

## Meeting of the Board of Governors

4.00 - 6.00 pm on Thursday, 18 October 2018  
in 1B27 - Technopark, SE1 6LN

\* Pre-Board presentation at 3.30pm in 1B27: Project LEAP

### Agenda

No.	Item	Pages	Presenter
1.	Welcome and apologies		JC
2.	Declarations of Interest <i>Governors are required to declare any interest in any item of business at this meeting</i>		JC
3.	Minutes of previous meeting	3 - 8	JC
4.	Matters arising	9 - 10	JC
<b>Chair's business</b>			
5.	Staff Governors	11 - 12	JC
6.	Finance, Planning & Resources Committee - Chair's overview	Verbal Report	HM
<b>Items to discuss</b>			
7.	Vice Chancellor's report	13 - 30	DP
8.	Chief Financial Officer's report	31 - 48	RF
9.	Corporate Risk annual detailed review <ul style="list-style-type: none"> <li>• Risk appetite</li> </ul>	49 - 84	RF
10.	Larch transaction update	85 - 90	DP
11.	Senior remuneration policy	91 - 94	JS
<b>Items to note</b> <i>the following papers will only be discussed at the meeting if there is a matter that any governor wishes to raise with the Secretary the day before the meeting</i>			
12.	Terms of Reference <ul style="list-style-type: none"> <li>• Remuneration Committee</li> <li>• Finance, Planning and Resources Committee</li> </ul>	95 - 102	JS

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
13.	Annual declaration of interests	103 - 104	JS
14.	Reports and decisions of committees	105 - 110	JS
15.	Review of standing orders	111 - 112	JS
16.	Board strategy day report	113 - 116	JC
17.	Board annual work plan	117 - 124	JS
18.	Re-appointment of Chair (to approve) <i>(In the absence of the Chair)</i>	125 - 126	DDSP

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

**Members:** 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, Peter Fidler, Mee Ling Ng, Hilary McCallion, Jenny Owen, Jeremy Parr, Tony Roberts and Nazene Smout

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

**Drinks with the new Chancellor,  
Sir Simon Hughes,  
on the Keyworth Mezzanine from 6.00pm**

Supplements (for information only)

1. South Bank Colleges – governance documentation
  - \* Articles of association
  - \* Governance agreement
  - \* Asset deed
2. Governors' Register of Interest – full list of changes

**Minutes of the meeting of the Board of Governors  
held at 4.00 pm on Thursday, 12 July 2018  
1B27 - Technopark, SE1 6LN**

**Present**

Jerry Cope (Chair)  
Douglas Denham St Pinnock (Vice-Chair)  
Steve Balmont  
Shachi Blakemore  
Duncan Brown  
Julie Chappell  
Michael Cutbill  
Nelly Kibirige  
Kevin McGrath  
Peter Fidler  
Mee Ling Ng  
Hilary McCallion  
Jenny Owen (*for minutes 1 - 10*)  
Tony Roberts  
Nazene Smout

**Apologies**

David Phoenix

**In attendance**

Pat Bailey  
Richard Flatman  
James Stevenson  
Michael Broadway

**1. Welcome and apologies**

The Chair noted that the Board had just received an informative presentation on student retention.

The Chair welcomed governors to the meeting and welcomed Nelly Kibirige and Nazene Smout to their first meeting as governors.

The above apology was noted.

**2. Declarations of Interest**

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

3. **Minutes of previous meeting**

The Board approved the minutes of the Board meeting of 17 May 2018 and their publication.

The Board (as members) approved the minutes of the general meeting of 17 May 2018.

4. **Matters arising**

There were no matters arising from the previous meeting.

5. **Independent governor recruitment update**

The Board noted that the Appointments Committee had approved the appointment of Jeremy Parr as an independent governor from 1 August 2018.

The Chair reported that the Nomination Committee is developing a diversity strategy to help improve the diversity of the Board and to encourage a more diverse pool of applicants. Recruitment consultants would be approached for the next independent governor recruitment round in autumn 2018.

