

## **12. Appointment of professors**

The Board noted the appointment of one emeritus professor in 2017/18.

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	CONFIDENTIAL
Paper title:	Prevent Annual Report
Board/Committee:	Board of Governors
Date of meeting:	22 November 2018
Author(s):	Ed Spacey, Acting Deputy Director of HR Services
Sponsor(s):	Shân Wareing, Chief Operating Officer and DVC (Education)
Purpose:	For Approval
Recommendation:	The Board is requested to approve the report and the statement to OfS.

## Executive summary

The OfS reporting framework for Prevent has changed for 2017/18 and is based around a statement of re-assurance, rather than a detailed traditional report.

The Board is required to provide the following assurances to the OfS relating to the Prevent Duty:

*‘Throughout the year and up to the date of approval, London South Bank University:*

- *has had due regard to the need to prevent people being drawn into terrorism (the Prevent duty)*
- *has provided to OfS all required information about its implementation of the Prevent duty*
- *has reported to OfS in a timely way all serious issues related to the Prevent duty, or now attaches any reports that should have been made, with an explanation of why they were not submitted.*
- *has reviewed and where necessary, updated its Prevent risk assessment and action plan’*

The attached report evidences how LSBU has met its requirements under the Prevent Duty during 2017/18. The report has been reviewed by the Executive and the Audit Committee.

The Board is requested to approve the report and the statement to OfS.

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## Prevent Annual Report

### **1.0 Background and Purpose**

- 1.1 To provide an annual report on the implementation of the “Prevent Duty”. The “Prevent Duty” is the responsibility to have regard to the need to prevent people being drawn into terrorism.
- 1.2 The monitoring framework requires the University to submit an annual return to the Office for Students (OfS) by **3 December 2018**. The report covers the period of the last academic year and developments to date.
- 1.3 The OfS reporting framework has changed this year and is based around a statement of re-assurance, rather than a detailed traditional report.

### **2.0 OfS Required Statement of Assurance**

#### Recommendation

- 1. The Board of Governors approves the statement below and notes the text. A signed document is needed for the OfS return.**

Throughout the year and up to the date of approval, London South Bank University:

- has had due regard to the need to prevent people being drawn into terrorism (the Prevent duty)
- has provided to OfS all required information about its implementation of the Prevent duty
- has reported to OfS in a timely way all serious issues related to the Prevent duty, or now attaches any reports that should have been made, with an explanation of why they were not submitted.
- has reviewed and where necessary, updated its Prevent risk assessment and action plan

### **3.0 Accountability statement**

(Governing bodies/proprietors are required to provide a short statement (max 300 words) outlining the mechanisms to which they have been assured they are able to sign the declaration satisfactorily. This is proposed as below).

- The Vice Chancellor is fully engaged with the approach to Prevent and the Chief Operating Officer is Executive Lead. Governance arrangements and postholders remain the same as information supplied in last years return.

- There have been no referrals to Channel during 2017 to date, nor were there any in previous reporting periods. Channel is the highest level multi agency referral panel.
- In 2017/18 there were 7 occasions where potential prevent issues were raised internally for consideration under our policy, compared to 6 last year. One led to a case conference meeting with health, local authority and police. There was no further prevent action required in any of the above.
- The Chief Operating Officer chairs an overarching Safeguarding Committee, which monitors work on Prevent and includes representation such as the Chief Executive of the Student Union and senior managers including at Dean of School level and the Director of Student Support and Employment.
- Prevent continues to feature in reports made to the Health and Safety Joint Committee 3 times per year.
- The Prevent Policy, Risk Assessment, Action Plan and External Speakers Policy has recently been fully reviewed and updated. The content has been shared with the OfS. The approach to prevent training is monitored and regularly reviewed by the Safeguarding Committee.
- The Acting Deputy Director of HR has contact with Southwark Local Authority in relation to Prevent. He also continues to be an active member of the London Regional Higher Education Prevent Network, and is regularly invited to attend consultation meetings with the Department for Education on Prevent and Counter Extremism.
- In October 2017 the Acting Deputy Director of HR was invited to speak on the LSBU approach to Prevent at a Westminster Forum Conference. This was attended by a number of institutions, OfS and the Foreign Office.

#### **4.0 OfS outcomes**

The OfS will not comment or rate compliance with the prevent duty for this return, unlike previous years. It will use the submission to consider the LSBU prevent risk profile. Any move to a higher risk profile may trigger an OfS formal prevent review meeting.



	CONFIDENTIAL
Paper title:	Corporate Risk Report – November 2018
Board/Committee:	Board of Governors
Date of meeting:	22 November 2018
Author(s):	John Baker, Corporate & Business Planning Manager
Sponsor(s):	Richard Flatman, Chief Financial Officer
Purpose:	For Information
Recommendation:	The Board is requested to note the update Corporate Risk Register

## Executive Summary

The Board reviewed the full Corporate Risk Register at the meeting on 18 October 2018.

The register has been updated to address to comments made at that meeting.

Comments received, and changes made are as follows:

Board Comment	Change Made
Risk 2 – should remain as critical	Likelihood reduced, but rating still critical
Risk 3 – review likelihood and impact	Both increased, and entry updated
Risk 457 – review likelihood and impact	Likelihood reduced
Should there be a separate risk on student experience, due to decrease in NSS?	New risk entry - 626
Should there be a separate risk on the gov. fees review	New risk entry - 625

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## LSBU Corporate Risk: Board Summary Report – November 2018

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

Severity Rating	Critical	High	Medium	Low
Risk Types:				
<b>Financial</b> <i>(Open)</i>	<p><b>2:</b> Revenue reduction if activity does not achieve H/EU UG recruitment targets (NL)</p> <p><b>3:</b> Sustainability of pension schemes (RF)</p>	<p><b>457:</b> Anticipated international &amp; EU student revenue unrealised (PI)</p> <p><b>625:</b> Impact of Govt. Education Review on HE funding (RF)</p>	<p><b>14:</b> Loss of NHS contract income (WT)</p> <p><b>402:</b> Income growth from Research &amp; Enterprise unrealised (PI)</p> <p><b>624:</b> LSBU Family integrated service benefits (IM)</p>	<p><b>517:</b> EU Referendum Impact on regulation &amp; market (DP)</p>
<b>Legal / Compliance</b> <i>(Cautious)</i>			<p><b>305:</b> Data not used / maintained securely (SW)</p> <p><b>519:</b> Negative Curriculum Assessment (SW)</p> <p><b>584:</b> External incident compromises campus operations or access (PB)</p>	
<b>Academic Activity</b> <i>(Seek)</i>		<p><b>467:</b> Progression rates don't increase (SW)</p> <p><b>37:</b> Impact and affordability of Capital Expenditure investment plans (RF)</p>	<p><b>398:</b> Academic programmes not engaged with technological and pedagogic developments (SW)</p> <p><b>495:</b> Higher Apprenticeship degrees (PB)</p> <p><b>518:</b> Core student system inflexibility / failure (SW)</p>	<p><b>494:</b> Inconsistent delivery of Placement activity (SW)</p>
<b>Reputation</b> <i>(Open)</i>		<p><b>626:</b> Impact of assurance activity &amp; new initiatives fails to address issues around student experience (PB)</p>	<p><b>6:</b> Management Information perceived as unreliable, doesn't triangulate or absent (RF)</p> <p><b>362:</b> Low staff engagement or staff cost containment programme impacts performance negatively (PB)</p>	<p><b>1:</b> Lack of capability to respond to policy changes &amp; shifts in competitive landscape (DP)</p>

**Risk summary reports:** *a high level overview of risk exposure by appetite risk type for risks with severity ratings of critical, high and medium.*