6. **Feedback from 1:1 conversations with members on Board effectiveness**

The Chair reported on the feedback he had received as part of his conversations with individual governors on the effectiveness of the Board and individual governor contributions. All governors agreed that the structure and approach of the Board was effective. The Chair is considering specific challenges raised and had also agreed some personal challenges for a number of governors.

7. **Vice Chancellor's report**

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

The Board discussed student recruitment for 2018/19. The number of applications and firm acceptances were positive although competition in clearing is expected to be high. Conversion from offer to acceptance had increased compared to previous years.

The Board discussed an update on budget planning for 2018/19 and the required staff cost savings, noting the impact of restructure proposals and applications for the voluntary severance scheme. The Board discussed the

impact on staff morale and engagement. A potential topic for the next Board strategy day is workforce planning and the offer to staff.

The Board noted the outcome of the subject-level teaching excellence framework (TEF) pilot. Participation in the subject-level TEF is required from 2019/2020. The Board noted the excellent score in the Destination of Leavers of Higher Education (DLHE) survey 2016/17. The DLHE score is a metric in the TEF.

The Board noted that discussions were progressing with the British University in Egypt on the proposal for LSBU to open an international branch campus in Egypt. The final business case would go to MPIC/Board for approval.

The Board noted the planned opening of the Passmore Centre in November 2018.

The Board congratulated the student support team on winning the Times Higher Education Leadership and Management award for 'outstanding student support'.

## **8. Chief Financial Officer's report**

The Board discussed the Chief Financial Officer's report on the current financial position and forecast surplus of £1.5m for 2017/18. The risks to achieving the budgeted surplus are uncertainty on final pension costs and staff restructuring costs. The Board noted the potential impact of the cost of change proposals on both current year performance and the 2018/19 budget. An update will be provided at the next meeting of the Finance, Planning and Resources committee (FPR).

The Board approved the budget for 2018/19 which had been discussed in detail by FPR. The planned income for 2018/19 is broadly flat at £145m to deliver a surplus of £1.5m. The level of income and surplus is consistent with the five year forecasts that were presented to the Board strategy day in April 2018.

The Board approved the five-year forecasts which had been discussed in detail by FPR. In approving, the Board noted the challenge of delivering against the income growth assumptions but recognised the additional costs built into the forecasts linked to income growth and that a contribution of only 20% on new activity had been assumed.

The Board approved the opening of a deposit account with Close Brothers.

9. **Race Equality Charter Mark**

The Board confirmed the University's commitment to inclusivity as set out in the University's values and strongly supported the University's application in July 2018 for a Race Equality Chartermark.

10. **Project Larch recommendations**

The board noted the project Larch update which had been considered in detail by the Major Projects and Investment Committee (MPIC) at its meeting of 28 June 2018.

The Board agreed that there had been no material changes to the seven "redlines".

The Board noted the outcome of the DfE Funding Committee, External Advisory Panel and Designation Committee.

The Board noted that the mechanism to complete the transaction, if approved, is under discussion with Lambeth College.

The Board appointed a transaction sub-committee of the Chair of the Board, the Chair of MPIC, the Vice Chancellor and the Chief Financial Officer to approve the transaction on behalf of LSBU and to grant any security to Barclays as necessary.

*Jenny Owen left the meeting*

11. **CUC Remuneration Code**

The Board agreed to adopt the CUC 'Higher Education senior staff remuneration code' (2018) and the three elements of fair and appropriate remuneration: i) a fair, appropriate and justifiable level of remuneration; ii) procedural fairness; and iii) transparency and accountability. The Remuneration Committee would report on LSBU's compliance with the Code in its annual report.

A revised senior management pay policy had been reviewed by the Remuneration Committee. The Board would be asked to approve the revised policy at its October 2018 meeting.