<b>Risk Type 1: Financial</b>		
<i>Summary of current risks &amp; drivers</i>	<i>Notes on controls &amp; mitigation strategies</i>	<i>Notes on progress made and actions completed</i>
<p><b>2: Home UG Recruitment:</b> (NL) Increased competition &amp; narrowing candidate pool put pressure on applicant numbers. Brand positioning doesn't articulate LSBU offer effectively &amp; impacts on conversion rate, leading to shortfall in anticipated income, or &lt; tariff score</p>	<ul style="list-style-type: none"> <li>• Weekly review of numbers in DARR report by MAC leadership team &amp; Leadership group</li> <li>• LEAP programme workstreams</li> <li>• Annual MAT &amp; Lambeth liaison plan</li> <li>• Course development lifecycle project will ensure organisation insight informs validation cycle</li> </ul>	<ul style="list-style-type: none"> <li>• Response protocols completed for full 19/20 application cycle</li> <li>• Phase 1 School website content updated</li> <li>• Research project underway to assess impact of current 'value add' applicant offer.</li> </ul>
<p><b>3: Pensions scheme sustainability:</b> (RF) Increasing life expectancy &amp; poor performance of funds post 2008 leads to greater deficit</p>	<ul style="list-style-type: none"> <li>• Annual FRS 102 valuation</li> <li>• Strict control on early access to scheme</li> </ul>	<ul style="list-style-type: none"> <li>• Mercers costed scenarios being considered in autumn, with HR representation.</li> </ul>
<p><b>457: International Income:</b> (PI) Government policy &amp; UKVI process creates additional burdens to recruitment, and TNE partner models still in development</p>	<ul style="list-style-type: none"> <li>• Annual cycle of training events with staff on UKVI</li> <li>• Recruitment reports to Executive by exception</li> <li>• Overseas offices support in-country recruitment</li> <li>• Partnership model established for new activity</li> </ul>	<ul style="list-style-type: none"> <li>• School Roadshows on developing &amp; managing partnerships delivered</li> <li>• UKVI Consultant report received &amp; actioned</li> <li>• Egyptian Joint Venture in development</li> </ul>
<p><b>625: Impact of Government HE Review:</b> (RF) If a reduction in the funded unit of resource for HE students is recommended, and approved by parliament, it would undermine current operating model &amp; contribution rates.</p>	<ul style="list-style-type: none"> <li>• Annual Board approval of 5 year forecasts</li> <li>• CFO access to sector &amp; professional expertise</li> <li>• Scenario planning for reduced resource levels</li> </ul>	
<p><b>14: NHS Contract Income:</b> (WT) Changes to NHS management structures, and move from bursaries to loans for pre-Reg courses impacts on levels of income</p>	<ul style="list-style-type: none"> <li>• QCPM &amp; NMC course review processes demonstrate quality of provision to funders</li> <li>• Literacy &amp; Numeracy no longer tested</li> </ul>	<ul style="list-style-type: none"> <li>• New programmes in development</li> <li>• Havering lease now extended</li> <li>• Applicant process re-engineered</li> </ul>
<p><b>402: Research &amp; Enterprise contracting:</b> (PI) Forward financial plans anticipate increases in income which will need to be supported through reaching into new markets and areas of activity</p>	<ul style="list-style-type: none"> <li>• Bid writing workshops for academic staff delivered</li> <li>• Sharepoint &amp; FEC Research &amp; Enterprise Approval Process for authorisation of new opportunities</li> <li>• R&amp;E activity Pipeline Reports (Financial &amp; Narrative) provided to Business Planning Group</li> </ul>	<ul style="list-style-type: none"> <li>• Health Innovation Lab director appointed, and premises options under review</li> <li>• ACEEU accreditation application underway</li> <li>• Heads of Terms agreed for Cambridge research partnership</li> </ul>
<p><b>624: LSBU Family integrated service:</b> (IM) Obstacles may hinder planned synchronisation</p>	<ul style="list-style-type: none"> <li>• Interim appointments at Lambeth College</li> </ul>	<ul style="list-style-type: none"> <li>• Plans underway for transfer at year end</li> </ul>

<b>Risk Type 2: Legal / Compliance</b>		
<i>Summary of current risks &amp; drivers</i>	<i>Notes on controls &amp; mitigation strategies</i>	<i>Notes on progress made and actions completed</i>
<p><b>305: Data use and access:</b> (SW)  The rise of cyber-attacks, and malicious attempts to circumvent existing controls pose a threat to data security.  Evolving standards of good practice take time to become articulated within an institutional context and fully adopted as salient culture.  European GDPR legislation came into force on 25<sup>th</sup> May 2018.</p>	<ul style="list-style-type: none"> <li>• GDPR Project programme approved by Executive</li> <li>• Data Protection now included within suite of Mandatory Training modules for staff</li> <li>• ICT project process requires Privacy Impact Statements and changes to digital infrastructure reviewed quarterly by ICT Technical Roadmap Board</li> <li>• IT access now linked directly to live info from i-Trent staff record system, and logical security protocols require 6 monthly change</li> <li>• Vulnerability tests scheduled weekly</li> </ul>	<ul style="list-style-type: none"> <li>• GDPR project programme reviewed by project board</li> </ul>
<p><b>519: Curriculum Compliance:</b> (SW)  The transition from sector funder (Hefce) to Regulator (OfS) sees a move away from the Annual Provider Review approach to quality assurance of provision, to achievement of registration conditions, which now connect explicitly to the stipulations of the CMA (Competitions &amp; Markets Authority) around consumer protection.  The links between Course Approval documents and Marketing content is not currently assured, and tolerance thresholds for changes to course content may vary in practice.</p>	<ul style="list-style-type: none"> <li>• Academic Audit process is monitored by Academic Board, through reports from QSC (Quality &amp; Standards Committee)</li> <li>• Curriculum creation process being transferred to the Registry function</li> <li>• All Course Specs being translated into new Educational Framework format</li> <li>• LEAP workstreams including CRM elements will help mitigate this risk, along with outputs of OEG project 3</li> </ul>	<ul style="list-style-type: none"> <li>• Full audit of Course specifications now completed</li> <li>• OfS Registration process being overseen by project board &amp; Company Secretary</li> <li>• Educational Framework specification documents now mandatory for all new programmes</li> <li>• LSBU Subject TEF pilot participation has informed review of core review cycles</li> </ul>
<p><b>584: External Incident impact on campus:</b> (PB)  UK government's current terror threat level of 'severe' and incidents during 2017 mean that a central London location places LSBU at greater risk of being impacted by a future event.</p>	<ul style="list-style-type: none"> <li>• Building Lockdown plans in place</li> <li>• Business continuity plans for critical activity reviewed annually by resilience team</li> <li>• Emergency Information sets at receptions</li> <li>• Halls Accommodation aid agreement in place with London School of Economics</li> <li>• Annual scenario testing with Executive</li> </ul>	<ul style="list-style-type: none"> <li>• Review actions now being implemented</li> <li>• Gold Command transferred to VC &amp; COO.</li> </ul>

<b>Risk Type 3: Academic Delivery</b>		
<i>Summary of current risks &amp; drivers</i>	<i>Notes on controls &amp; mitigation strategies</i>	<i>Notes on progress made and actions completed</i>
<p><b>467: Progression:</b> (SW) Despite a revised focus on the re-enrolment process, the progression rate fell by 2% to 75% for full time students, and is featured as a negative flag on some of the metrics supplied through the Subject TEF pilot process.</p>	<ul style="list-style-type: none"> <li>• Range of data in the Corporate Warehouse being expanded to utilise the MIKE platform to provide greater insight and analysis to academic staff</li> <li>• Study support provided by Library &amp; LRC</li> <li>• CRIT embeds support in high impact modules</li> <li>• Personal tutoring minimum specification published</li> </ul>	<ul style="list-style-type: none"> <li>• Course Director Role Description completed &amp; provided to the School DESEs</li> <li>• New Progression dataset tested and added to Data Warehouse for ongoing reporting</li> <li>• 1 LEAP workstream will impact on this</li> </ul>
<p><b>37: Capex impact on business:</b> (RF) Project ambitions and scales do not achieve planned impact, or not in alignment with current cash generation capacity or asset valuations.</p>	<ul style="list-style-type: none"> <li>• Capex reporting embedded into management accounts provided to FP&amp;R Committee</li> <li>• Estates project methodology controls &amp; governance</li> <li>• Financial Regs require Board approval &gt;£2m</li> </ul>	<ul style="list-style-type: none"> <li>• Sino-campus Steering Panel ongoing</li> <li>• Perry disposal options being considered</li> <li>• St Georges options being tested with Clive Crawford Associates</li> </ul>
<p><b>198: Technology &amp; Pedagogy:</b> (SW) Some competitors have made greater investment in using learning analytics to support the learning experience, &amp; embedding classroom technology. There are sector concerns with regard to the priority attached to teaching support by OfS &amp; Advance HE, and CRIT Reorganisation could impact on delivery.</p>	<ul style="list-style-type: none"> <li>• CRIT (Centre for Research Informed Teaching) reports to the Student Experience Committee &amp; to the Quality &amp; Standards Committee.</li> <li>• Delivery of the Technologically Enhanced Learning Strategy (TEL) through Educational Framework &amp; Quality Processes monitored by Academic Board.</li> <li>• Digital baseline created for all Moodle sites</li> </ul>	<ul style="list-style-type: none"> <li>• CPD sessions for Course Directors delivered utilising TESTA framework</li> <li>• Lecture capture facilities being provided to pilot group using Panopta on laptops, with associated training sessions</li> <li>• Moodle baseline available to all staff &amp; contained within new site template</li> </ul>
<p><b>495: Apprenticeships:</b> (PB) Some issues with system adaptations in order to accommodate all requirements of running Apprenticeship programmes, and some sector reports have introduced some uncertainty over future enrolment patterns.</p>	<ul style="list-style-type: none"> <li>• The Apprenticeships team is now fully established within LSBU</li> <li>• 6 monthly progress report from Apprenticeships Steering Group scrutinised by Academic Board covers IPTE and the Passmore Centre.</li> </ul>	<ul style="list-style-type: none"> <li>• Passmore Centre refurbishment project now underway</li> <li>• Launch events in preparation stages</li> <li>• Ofsted preparation task group in place</li> </ul>
<p><b>518: Core Student Systems:</b> (SW) Although the LEAP project is underway to create a paradigm shift in administration of the student journey, existing platforms will be required in the interim, and are patched and burdensome.</p>	<ul style="list-style-type: none"> <li>• LEAP Programme project Updates scrutinised by Academic Board, &amp; Exec &amp; FP&amp;R.</li> <li>• Operational Issues reported &amp; tracked through ICT TopDesk system, with internal escalation protocols.</li> </ul>	<ul style="list-style-type: none"> <li>• Timetabling review completed, and some recommendations implemented</li> <li>• PWC appointed as LEAP Programme Change Partner</li> </ul>