12. **Freedom of Speech policy**

The Board supported the Freedom of Speech policy and LSBU's commitment to "the principles of free speech and freedom of expression ... and the free

expressions of opinions within the law, and the upholding of the principles of academic freedom in all activities of the University”.

**13. Fundraising strategy / CC20 compliance**

The Board noted the Charity Commission guidance “Charity Fundraising: a guide to trustee duties (CC20)” and how LSBU complies with the guidance.

The Board approved the fundraising strategy.

**14. Award of security contract**

The Board approved the award of the contract to CIS Security Ltd for £6.1m on the condition that the service is not reduced in order to manage the budget.

**15. Sustainable Development Goals**

The Board supported the principles of the sustainable development goals accord and the University signing up to the phase 1 commitments.

**16. Reports on decisions of committees**

The Board noted the reports of sub-committees.

The Board approved the delegation to a sub-committee of the Chair of the Board, the Chair of MPIC and the Vice Chancellor to approve the final sign-off of a lease for Lancaster House for up to £9m, if required.

{Secretary’s note: the lease for Lancaster House did not proceed.}

**17. Corporate risk**

The Board noted the update on corporate risk.

**Date of next meeting**  
**10am, Thursday, 27 September 2018 – strategy day**  
**4pm, Thursday 18 October 2018**

**Confirmed as a true record**

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**BOARD OF GOVERNORS - THURSDAY, 12 JULY 2018**  
**ACTION SHEET**

<b>Agenda No</b>	<b>Agenda/Decision Item</b>	<b>Action</b>	<b>Officer</b>	<b>Action Status</b>
5.	Independent governor recruitment update	Approach recruitment consultants for the next independent governor recruitment round	James Stevenson	Completed
7.	Vice Chancellor's report	Invite governors to Passmore Centre opening on 28 November 2018	James Stevenson	Completed
8.	Chief Financial Officer's report	Update to the FPR meeting of 25 September 2018 on the impact of cost of change proposals	Richard Flatman	Completed
11.	CUC Remuneration Code	Senior management pay policy to Oct 2018 Board meeting	Mee Ling Ng	On agenda
13.	Fundraising strategy / CC20 compliance	To review a governor's query on charity commission guidance	James Stevenson	Completed

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	CONFIDENTIAL
Paper title:	Staff Governor term extension
Board/Committee:	Board of Governors
Date of meeting:	18 October 2018
Author(s):	Claire Freer, Governance Assistant
Sponsor(s):	Jerry Cope, Chair of the Board
Purpose:	For Approval
Recommendation:	The Board is requested to approve the extension of the Staff Governors' terms from 20 October 2018 to 28 February 2019.

## **Executive Summary**

The two Staff Governors, Jenny Owen and Tony Roberts, were elected in October 2015 for a three year term due to end on 20 October 2018.

Staff Governors are elected by the Academic Board from the five nominated members of the Academic Board. The nominated members of the Academic Board were due to be re/elected in June 2018, however a decision was made by the Chair of the Academic Board to postpone the selection process until a review of the Academic Board membership was completed.

The Academic Board will review a revised membership proposal, including changes to the nominated positions, at its meeting on 31 October 2018. Once approved, nominations for the nominated positions on the Academic Board will open in November 2018. The Academic Board will then be asked to recommend two nominated members to serve as Staff Governors at its subsequent meeting on 21 February 2019.

The Board is requested to approve the extension of the terms of the serving Staff Governors until 28 February 2019 to allow for the completion of the nomination process for Academic Board members. Both serving Staff Governors are eligible to serve a second term on the Academic Board and, if selected, serve a second term as Staff Governors.

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	CONFIDENTIAL
Paper title:	Vice Chancellor's Report
Board/Committee	Board of Governors
Date of meeting:	18 October 2018
Author:	David Phoenix, Vice Chancellor
Executive sponsor:	David Phoenix, Vice Chancellor
Purpose:	To update the Board on University matters
Recommendation:	To note the report.