<b>Risk Type 4: Reputation</b>		
<i>Summary of current risks &amp; drivers</i>	<i>Notes on controls &amp; mitigation strategies</i>	<i>Notes on progress made and actions completed</i>
<p><b>626: Assurance activity &amp; new initiatives fail to address student experience issues</b> (PB)</p> <p>Changing expectations, a value media focus and campus developments may impact negatively on student perceptions of experience, and new initiatives may not address known issues or variations in performance levels</p>	<ul style="list-style-type: none"> <li>Action plans for each School &amp; for Institution</li> <li>Year 1 &amp; Year 2 UG Student Experience Survey (SES) identifies issues with cohorts ahead of Y3</li> <li>Funding ring fenced for staff mini project submissions to address student experience issues</li> <li>Comms plan aims to shift student perceptions</li> <li>Long term roadmaps in development to identify greater opportunities for incorporation of student feedback in provision of professional services</li> </ul>	<ul style="list-style-type: none"> <li>New module questionnaire in development</li> <li>New invigilation approach being rolled out</li> <li>Courses below agreed performance threshold identified for further activity</li> </ul>
<p><b>6: Management Information:</b> (RF)</p> <p>Past concerns expressed regarding triangulation of data from separate returns made to the designated data body, and controlled internal access to this business intelligence.</p> <p>Lack of detailed articulation of interdependencies between data systems and use of multiple system fields</p>	<ul style="list-style-type: none"> <li>Data Assurance Group mechanism</li> <li>MIKE platform for sharing data &amp; visualisations using corporate warehouse</li> <li>Continuous Audit programme reviews student and financial data for accuracy</li> <li>Systemised data checks and reviews completed by PPA team prior to external submission.</li> </ul>	<ul style="list-style-type: none"> <li>Performance scorecard project underway to develop measures for professional services</li> <li>LEAP programme includes an information &amp; reporting work stream</li> <li>MIKE phase 2 datasets in testing phase prior to formal release</li> <li>Subject TEF pilot submission outcome being analysed and metrics integrated into MIKE</li> </ul>
<p><b>62: Low staff engagement or staff cost containment impacts performance:</b> (PB)</p> <p>Systems and structures don't achieve intended facilitation of collaborative working across the institution.</p> <p>Reward and recognition packages perceived to be out of line with other sectors or institutions, or not applied equally across full range of protected characteristics.</p> <p>Frozen fee levels and continued challenges in recruitment market have contributed to flat income predictions and planned staff cost reduction programme, which could lead to lower engagement, disruption in service provision or skills / knowledge gaps that impact on delivery.</p>	<ul style="list-style-type: none"> <li>Town Halls cascade corporate messages</li> <li>Regular engagement with Unions on staff matters</li> <li>Shape &amp; Skills approach to review</li> <li>Comms strategy approved by Exec for MAC team</li> <li>HR Business Partners manage all change activity</li> <li>Direct staff feedback is encouraged through VC 'Continuing the Conversation' events &amp; Yammer</li> <li>Employee engagement champions network</li> <li>Planning process promotes golden thread connection from Corporate Strategy, through Local Roadmaps to Staff Appraisals.</li> <li>OEG project 5 will develop an approach to service levels and business partnering</li> </ul>	<ul style="list-style-type: none"> <li>All Staff email introduced programme remit</li> <li>Leadership forum group established</li> <li>Procurement completed on Sodexo platform to deliver benefits to all staff &amp; contractors</li> <li>Engagement survey results provided to management teams in Schools &amp; PSGs</li> </ul>

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# Standard Risk Register





<b>Report Date</b>	02 Nov 2018
<b>Risk Status</b>	Open
<b>Risk Area</b>	Corporate
<b>Control Status</b>	Existing
<b>Action Status</b>	Outstanding

A 15-20 #1 Teaching & Learning: Ensuring teaching is highly applied, professionally accredited & linked to research & enterprise

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
398	Academic programmes do not employ suitable technological and pedagogic developments to support students and promote achievement	Shan Wareing	<p><b>Cause:</b> Sustained underinvestment in expertise and dedicated human resource to support utilisation of learning technologies, comparative to new and existing competitors.</p> <p><b>Effect:</b> LSBU does not effectively exploit the learning potential of new technologies, impacting negatively on student retention, achievement, or cost base (eg in terms of physical estate, inability to use virtual facilities) and our ability to deliver new provision or reach new markets. Curriculum delivery models do not adapt sufficiently to remain relevant, jeopardising the employability of LSBU graduates. More flexible and efficient educational models which enable us to remain adaptable and competitive are out of institutional reach Support mechanisms do not provide some students with the learning support they need to navigate and succeed in the learning environment so retention does not meet the targets within the 5 year forecast. Market appeal of courses is impaired, impacting negatively on recruitment.</p>	I = 2 L = 2 Medium (4)	<p>CRIT (Centre for Research Informed Teaching) reports regularly to the Student Experience Committee &amp; to the Quality &amp; Standards Committee on the Achievements of work undertaken.</p> <hr/> <p>Delivery of the Technologically Enhanced Learning Strategy (TEL) through the Educational Framework and Quality Processes, monitored by Academic Board.</p> <hr/> <p>Routine analysis of Panopto analytics to review usage across the institution.</p>	I = 2 L = 2 Medium (4)			



A 15-20 #1 Teaching & Learning: Ensuring teaching is highly applied, professionally accredited & linked to research & enterprise

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
467	Progression rate across undergraduate programmes does not rise in line with targets of Corporate Strategy	Shan Wareing	<p><b>Cause:</b> Students admitted through clearing with lower tariff &amp; course commitment. High-risk students are not identified in a timely way or supported sufficiently. Failures in timetabling, organisation and communication increase during periods of change, &amp; high-risk students are more vulnerable. New initiatives don't engage students. Provision fails to meet immediate needs of students entering through non-traditional access routes. Unable to finance student support adequately to meet level of demand.</p> <p><b>Effect:</b> Progression rate fails to increase sufficiently . HEFCE, or OFS could view LSBU as high risk. Data could have negative impact in TEF metric assessment. Loss of income from UG non-progression to levels 5 and 6.</p>	<p>I = 3 L = 2 High (6)</p> 	Dean's School reports for REC and TEF are reviewed at QSC and Academic Board, who report to the board of Governors.	<p>I = 3 L = 2 High (6)</p> 	Oversee development of revised MIKE dashboards with new progression dimensions, and embed within core planning cycles and present to Quality & Standards committee.	Richard Duke	31 May 2018
					Learning Development Team identified Modules with low pass rates and use interventions to review pedagogic practice.		Improve the status of re-enrolment as a core university business process, leading a review and improvement of current process, and establishing an identified business owner.	Nicole Louis	31 Jan 2019
					Student Engagement Interms make contact with all students meeting certain criteria for exam or coursework omission.		Oversee action taken against 18/19 Roadmap priority to reduce the quantity of assessment, review the approach to assessment, and to reduce the proportion of assessment by examination.	Janet Bohrer	31 Jul 2019
					Student Welfare advice and support provided by Student Life Centre		Oversee LEAP 'Educational Provision' workstream, which is planned to increase our ability to provide course leaders with student data and the ability to track student engagement.	Shan Wareing	30 Jul 2020
					Study Support & Skills Sessions provided by the Library & LRC				
					The implementation of the Educational Framework supports a more inclusive curriculum in terms of curriculum content and pedagogy				

## A 15-20 #2 Student Experience: Seeing students as learning participants & encouraging and listening to the student voice.

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
518	Core student systems have limited flexibility for market adaptation or rely on manual work arounds	Shan Wareing	<p><b>Cause:</b> Core course administration processes &amp; systems (QL, timetabling, Moodle, MyLSBU) require manual and emergency interventions to function. Non standard delivery challenges existing protocols and procedure. System infrastructure limitations, or slow change mechanisms may not meet all the needs of emerging delivery models, from student or management perspective</p> <p><b>Effect:</b> Lack of clear information provision to students and staff, with negative impact on student experience &amp; reputational damage. Students fail to attend teaching sessions, submit work on time or receive marks, so progression suffers. Staff compensating for systems failures, or inventing work arounds are distracted from other activity leading to failures elsewhere. Staff morale suffers and sickness rate and turnover rate increase.</p>	I = 2 L = 3 Medium (6)	<p>LEAP Programme Board meets monthly to review progress against work packages across all workstreams.</p> <hr/> <p>LEAP Programme Progress Updates scrutinised at Academic Board, to oversee progress and assess fit with strategy and existing practice.</p> <hr/> <p>LEAP Programme provides regular progress updates to MPIC Committee for Board scrutiny of progress against LEAP work packages.</p> <hr/> <p>Operational Issues reported and tracked through ICT TopDesk system, with internal escalation protocols.</p>	I = 2 L = 2 Medium (4)	<p>Implement a modern student enquiry management approach, to deliver a holistic approach to information provision and query management</p> <hr/> <p>Complete Market Sounding for technology solutions in relation to LEAP project.</p> <hr/> <p>Complete discovery phase (with Carol Rose) of OEG project 6: Timetabling.</p> <hr/> <p>Issue tender for Student Information System (LEAP)</p>	<p>Kirsteen Coupar</p> <hr/> <p>Penny Green</p> <hr/> <p>Patrick Callaghan</p> <hr/> <p>Penny Green</p>	<p>31 Jul 2018</p> <hr/> <p>31 Oct 2018</p> <hr/> <p>31 Oct 2018</p> <hr/> <p>29 Mar 2019</p>

**A 15-20 #2 Student Experience: Seeing students as learning participants & encouraging and listening to the student voice.**

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
519	Negative Assessment of Curriculum Compliance	Shan Wareing	<p><b>Cause:</b> Transition to OfS regime could result in new approach to monitoring or review, or to standards. Increase in activity could lead to overstretched teams and a failure to complete adequate quality processes in the Schools or PSGs. Academic staff insufficiently prepared for quality processes, (new to HE or lack of appropriate professional development). Significant changes to curriculum not processed through formal mechanisms. High risk activity with partners (placement, international partners, UK partners (particularly FE or schools education) does not have adequate resource or expertise allocated to it to identify and manage risks.</p> <p><b>Effect:</b> Quality code processes not followed, leading to failures in quality, and negative external assessment. Negative impact on Board of Governors ability to sign off OfS assurances or returns. Potential for unwelcome result from Annual Provider Review, TEF process submissions, or indeed achievement of OfS registration conditions, impacting on University status. Leading to negative impact on income &amp; reputation, through recruitment levels, and differing fees. Negative judgement by Competition and Markets Authority and cost of legal challenge. Could act as barrier to recruitment of international students, further affecting income and reputation.</p>	<p>I = 3 L = 3 High (9)</p> 	<p>Academic Audit process monitored by Academic Board via periodic reports from Quality &amp; Standards Committee (QSC). OfS Registration Task Force reporting regular progress to Executive, with work stream on CMA compliance.</p>	<p>I = 3 L = 1 Medium (3)</p> 	Oversee transition of Curriculum Set up responsibility into the Registry team.	Ralph Sanders	31 Jul 2018
							Oversee translation of all existing course specifications into new Educational Framework format, incorporating CRIT guidance principles, to ensure parity with newly validated courses.	Janet Bohrer	31 Jul 2019
							Oversee delivery of Educational Provision & Customer Journey workstreams of LEAP programme, to develop an holistic single source for course development and promotion.	Shan Wareing	30 Mar 2020

A 15-20 #2 Student Experience: Seeing students as learning participants & encouraging and listening to the student voice.

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
626	Impact of programme of activities and initiatives doesn't achieve anticipated improvement in student experience, and results of NSS survey	Pat Bailey	<p><b>Cause:</b></p> <ul style="list-style-type: none"> <li>- Changing expectations amongst the student body</li> <li>- Impact of +9K fees &amp; loans &amp; related media focus on student perspectives</li> <li>- Planned initiatives don't achieve expected impact in addressing known issues</li> <li>- Variation in approach to course direction across academic areas</li> <li>- Communications approach fails to shift student perceptions</li> <li>- Campus development work impacts on students in unforeseen ways</li> <li>- Lack of resources to invest in areas of greatest concern to students</li> </ul> <p><b>Effect:</b></p> <ul style="list-style-type: none"> <li>- Experience doesn't improve in line with corporate strategy</li> <li>- Results of NSS survey don't improve in line with corporate targets</li> <li>- Recent downward trend persists</li> <li>- Negative impact on LSBU position in League Tables and reputation</li> <li>- Negative impact on LSBU outcome in next TEF judgement</li> <li>- Resulting in greater challenge to recruitment to target at existing tariff floor</li> </ul>	<p>I = 3 L = 3 High (9)</p>	<p>Progress against School NSS action plans reviewed by Academic Board / DESE Network</p> <hr/> <p>Scrutiny of progress against Institution action plan reviewed by Executive and reported to FP&amp;R.</p> <hr/> <p>Year 1 &amp; Year 2 UG Student Experience Survey (SES) conducted to identify issues with each cohort ahead of Y3 completion of NSS.</p>	<p>I = 3 L = 2 High (6)</p>	Review staff mini project submissions for student experience, and allocate ring fenced funding.	Pat Bailey	21 Dec 2018
							Design of new module questionnaire format, to help identify issues at module level.	Pat Bailey	31 Jan 2019
							Oversee introduction of revised approach to exam invigilation with Academic Lead Invigilators.	Pat Bailey	31 Jan 2019
							Oversee annual comms plan with activity celebrating LSBU achievements and emphasising changes made in relation to student feedback, and 'Complete the NSS' campaign with Schools	Nicole Louis	29 Mar 2019
							Identify best practice and share with staff through CRIT website, sessions and staff conference.	Shan Wareing	30 Apr 2019
							Support change in courses below agreed performance threshold with support from TQE.	Pat Bailey	30 Apr 2019
							Design roadmaps and longer term plans around user needs in professional services, with improved opportunities to incorporate student feedback.	Shan Wareing	30 Sep 2019

A 15-20 #3 Employability: Ensuring students develop skills, aspiration and confidence.



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
494	Inconsistent delivery of Placement activity across institution	Shan Wareing	<p><b>Cause:</b>                      Insufficient human resource allocation centrally and in Schools                      Insufficient expertise within LSBU.                      Lack of allocation of sufficient central and School human resource.                      Speed of implementation without underpinning project planning or learning from the sector.                      Lack of assurance over offsite workplace conditions.</p> <p><b>Effect:</b>                      Placement practice may not comply with Chapter B10 of the Quality Code, so may be a quality risk.                      LSBU may not be able to provide a placement, internship or professional opportunity for all UG students entering in 2016 and after, leading to a CMA risk                      Placements may not deliver a good student experience, creating a risk to achievement of NSS improvement plans.                      Duty of care to students re workplace safety may not be met, creating a reputational risk.                      Potential insurance risk.</p>	I = 2 L = 2 Medium (4)	Utilisation of new software platform 'InPlace' enables efficiencies in the Schools & the centre, and supports constancy of process and knowledge sharing.	I = 2 L = 1 Low (2)	Complete onboarding of remaining Schools to InPlace Operational procedures and User Group.	Kulvinder Biring	31 Jul 2018

**A 15-20 #4 Research & Enterprise: Delivering outstanding economic, social and cultural benefits from our intellectual capital.**

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
402	Income growth expected from greater research and enterprise activity does not materialise	Paul Ivey	<p><b>Cause:</b></p> <ol style="list-style-type: none"> <li>1) Challenging market environment with high competition for similar opportunities and funders.</li> <li>2) Lack of proven forecasting systems &amp; recent static performance</li> <li>3) Aggressive and complex turnaround required carries intrinsic high risk.</li> <li>4) Dependence on HSC CPPD income (circa 50% of enterprise£)</li> <li>5) New structures fail to entice &amp; encourage academic participation in activities.</li> <li>6) Limitations of academic capacity and capability.</li> <li>7) Internal competition for staff time over &amp; above teaching.</li> </ol> <p><b>Effect:</b></p> <ol style="list-style-type: none"> <li>1) Income growth expectations unrealised.</li> <li>2) Undiversified enterprise portfolio.</li> <li>3) Lower financial contribution, as an increased proportion of delivery is sourced outside core academic staff.</li> <li>4) Increased dependency on generating enterprise opportunities via Knowledge Transfer outreach as opposed to an academic-led stream, results in higher Opex costs.</li> <li>5) The holistic teaching and student experience benefits are reduced.</li> <li>6) Proportion of staff resource diverted to winning new funding is significantly increased.</li> <li>7) Reduced income adversely affects the research environment, publication rates, evidence of impact, student completions, &amp; ultimately LSBU REF 2020 rating.</li> <li>8) Inability to align academic resource with identified market opportunities.</li> </ol>	I = 2 L = 2 Medium (4)	<p>Annual AURA audit assesses levels &amp; quality of staff outputs.</p> <p>Bid writing workshops for academic staff delivered routinely</p> <p>Enterprise Business Plan &amp; Strategy submitted for approval annually to Executive.</p> <p>Operation of Sharepoint Enterprise Approval Process for authorisation of new income opportunities.</p> <p>Progress against approved REF 21 Strategy reviewed quarterly.</p> <p>R&amp;E activity pipeline reports (financial &amp; narrative) reviewed at monthly meetings of Business Planning Group.</p>	I = 2 L = 2 Medium (4)	<p>Establish a CPD offering for Health Professionals in collaboration with School of Health &amp; Social Care.</p> <p>Establish revised operating structure for new SBUEL+ enterprise subsidiary.</p> <p>Agree Heads of Terms for Cambridge partnership, and organise a launch event.</p> <p>Oversee submission for aceeu.org accreditation. (Accreditation Council for Engaged &amp; Entrepreneurial Universities)</p> <p>Oversee the implementation and roll out of a Central Research &amp; Enterprise Administration platform, to enable seamless management and reporting from point of award onwards. (date tbc)</p>	Paul Ivey Paul Ivey Paul Ivey Linsey Cole Yvonne Mavin	30 Nov 2017 31 Jan 2018 21 Dec 2018 28 Feb 2019 31 Jul 2019