## Executive Summary

Despite challenges in the sector, we have performed strongly in recruitment this year. In UGFT we have secured a total of 3,775 Firm Accepts putting us at 108.5% in fulfilment of our recruitment target of 3,480. Even more positively, every School has achieved, or is within <1% of achieving, their own individual UGFT recruitment targets. Following from being awarded University of the Year for Graduate Employment for the second year running, we have also been ranked 4<sup>th</sup> in the table for graduate prospects in the Times League Tables: however, overall we deteriorated by 1 rank position from 106<sup>th</sup> to 107<sup>th</sup>. This fall was driven by our fall in NSS outcomes where we now sit around the 80th percentile. Research and enterprise income have both performed strongly, increasing year-on-year in absolute terms and hitting target

## Vice Chancellor's Report October 2018

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

### **1.0 External performance**

#### **1.1 Overall 2019 Times League Table Performance**

LSBU has deteriorated by 1 rank position from 106<sup>th</sup> to 107<sup>th</sup> and by 1 point in terms of score from 443 to 442. A further 4 points would have placed LSBU joint 105<sup>th</sup> with Abertay and University of Central Lancashire. Leeds Arts University joined the table for the first time this year, entering above LSBU at rank 54<sup>th</sup>. Ravensbourne University and Wolverhampton also joined the table for the first time this year, both entered below LSBU.

##### **1.1.1 LSBU Measure Performance**

LSBU has shown improved overall scores for Graduate prospects (+5.6%) Good Honours (+5%), Completion (+2.4%), SSR (0.5 improvement) and maintained UCAS entry tariff. However, deterioration was seen for NSS scores in teaching quality (-1.9%) and student experience (-2.3%) and Spend per Student (-£164).

LSBU is ranked 4<sup>th</sup> in the table for graduate prospects, and 65<sup>th</sup> for Research Quality, although ranked poorly for Entry Tariff at 126<sup>th</sup> and for Continuation at 118<sup>th</sup>. LSBU increased in rank by 16 places for both Graduate Prospects and Good Honours, 7 places for SSR and 5 places for Completion, but dropped 35 places for Spend per Student. The NSS scores dropped 24 and 23 places for NSS Teaching Quality and Student Experience.

LSBU is now ranked outside of the top 100 for:

- NSS Teaching Quality 105<sup>th</sup>
- NSS Student Experience 103<sup>rd</sup>

The need to address the NSS position has to be a key priority this year.

##### **1.1.2 LSBU Performance against other London Moderns**

Among London Moderns; 6 out of 10 declined in rank, notably West London (56<sup>th</sup> to 83<sup>rd</sup>) and Middlesex (91<sup>st</sup> to 110<sup>th</sup>), both mainly due to NSS performance. University of the Arts, London showed a large improvement (115<sup>th</sup> to 94<sup>th</sup>), mainly due to Graduate Prospects and Entry Tariff improvement.

Overall metric performance is detailed below.

INSTITUTION	RANK	OVERALL SCORE	TEACHING QUALITY	STUDENT EXP.	RESEARCH RATING	UCAS TARIFF POINTS	GRADUATE PROSPECT	FIRSTS/21 S	COMP' RATE	SSR	SERVICES FACILITIES SPEND
University of Roehampton	70	519	77.7	77.4	24.5	109	72.2	68.9	81.2	14.7	2216
University of West London	83	492	79.2	77.3	1.6	120	74	72.4	76.5	15.6	2893
University of the Arts, London	94=	471	76.3	70.9	8	139	72.2	65.8	84.1	14.4	1805
University of Greenwich	100	458	78.8	76.9	4.9	135	70.3	74.1	80.9	17.9	2203
<b>London South Bank University</b>	<b>107</b>	<b>442</b>	<b>77.1</b>	<b>75.2</b>	<b>9</b>	<b>107</b>	<b>87.7</b>	<b>68.9</b>	<b>77</b>	<b>16.5</b>	<b>2084</b>
Kingston University	110=	432	78.3	77.2	5.1	127	64.5	70.1	81.2	16	2362
Middlesex University	110=	432	75	73.9	9.7	118	73.5	67.4	72.8	16.6	3170
University of Westminster	114	428	73.4	74	9.8	124	70.4	71.9	82.9	17	2022
University of East London	115=	424	81.4	80.1	7.2	114	65.3	63.9	73.3	17	2449
London Metropolitan University	131	280	78.5	74.6	3.5	102	70.7	52.3	68.8	21.6	1970
Ravensbourne University London	132	257	71.9	67.9	n/a	109	68.7	65.6	77.9	28.8	1731