**A 15-20 #5 Access: Work with local partners to recruit, engage and retain students with the potential to succeed.**

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
495	Impact of Higher Apprenticeship delivery on HE business or institutional forecast position	Pat Bailey	<p><b>Cause:</b> Higher Apprenticeship degrees present an opportunity to grow student numbers in a new market. Offering and administrating apprentice schemes requires compliance with ESFA funding regulations, with revised funding models depending on successful EPAs, and open up new areas of the institution to scrutiny from Ofsted. The economic returns of this activity could be impacted if there are any caps imposed on current funding levels, or if the full cost of administration exceeds current estimations. Learners admitted to programmes without accredited achievement of all required competencies may prejudice completion rates, with Ofsted impact.</p> <p><b>Effect:</b> These degrees could cannibalise existing employer-sponsored students. LSBU currently has c.1,400 employer sponsored students on part-time courses, so ( £3.3m) could be affected. SFA audit failure, or lower than expected completion rates could lead to funding clawback. Ofsted inspection result of 4 would lead to removal from register, reputational damage and income loss of up to £8m over life of forecast. Result 3 could impact on current contracts with Employers.</p>	<p>I = 3 L = 2 High (6)</p> 	<p>6 monthly progress report from Apprenticeships Steering Group scrutinised by Academic Board covers IPTE and Passmore Centre.</p> <p>Monthly meetings of Apprenticeships Committee review all related operational matters.</p>	<p>I = 3 L = 1 Medium (3)</p> 	Determine structure of IPTE when shape of LSBU family confirmed.	Pat Bailey	30 Sep 2018
							Oversee development of Self Assessment Report (SAR) for 16/17 & 17/18 delivery, with integrated Quality Improvement Plan.	Janet Bohrer	31 Oct 2018
							Arrange soft launch of Passmore Centre following refurbishment programme.	Pat Bailey	31 Oct 2018
							Oversee piloting of new Literacy & Numeracy support schemes to develop apprentices to the required levels in some subject areas.	Pat Bailey	30 Nov 2018
							Test inspection readiness report through mock Ofsted inspection, with outcome report presented to Quality & Standards Committee.	Janet Bohrer	21 Dec 2018
Arrange formal launch of Passmore Centre following refurbishment & soft launch.	Pat Bailey	29 Mar 2019							

A 15-20 #6 Internationalisation: Developing the multicultural community of students and staff through international alliances & partnerships.

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
457	Anticipated international & EU student revenue unrealised	Paul Ivey	<p><b>Cause:</b> UK government process / policy changes. Operational issue impacts current highly trusted sponsor (HTS) status. Issues connected with English language test evidence. TNE partnerships are not approved, present quality risks, or break down due to absence of adequate support structures, or when contacts relocate.</p> <p><b>Effect:</b> LSBU unable to organise visas for students who wish to study here. International students diverted to other markets. Anticipated TNE growth does not materialise. Expected income from overseas students unrealised. Conversion impact of LSBU TNE students doesn't materialise. TNE enterprise expectations unrealised.</p>	I = 3 L = 3 High (9)	<p>Engagement between International Office, Registry &amp; School Admin teams to ensure UKVI requirement compliance, specifically regarding:</p> <ul style="list-style-type: none"> <li>- Visa applications and issue of CAS</li> <li>- English language requirements</li> <li>- Reporting of absence or withdrawal</li> </ul> <p>International &amp; EU recruitment reports presented to Executive on an exception basis above defined thresholds.</p> <p>International Office runs annual cycle of training events with staff to ensure knowledge of &amp; compliance with UKVI processes.</p> <p>Regular reporting of Visa refusal rates to Director of Internationalisation by Immigration Team.</p>	I = 3 L = 2 High (6)	<p>Develop new institutional partnerships with EU partners.</p> <p>Oversee set up &amp; launch of LSBU international school of hospitality &amp; tourism IBC in Cairo.</p>	Stuart Bannerman	31 May 2018
								Stuart Bannerman	30 Sep 2019

A 15-20 #6 Internationalisation: Developing the multicultural community of students and staff through international alliances & partnerships.

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
517	Impact of EU Referendum result on operating conditions & market trends	David Phoenix	<p><b>Cause:</b> Following the vote to 'Leave', the Government is working towards a plan to extract the UK from the European Union.</p> <p><b>Effect:</b> Staff impact: The outcome could impact on the ability of some existing staff to remain in the UK, and could impair the ability for future recruitment, both from Europe, and from other overseas territories. Recruitment impact: Currently EU students pay home fees &amp; can access the UK student loan system. It is likely that higher fees and removal of this access will have a significant impact on the appeal of the UK to European applicants long term. Additionally the reporting of the Brexit outcome is having a negative impact on the reputation of the UK as a welcoming destination. These impacts on the sector could also cause changes in recruitment patterns at well-ranked institutions, which could have a negative impact on applicant pools elsewhere. Research Funding: Leaving the EU is likely to remove the ability of LSBU to partner in EU research projects, and access Horizon 2020 funding opportunities and limit access to structural funds. Legislative Compliance: There could be additional administration cost in updating many EU compliant processes if regulations are amended. Impact on bond yields could affect year end pension liabilities. Supplier contracts could be affected.</p>	I = 2 L = 3 Medium (6)	Use of London economic models to estimate impact on student recruitment and model reductions in EU student numbers and identify mechanisms to compensate	I = 2 L = 1	Consider developing the LSBU campus at Cambridge with TWI to foster greater linkages with industry.	Paul Ivey	21 Dec 2018
						Low (2)			

**A 15-20 #7 Strategic Enabler - People & Organisation: Attracting proud, responsible staff, & valuing & rewarding their achievements.**

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
1	Organisational response to policy changes, external perception & shifts in competitive landscape	David Phoenix	<p><b>Cause:</b></p> <ul style="list-style-type: none"> <li>- Government's HE funding review recommendations</li> <li>- Changes to fee / loan funding models: access &amp; repayment</li> <li>- Transition to OfS as sector regulator with risk-based assessment approach</li> <li>- Increased competition from Private Providers and other HEIs post SNC</li> <li>- The Apprenticeship Levy &amp; programme development</li> <li>- Evolving external assessment through TEF mechanisms</li> <li>- Failure to anticipate change</li> <li>- Failure to position (politically) &amp; (capacity/structure)</li> </ul> <p><b>Effect:</b></p> <ul style="list-style-type: none"> <li>- Reduction to unit of resource per student / price group</li> <li>- Failure to differentiate provision</li> <li>- Workforce out of alignment with portfolio</li> <li>- Impaired external recognition through subject level TEF</li> <li>- Reduced student recruitment</li> <li>- Burden of response to regulatory intervention</li> <li>- Registration conditions imposed by OfS (potential loss of University Title and access to funding mechanisms)</li> </ul>	I = 2 L = 3 Medium (6)	<p>Annual articulation of corporate strategy by Executive through Corporate Roadmaps.</p> <hr/> <p>Chief Marketing Officer on Executive leads strategic development of brand and portfolio.</p> <hr/> <p>Corporate Affairs unit maintain relationships with key politicians and influencers, in local boroughs and amongst FE providers.</p> <hr/> <p>Financial controls, forecasting process &amp; restructure capacity enable tracking of forward operating surplus target.</p> <hr/> <p>Horizon scanning report produced weekly by the Corporate Affairs Unit</p> <hr/> <p>Local Roadmap alignment with Corporate Roadmaps ensures linked strategic focus across operational areas, with 6 monthly Organisation Effectiveness reviews by VC.</p> <hr/> <p>PPA team provide Senior Managers with trend analysis &amp; benchmarking against KPIs, and access to MIKE platform for information analysis.</p>	I = 2 L = 1 Low (2)	<p>Consolidate findings from discovery phase of OEG project 2: Strategy &amp; Planning.</p> <hr/> <p>Consider future skills requirements of LSBU group as part of wider review of staff costs.</p> <hr/> <p>Develop LSBU family to align with Government strategy and opportunities around technical education.</p> <hr/> <p>Oversee full process review by OfS Task Force to ensure ongoing obligations from registration are fully embedded within routine operations.</p> <hr/> <p>Monitor outcome of HE review, and model impact of range of potential outcome scenarios on the institutional forecast.</p> <hr/> <p>Develop SBE as a commercial entity to exploit opportunities around international and U.K. CPD.</p> <hr/> <p>Oversee LEAP programme; to transform student journey experience, administrative efficiency, &amp; management insight through revision of core infrastructure and related processes.</p>	Richard Duke David Phoenix David Phoenix James Stevenson Ralph Sanders Paul Ivey Shan Wareing	31 Oct 2018 21 Dec 2018 21 Dec 2018 31 Dec 2018 28 Feb 2019 30 Sep 2019 31 Jul 2020