## 1.2 2019 Times Higher International Rankings

LSBU has deteriorated slightly from rank 801-1000 in the 2018 ranking to 1000+ in 2019. In total 1,258 Institutions were ranked (significantly more than in previous years). The decline in rank is largely as a result of new institutions entering above LSBU. The ranking is largely based upon research metrics, with only a minimal impact from teaching (even teaching metrics largely rely on the measuring the PhD cohort). It is important to note that LSBU only appeared in the table for the first time two years ago, and appearing in the table provides us with external validation for prospective international students.

This decline in score is despite an improvement in 4 out of 5 areas. The only measure to decline in score was teaching (16.4% to 14.5%). This measure is made up of 5 sub-measures. The lowest performing of these measures is teaching reputation – based on a survey of academics and the score for this at 0.5 is similar to the score of 0.3 for research reputation. Scores are detailed below.

	Teaching	Research	Citations	Industry	International Outlook

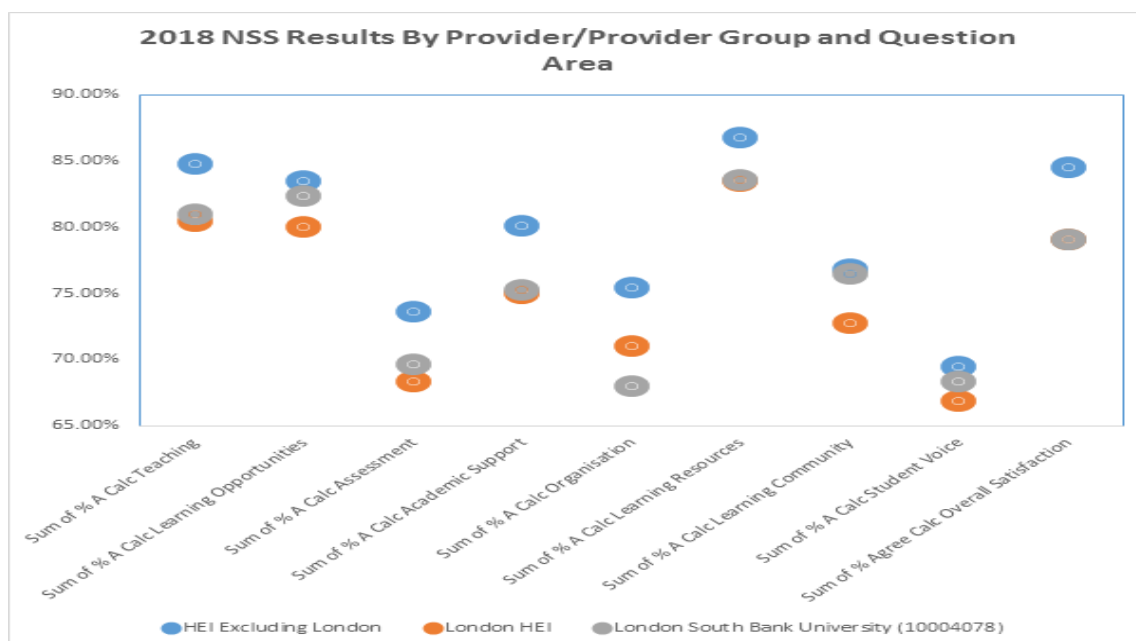
				Income	
<b>LSBU scores</b>	<b>14.5 (16.4)</b>	<b>10.0 (8.9)</b>	<b>15.8 (12.1)</b>	<b>34.5 (32.7)</b>	<b>71.3 (69.7)</b>
Worldwide - Top	58.6	59.3	100.0	71.0	99.8
Worldwide - 75%	34.5	30.7	73.8	49.8	62.9
Worldwide - Median	24.3	18.7	44.7	39.4	43.5
Worldwide - 25%	18.2	11.5	23.3	35.6	27.2
Worldwide - Bottom	9.2	6.6	1.4	34.0	12.7