**A 15-20 #7 Strategic Enabler - People & Organisation: Attracting proud, responsible staff, & valuing & rewarding their achievements.**

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
362	Low staff engagement or staff cost containment impacts performance negatively	Pat Bailey	<p><b>Cause:</b></p> <ul style="list-style-type: none"> <li>•Systems and structure do not facilitate teamwork between areas of the University</li> <li>•Staff feeling that they do not have easy access to relevant information directly linked to them and their jobs</li> <li>•Poor pay and reward packages</li> <li>•Poor diversity and inclusion practises</li> <li>•Limited visibility of Leadership</li> <li>•Lack of quality physical estate</li> <li>•Frozen fee levels &amp; continued recruitment challenges have contributed to flat income predictions &amp; the planned staff cost reduction programme</li> </ul> <p><b>Effect:</b></p> <ul style="list-style-type: none"> <li>•Decreased customer (student) satisfaction</li> <li>•Overall University performance decreases</li> <li>•Low staff satisfaction results</li> <li>•Increased staff turnover</li> <li>•Quality of service delivered decreases</li> <li>•Disruption in service provision</li> <li>•Skills / knowledge gaps that impact on delivery</li> </ul>	I = 3 L = 3 High (9)	<p>Central Comms messages cascaded to Congress / Town Hall Meetings within each School &amp; PSG.</p> <hr/> <p>Direct staff feedback is encouraged through the Continuing the Conversation VC events, &amp; via Yammer.</p> <hr/> <p>HR Business Partners manage all change activity</p> <hr/> <p>Leadership forum group established to connect management levels</p> <hr/> <p>New social spaces and forums for staff enable staff to collaborate outside of work structures.</p> <hr/> <p>Organisational Effectiveness Meetings review progress against Workforce development and engagement plans.</p> <hr/> <p>Planning framework provides golden thread connecting Corporate Strategy, through Roadmaps to Staff Appraisal.</p> <hr/> <p>Regular engagement with Unions on staff matters</p> <hr/> <p>Shape &amp; Skills approach to review of staff base</p>	I = 3 L = 1 Medium (3)	<p>Identify high impact activities through review of 2018 engagement survey results, and develop associated action plan.</p> <hr/> <p>Complete discovery phase of OEG project 5: Service Charters &amp; Business Partners.</p>	Pat Bailey	31 Oct 2018
								Markos Koumaditis	30 Nov 2018

**A 15-20 #8 Strategic Enabler – Infrastructure: Investing in first class facilities underpinned by outcome focused services responsive to academic needs.**

A 15-20 #8 Strategic Enabler – Infrastructure: Investing in first class facilities underpinned by outcome focused services responsive to academic needs.

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
2	Course portfolio, or related marketing activity and admissions processes do not achieve Home UG & PG recruitment targets	Nicole Louis	<p><b>Cause:</b></p> <ul style="list-style-type: none"> <li>- Increased competition from selective institutions and private providers</li> <li>- Failure to articulate compelling brand to applicants</li> <li>- Long term payback period of re-positioning activity</li> <li>- Declining applicant pool</li> <li>- Excessive churn within MAC workforce</li> <li>- Lack of ability to anticipate demand and re-shape provision.</li> <li>- Negative reputational impact of unmanaged external events</li> <li>- Portfolio or modes of delivery not aligned with market demand</li> <li>- Change to historic conversion levels amongst applicants</li> <li>- Limited internal focus on PG developments &amp; recruitment</li> <li>- Impact of differentiated fees on applicant behaviour</li> <li>- Reduced applicant awareness during clearing period as campaign funds directed into revised brand.</li> <li>- Reduced budget for campaign activities</li> </ul> <p><b>Effect:</b></p> <ul style="list-style-type: none"> <li>- Campaign impact / reach reduced</li> <li>- Under recruitment against targets</li> <li>- Related loss of income, and impact on corporate ambitions</li> <li>- Undermining of individual course profitability</li> </ul>	I = 4 L = 3 Critical (12)	Advance predictions of student recruitment numbers informs the Annual five year forecast submitted to Hefce each July	I = 4 L = 2 Critical (8)	Develop revised School & College Outreach Strategy, with broader footprint outside local boroughs, which includes LSBU Family MAT institutions.	Steven Brabenec	30 Nov 2017
					Clearing Opens in July for BTEC students		Plan for corporate comms shared with Executive.	Judith Barnard	30 Nov 2017
					Conversion trend data analysis allows identification of target areas for focus and resource.		Executive review of proposal for LSBU Brand Architecture and further refinement and test results for Brand Narrative.	Judith Barnard	31 Jan 2018
					Cycle of School student number reviews, allow MAC stress testing of TM1 enrolment forecasts, and development of joint targets for next recruitment cycle.		Complete research project to further analyse impact of marketing campaign spends to ensure ROI calculations underpin future prioritisation, and success of current 'Value Add' market incentives.	Nicole Louis	28 Feb 2018
					Detailed individual School campaigns planned annually by MAC business partners, dovetailing with overall LSBU approach & brand.		Complete revision of School web page content & imagery.	Steven Brabenec	30 Mar 2018
					Digital campaign optimisation - reviewed monthly by campaign manager & ad agency.		Develop creative institutional brand campaign with revised narrative and brand architecture for start of next cycle.	Nicole Louis	31 Jul 2018
					Main Cycle Applications reports shared weekly with Leadership group & Executive, and reviewed at each FP&R Committee.		Complete closure report for OEG project 1: Admissions & Enrolment.	Steven Brabenec	17 Oct 2018
					Marketing Operations Board reviews latest applications cycle data fortnightly.		Deliver Customer Journey workstream of LEAP programme, with 'Journeys, Personas & Touchpoints' initial work package.	Nicole Louis	30 Nov 2018
							Develop a revised basket of brand recognition metrics for routine tracking, augmenting the current local catchment brand recognition metric with other stakeholder and actual applicant perspectives.	Nicole Louis	29 Mar 2019

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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
							Lead (With David Mead) the Organisational Effectiveness Group (OEG) project 3 on course lifecycle management, working with MAC to ensure that market insight is properly integrated into the course consideration and validation cycle.	Janet Jones	30 Apr 2019
3	Sustainability of current pension schemes	Richard Flatman	<p><b>Cause:</b></p> <ul style="list-style-type: none"> <li>- Increased life expectancies</li> <li>- Reductions to long term bond yields, which drive the discount rate</li> <li>- GMP equalisation</li> <li>- Poor stock market performance</li> <li>- Poor performance of the LPFA fund manager relative to the market</li> <li>- Further change to accounting requirements for TPS &amp; USS schemes</li> </ul> <p><b>Effect:</b></p> <ul style="list-style-type: none"> <li>- Increased I&amp;E pension costs</li> <li>- Restrictions on other resources if a surplus is to be maintained</li> <li>- Balance sheet is weakened and may move to a net liabilities position, though pension liability is disregarded by OfS</li> <li>- Significant cash injections into current schemes may be required in the long term</li> <li>- Inability to plan for longer term changes</li> </ul>	I = 4 L = 3 Critical (12)	<p>Annual FRS 102 valuation of pension scheme</p> <hr/> <p>DC pension scheme for SBUEL staff.</p> <hr/> <p>Regular monitoring of national/sector pension developments and attendance at relevant conferences and briefing seminars by FMI Management team.</p> <hr/> <p>Regular participation in sector review activity through attendance at LPFA HE forum, BUFDG events &amp; UCEA pensions group by CFO or deputy.</p> <hr/> <p>Reporting to every Board of Governors meeting via CFO Report</p> <hr/> <p>Strict control on early access to pension at redundancy/restructure</p> <hr/> <p>Tight Executive control of all staff costs through monthly scrutiny of management accounts</p>	I = 4 L = 3 Critical (12)	<p>Establish Board working group to consider future pension provision.</p> <hr/> <p>Consider HR implications of Mercers costed scenarios.</p>	James Stevenson Markos Koumaditis	31 Mar 2019 31 Mar 2019

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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
6	Management Information is not meaningful, reliable, or does not triangulate for internal decision or external reporting	Richard Flatman	<p><b>Cause:</b></p> <ul style="list-style-type: none"> <li>- Lack of understanding of system dependencies</li> <li>- Proliferation of technology solutions</li> <li>- Data in systems is inaccurate</li> <li>- Data in systems lacks interoperability</li> <li>- Resource constraints &amp; insufficient staff capability delay system improvement</li> <li>- Lack of data quality control and assurance mechanisms</li> </ul> <p><b>Effect:</b></p> <ul style="list-style-type: none"> <li>- Insufficient evidence to support effective decision-making at all levels</li> <li>- Inability to track trends or benchmark performance</li> <li>- Internal management information insufficient to verify external reporting</li> <li>- Unclear data during recruitment cycle, esp. in clearing</li> <li>- League table position impaired by unmanipulated data</li> <li>- Failure to satisfy requirements of Professional, Statutory and Regulatory bodies (NHS, course accreditation etc)</li> </ul>	I = 3 L = 3 High (9)	<p>Internal Auditors Continuous Audit programme provides regular assurance on student and finance information, including UKVI compliance.</p> <hr/> <p>Sporadic internal audit reports on key systems through 3 year IA cycle to systematically check data and related processes:</p> <ul style="list-style-type: none"> <li>- HR systems</li> <li>- Space management systems</li> <li>- TRAC</li> <li>- External returns</li> </ul> <hr/> <p>Systematic data quality checks and review of external data returns prior to submission to HESA by PPA team.</p>	I = 3 L = 1 Medium (3)	<p>Develop and circulate a set of performance scorecards for Professional Service Groups and Schools, for review at Operational Effectiveness Meetings.</p> <hr/> <p>Deliver phase 2 of MIKE data programme, to incorporate Financial and HR data in management platform, with related dashboards for management teams.</p> <hr/> <p>Established revised corporate dataset and related dashboard within MIKE for monitoring applications &amp; associated income flows for 2019/20 entrants.</p>	Richard Duke	31 May 2018
								Richard Duke	29 Jun 2018
								Richard Duke	21 Dec 2018



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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
14	Loss of NHS contract income	Warren Turner	<p><b>Cause:</b> NHS financial challenges/ structural changes resulting in a total review of educational comissioning by Health Education England with an expected overall reduction in available funding (affecting CPPD). London Educational Contract bursaries ceasing for new Pre-Registration students from Sept 2017, with students accessing student loans. Loss of placement capacity.</p> <p><b>Effect:</b> Recruitment to contracted programmes could dip following shift away from bursaries to tuition fees, leading to reduction in income. Reduced quality of applicants Reduced staff numbers Reduced student numbers</p>	I = 2 L = 3 Medium (6)	Monitor quality of courses (QCPM and NMC) annually in autumn (QCPM) and winter (NMC)	I = 2 L = 2 Medium (4)	Consult with employer stakeholders and GMC re the development of a Physician Associate training programme at LSBU.	Warren Turner	31 Jul 2018
					Named Customer (Key Account) Manager roles with NHS Trusts, CCGs and HEE, managing relationships including placement provision. Summary of Key Accounts presented at monthly School Exec Team Meetings for review and action where necessary.		Following LSBU lead on the National Trailblazer for Advance Clinical Practitioner (ACP), to ensure that our portfolio includes a Level 7 Apprenticeship for ACP ready for NHS procurement to begin.	Alison Twycross	30 Nov 2018
					Support provided to applicants with numeracy and literacy test preparation.		Revalidate nursing degree programmes to meet both the new NMC standards and to incorporate apprenticeship mode of delivery ready for NHS procurement of the Nurse Degree Apprentice.	Alison Twycross	31 Jan 2019
							Validation of new FdSc Nursing Associate course to meet the forthcoming standards produced by the NMC for future registration of this role (following our useful pilot of this course with Barts Health and GOSH).	Lesley Marsh	28 Feb 2019

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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
37	Impact or affordability of Capital Expenditure investment plans	Richard Flatman	<p><b>Cause:</b></p> <ul style="list-style-type: none"> <li>- Insufficient articulation of benefits &amp; impact of investment</li> <li>- Failure to anticipate future market drivers or learner expectations</li> <li>- Poor project controls or governance</li> <li>- Lack of capacity to manage/deliver projects</li> <li>- Reduction in agreed/assumed capital funding levels</li> <li>- Reduction in other government funding</li> </ul> <p><b>Effect:</b></p> <ul style="list-style-type: none"> <li>- Adverse financial impact (Reduced surplus)</li> <li>- Reputational damage</li> <li>- Anticipated improvements to student experience unrealised</li> <li>- Infrastructure falls behind competitor provision</li> <li>- Applicant appeal declines, affecting ability to attract new students</li> </ul>	I = 3 L = 3 High (9)	<p>Capex reporting is embedded into management accounts provided to each meeting of the FP&amp;R Committee, &amp; into financial forecasts approved annually by Board.</p> <hr/> <p>Estates &amp; Academic Environment PSG have local project methodology, with project controls, &amp; governance applied to all Capex projects.</p> <hr/> <p>Financial regulations require all major (&gt;£2m) capital expenditure to receive Board approval</p> <hr/> <p>Full Business Cases prepared; using Executive approved process - including clarity on cost and funding, for each element of Estates Strategy.</p> <hr/> <p>Major Projects &amp; Investments Committee (MPIC) reviews all property related capital decisions, and is empowered to approve all unplanned capital expenditure &gt; £500K but &lt;£1M.</p>	I = 3 L = 2 High (6)	<p>Appoint expert to advise on options for St George's Quarter &amp; test value of proposals produced by Clive Crawford Associates.</p>	Paul Ivey	30 Nov 2018
305	Corporate & personal data not accessed or stored securely, or processed appropriately	Shan Wareing	<p><b>Cause:</b></p>	I = 3 L = 2 High (6)	<p>A privacy impact assessment is a required stage of the ICT project initiation process.</p> <hr/> <p>All changes to digital infrastructure reviewed quarterly by ICT Technical Roadmap Board.</p>	I = 3 L = 1 Medium (3)	<p>Oversee complete upgrade of all remaining Windows XP and Windows 2003 machines.</p>	Graeme Wolfe	22 Dec 2017

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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
			Unauthorised access to data Inappropriate use of personal data Loss of unencrypted data assets Breach of digital security; either en masse (e.g. cyber attacks) or specific cases (e.g. phishing scams) Regulatory failure Use of unsupported storage locations <b>Effect:</b> Financial penalty under General Data Protection Regulations. Cost and impact of staff resource diverted to deal with issues, Staff downtime when systems unavailable Reputational damage, undermining academic credibility. Compromise of competitive advantage.		IT access permissions linked directly with live iTrent HR system records through Active Directory account synchronisation. <hr/> Logical security protocols relating to passwords require change every 6 months, and multiple character combinations. <hr/> Quarterly Mandatory Training Compliance reports circulated to Level 2 managers, with info on staff compliance with data protection & data security training. <hr/> Relevant supplier contracts all contain article 28 statement regarding any data processing that occurs. <hr/> Robust breach notification process to close down & contain any breach. <hr/> Weekly Change Control Board & Technical Design Authority chaired by Director of ICT Services reviews all proposed technical changes to infrastructure prior to implementation. <hr/> Weekly running of infrastructure vulnerability management software test results reviewed by Head of Digital Security				

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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
584	External incident compromises campus operations or access	Pat Bailey	<p><b>Cause:</b> Incident in South London area requires emergency response and restricts freedom of movement</p> <p><b>Effect:</b> Staff &amp; students unable to reach / leave the campus Interruption to key activities or processes Requirements for alternative accommodation / provision for halls residents</p>	I = 2 L = 2 Medium (4)	<p>Building Lockdown plans in place for implementation by the Security Team as required.</p> <p>Business continuity plans for critical activity reviewed annually by resilience team.</p> <p>Emergency Information sets present at every reception building on campus (Floor Plans, Loudhailers &amp; Hi-Vis Jackets)</p> <p>Entire Executive team trained in bespoke incident response approach by Jermyn Consulting.</p> <p>Halls Accommodation aid agreement in place with London School of Economics.</p> <p>Major incident response mechanisms, including Alert Cascade notification system – tested annually.</p>	I = 2 L = 2 Medium (4)	Oversee implementation of recommendations arising from the incident response plan scenario test.	Luke Fletcher	21 Dec 2018

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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
624	Benefits of LSBU Family integrated service project unrealised	Ian Mehrtens	<p><b>Cause:</b>                      Unforeseen elements or changing market conditions present additional obstacles.                      Challenge of integrating services proves more complicated than envisaged.                      Pressure on staff time following cost containment programme.                      Unforeseen issues hamper implementation of plan.                      100 day turnaround plan encounters resistance or complications.                      HE review has negative impact on available FE funding &amp; business plan.                      Transaction unit imposes additional conditions.                      Market share impacted by transition.</p> <p><b>Effect:</b>                      Efficiency targets unrealised.                      Staff morale or satisfaction impacted negatively by change processes.                      Focus on integration causes delay in service improvement.                      Pressure on ability to satisfy operational expectations.                      Project requires additional resource.                      Potential impact on group balance sheet.                      Benefits unrealised.                      Potential reputational impact with community.</p>	I = 3 L = 2 High (6)	Delegated LSBU Staff working at Lambeth on a part-time basis during the transition period. <hr/> Interim appointments used to fill gaps within Lambeth pending structural alignment activity.	I = 3 L = 1 Medium (3)	Oversee delivery of the 100 day turnaround plan.	Ian Mehrtens	21 Dec 2018

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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
625	Impact of Government Education review on HE funding	Richard Flatman	<b>Cause:</b> - Government's HE funding review led by Philip Augur recommends reduction in the funded unit of resource for HE students - This proposal is supported by parliament - The OfS outlines planned phasing of reduction for new, and possibly also for continuing students  <b>Effect:</b> - Reduction in fees paid by students in future years - Considerable impact on current contribution rates from LSBU Schools - Serious challenge to meeting targets for financial operation, which may impact planned investments - Re-organisation of provision and related services could impact on student satisfaction and achievement measures. - Ability to deliver subsidised activity impacted	I = 3 L = 3 High (9)	Board approval of 5 year financial forecasts each July, prior to OfS submission.	I = 3 L = 3 High (9)	Review impact on funding available for London Road / LEAP investment.	Richard Flatman	31 Jan 2019
					CFO participation with sector insight and peer network groups to monitor developments.		Model scenarios for reduced level of resource.	Richard Flatman	31 Jan 2019

	CONFIDENTIAL
Paper title:	Report on decisions of Committees
Board/Committee:	Board of Governors
Date of meeting:	22 November 2018
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	Relevant committee chairs
Purpose:	To update the Board on committee decisions
Recommendation:	To note the report

## **Executive Summary**

A summary of Committee decisions is provided for information. Minutes and papers are available on [modern.gov](http://modern.gov).