## 2.0 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.

### 2.1 2018 National Student Survey Results – London South Bank

LSBU saw a decline in its overall satisfaction of 3% in 2018 compared to 2017 which is disappointing. Sector wide, all NSS question areas declined for the second year in a row after a trend of steady increases for the previous 10+ years. LSBU saw declines against all question areas in excess of the national average. The decline in NSS scores will have an impact on TEF scores and league tables. This impact is currently being modelled.



The graph above shows LSBU's results in comparison to the sector and London higher education institution averages. As can be seen, London consistently has lower NSS scores than nationwide, and LSBU has results in line, or above the



London average for each question set in the 2018 NSS, with the exception of Organisation. LSBU has consistently received poor scores against questions relating to organisation and management in the NSS. These questions relate to course organisation, timetabling, and communication of changes. This area of the NSS, as well as other question areas and other forms of student and staff feedback have been a significant driver in establishing LEAP.

In terms of School performance, six out of seven Schools saw a decline in overall satisfaction scores and 5 Schools declined by more than 1%. All Schools have a lower score than the benchmarked average for overall satisfaction. These scores are detailed below. All Schools have been asked to develop action plans with the aim of raising performance to acceptable levels, whilst longer term approaches are developed that will see LSBU student experience scores higher than sector benchmarks consistently across the institution. As a consequence of these scores, NSS scores will be the focus of the Senior Leadership Team Strategy Day at the end of October.

2017/18 NSS Overall Satisfaction Scores		
School	Change from 2016/17	Difference from Sector Subject Average
Applied Sciences	0.2%	-12.5%
Arts & Creative Industries	-3.4%	-2.5%
Built Environment & Architecture	-6.7%	-9.8%
Business	-10.7%	-4.5%
Engineering	-1.6%	-7.1%
Health & Social Care	-0.2%	-0.1%
Law & Social Sciences	-1.5%	-0.6%
<b>Overall</b>	<b>-2.70%</b>	<b>-4.70%</b>

## 2.2 Suicide- Safer Universities

Universities UK and Papyrus have recently published a report, [Suicide-Safer Universities](#), asking university leaders to prioritise suicide-safety activity and giving clear recommendations against a national context where suicide is the biggest cause of death for young adults.

Student demand for support from the Mental Health and Wellbeing team at LSBU has been increasing year-on-year, as shown in the table below.

Year	2015-2016	2016-2017	2017-2018
Number of appointments	1,061	1,211	1,744
% increase	-	14.13%	44.01%

1 in 5 students seen by the Mental Health and Wellbeing team during 2017/18 had presented concerns of self-harm or suicide thoughts/behaviour, and nearly 1 in 3 Safety Concern Response student cases during 2017/18 related to self-harm or suicide thoughts/behaviour. There was one student suicide in 2017/18.

Our current and planned activity anticipates the report's recommendations and we are confident in the support the Wellbeing team delivers to students, and the joined up nature of our safety concern response across the institution. For students presenting with self-harm or suicide thoughts/behaviour, the outcomes of support coordinated by Safety Concern Response are overwhelmingly positive: 85% of students under Safety Concern Response with self-harm/suicide concern completed their year of course during 2017/18. We continue to develop and strengthen our response, processes, and partnerships as we work to create a suicide-safer community.