The Board is requested to approve the modern slavery statement (recommended by the Audit Committee and attached as an appendix).

The Board is requested to note the reports.

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## Notes on committee meetings

### Major Projects and Remuneration Committee – [1 November 2018](#)

The committee discussed:

- An update on Project Larch and the progress made towards agreeing the transaction agreement with Lambeth College (contracts have now been exchanged with Lambeth College).
- An update on the estate development plans. The committee discussed the need to move forward cautiously as a result of possible changes to the tuition fee structure and the impact it could have on the ability to deliver a surplus. Concerns regarding the level of engagement and communication with key stakeholders were discussed. The committee acknowledged the risks of the original project as approved and requested an update at the next meeting on the outcome of discussions with key stakeholders.
- An update on the joint venture financing proposal for the estate development. Work underway included developing a feasibility assessment and obtaining third party advice that the proposal can be and would continue to be treated as an off balance sheet solution.
- The development of the Nine Elms Skills Centre, part of the Lambeth College estate. In order to meet the tight deadlines as a condition of grant funding from Local Enterprise Partnership, a clear brownfield site was required by the summer of 2019. Therefore demolition of the existing buildings would need to take place prior to acquisition on 1<sup>st</sup> February 2019 and LSBU taking control. Lambeth College also were unable to commit the funds to progress the project until this time.

The committee approved:

- Subject to a number of conditions, a recommendation that the committee consent for Lambeth College to enter into a demolition contract for up to £3.75m (inc VAT and fees) on the basis that LSBU Group fund the additional fees up to £200k noted above. The cash commitment will therefore be up to £1.1m (this being the £900k demolition costs plus £200k fees).

The committee noted:

- An update on the proposed development of the International branch Campus, Cairo.
- Lease negotiations for the Havering Campus were still ongoing. An alternative location would need to be identified and there was a risk to delivery of health courses due to the impact on placements.

## **Remuneration Committee – [6 November 2018](#)**

The annual remuneration report (as required under the new CUC Code on Senior Pay) and board paper sets out the decisions of the committee in more detail.

The committee discussed:

- In detail, an independent review of executive salaries and benchmarking by Korn Ferry.

The committee approved:

- Annual pay increases for the Vice Chancellor and members of the Executive;
- Bonuses for the Vice Chancellor and members of the Executive based on assessment of performance against objectives;
- An external income policy (details set out in the remuneration report);
- The annual remuneration report to the Board, which is a separate item on the agenda and is included in the annual report and accounts;
- The objectives of the Vice Chancellor for 2018/19 and noted the objectives of the other members of the Executive for 2018/19.
- to extend the bonus scheme to include a team bonus to a maximum of 5% in addition to the 10% individual bonus for 2018/19.

The committee noted:

- The agreed severance packages for two members of the Executive

## **Finance, Planning and Resources Committee – [6 November 2018](#)**

The committee discussed:

- A presentation on staff engagement. Key points:
  - The survey was positive but low participation from staff.
  - Staff are concerned about career progression
- A report on student retention, progression, continuation and re-enrolment
- The National Student Survey (NSS) progress report
- The student Recruitment update
- The management accounts – Sept 2018
- The draft Annual Report and Accounts for year ending 31 July 2018
- The annual report on fundraising and charitable funds
- The Students' Union (SU) draft accounts 2017/18
  - The SU had delivered a surplus for the year of £68K
  - The union is developing different ways of generating income.

## **Audit Committee – [8 November 2018](#)**

The committee reviewed and recommended to the Board:

- External audit findings – no material weaknesses had been identified;
- External audit letter of representation, which included standard representations only;
- Draft report and accounts – subject to minor amendments while the audit was being completed;
- Quality assurance return to OfS (“annual provider review”);
- The modern slavery act statement (an appendix to this report for approval by the Board);
- Prevent annual report to OfS; and
- The Audit Committee annual report.

The committee reviewed:

- The final internal audit annual report;
- Internal audit progress report;
- IT risk diagnostic update;
- External audit performance against KPI’s;
- External audit – review of non-audit services;
- The evidence behind the going concern statement in the annual report and accounts;
- Final report on the system of internal control; and
- General Data Protection Regulation (GDPR) update.

The committee noted:

- Anti-fraud, bribery and corruption report – no instances had arisen since the previous meeting;
- Audit committee annual business plan;
- An audit of student residences against expected standards;
- The risk register; and
- Speak up report – no new instances had been reported.

## **SBUEL Board – [5 November 2018](#)**

The Board approved:

- subject to minor changes, the annual report and accounts which are consolidated into the University’s accounts;
- the external audit letter of representation, which contained standard representations only;
- updated directors’ interests; and

- the staff bonuses as recommended by the Managing Director.

The Board noted:

- the external audit findings report; and
- the quarterly report on enterprise activity.

# LSBU Modern Slavery Statement 2018

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by London South Bank University (“LSBU”) during year ending 31 July 2018 to prevent modern slavery and human trafficking in its business and supply chains.

London South Bank University is one of London's largest and oldest universities. Since 1892, we've been providing vocationally-relevant, accredited and professionally recognised education. We're a cosmopolitan university with over 18,000 students drawn from over 130 countries. We've been awarded Silver for teaching excellence under the Government's Teaching Excellence Framework (TEF) and were the Times Higher Education's University of the Year for Graduate Employment 2019 for the second year running.

At LSBU we are committed to running our business responsibly. We strive to maintain high ethical principles and to respect human rights. This extends to encouraging high standards in our supply chain. LSBU is committed to procuring goods and services and employing people without causing harm to others, and remains committed to supporting the UK Government's [National Action Plan](#), updated in May 2016 to implement the [UN Guiding Principles on Business and Human Rights](#). In doing so, LSBU supports the Base Code of the Ethical Trading Initiative (ETI).

## Our Governance

The Sustainability Steering Group is responsible for the oversight, development and ongoing monitoring of the University environmental and sustainability policies and strategy, including Modern Slavery. It is led by the Deputy Vice Chancellor and Chief Operating Officer and its membership includes representation from Professional Service Groups (including Procurement and Sustainability teams), students and academics. LSBU's sustainability initiatives are developed through the 3C's approach, covering Campus, Curriculum and Community.



## Our Supply Chain

In 17/18 LSBU spent £60 million with 4,000 suppliers and their respective supply chains on a wide range of goods and services. Our high value supplier categories include Estates and building (including construction and maintenance), ICT hardware and software, temporary staff, cleaning, security, and catering, all of which LSBU deems as carrying material risk in terms of human rights. As reported in [our previous statement](#), a number of Modern Slavery initiatives

are in place, including London Living Wage accreditation, our Environmental and Ethical Sustainability Policy, Speak-up/Whistleblowing Policy, updated terms and conditions with Modern Slavery obligations, our Code of Ethics, and Electronics Watch affiliation.

In 17/18 The Board of Governors has endorsed LSBU being a signatory to 'The SDG Accord' for Higher Education, with a commitment to its Phase 1 criteria, including the embedding of Sustainable Development Goals across the University curriculum by 2020.

Modern slavery awareness and training initiatives were implemented, including Modern Slavery film screenings attended by SSG members, Procurement, Sustainability and Senior ICT team members. We also launched Higher Education Sector electronic Modern Slavery training on LSBU's in-house training platform, available to all staff.

More information on our approach to [Sustainability](#) and [Responsible Procurement](#) can be found on our web pages.

## **The future**

LSBU will continue to develop a better understanding of its supply chain and encourage greater transparency and responsibility towards people working within them. We will continue to review and work together to assess what steps need to be taken to prevent, monitor and mitigate the risks to human rights in our supply chains, with particular focus on high risk areas. We will introduce KPIs to evaluate our progress. These will include training metrics, reports received of modern slavery in our supply chains, and the number of tenders with modern slavery incorporated into their evaluation process and specific clauses.

Training will be expanded to a wider group of key stakeholders, including high risk contract managers.

This statement was approved by LSBU's Board of Governors **[date]** and will be reviewed annually.

Signed

Dave Phoenix  
Vice Chancellor and Chief Executive  
London South Bank University