### **3.0 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.**

#### **3.1 Research, Enterprise and Innovation**

Preliminary outturns for the 2017/18 year suggest year to date earnings of £3.4M for research (target £3.4M) with another £0.5M contracted in year but not yet earned, and £11M enterprise income (target £10.4M) earned to date with another £2M contracted in year but not yet earned. As anticipated in the last report, this strong performance exceeds targets for the year. There were particularly strong performances by Engineering in research, and all contributing enterprise areas exceeded their income targets: strong performers were Health and the three 'STEM' Schools. There has been considerable work undertaken with the Welding Institute at Cambridge (TWI), to understand the potential for an LSBU investment portfolio and to prepare for the launch of the LSBU Cambridge Campus, expected now to be just before the end of the calendar year. As part of this work, an agreement between LSBU and a bidding organisation utilised by the TWI has been contracted to improve our success rate and income value of proposals for both research and enterprise.

For the year to date we have secured £2.7m of research income against a target of £3.4m, and £7.1m of enterprise income against a budget target of £10.5m. For both research and enterprise, contracted income for the remainder of the year suggests that both streams should outturn close to, or on target. Of particular note, LSBU is starting a third Innovation Centre (IC) with the Welding Institute at Cambridge (TWI). The earlier ICs have been particularly successful. Two recent collaborative awards in the last month for £2M and £5.5M will deliver another £1M net to LSBU taking the total of LSBU research earning from our partnership with TWI to just over £5M in three years.

Through two successive operations of an Annual University Research Audit (AURA) and looking at LSBU outputs which are certified as completely compliant with the UKs open repository data requirement, some 13 campus based research centres have been identified in addition to 3 innovation centres with TWI in Cambridge. Each centre has a designated head and these heads are developing 3 year road maps and a 'mini REF' (Research Excellence Framework) submission for delivery on target at the end of October. In addition, preparation for the REF is strengthened by the appointment of an overall external LSBU REF assessor to scrutinise our submission (Professor Ghassan Aouad, President Applied Science University, previously PVC Research at Salford University and 2014 REF panel member), and LSBU participation in a UKRI sponsored REF pilot study for Psychology to test the new 2021 assessment metrics

### *School Enterprise Income*

School	Closed won				Conversion %			
	2017/18 YTD		2016/17 YTD		YTD 2017/18		YTD 2016/17	
	Volume	Value £	Volume	Value £	Volume	Value	Volume	Value
ACI	2	£187,034	17	£98,761	50%	91%	77%	26%
ASC	3	£720,425	5	£105,077	20%	65%	6%	7%
BEA	7	£233,740	7	£246,740	33%	22%	39%	21%
BUS	4	£296,000	5	£212,500	44%	26%	42%	43%
ENG	10	£678,280	11	£478,907	43%	39%	29%	28%
HSC	26	£1,219,666	24	£2,197,724	58%	41%	35%	35%
LSS	2	£24,446	5	£171,789	15%	8%	25%	25%
Other	8	£1,080,210	8	£2,914,894	44%	36%	32%	71%
<b>Total</b>	<b>62</b>	<b>£4,439,801</b>	<b>82</b>	<b>£6,425,392</b>	<b>42%</b>	<b>38%</b>	<b>29%</b>	<b>26%</b>
<b>YoY %</b>	<b>76%</b>	<b>69%</b>			<b>144%</b>	<b>148%</b>		

## School Research Income

School	YTD 2017-18					
	Closed won		Closed lost		Conversion %	
	Volume	Value £	Volume	Value £	Volume	Value
ACI	1	£70,203	10	£1,065,373	9%	6%
ASC	3	£312,525	14	£5,707,373	18%	5%
BEA	2	£30,541	13	£2,024,314	13%	1%
BUS	0	£-	2	£19,994	0%	0%
ENG	10	£2,964,269	48	£12,090,837	17%	20%
HSC	3	£41,854	22	£1,349,542	12%	3%
LSS	1	£9,980	19	£956,015	5%	1%
<b>Total</b>	<b>20</b>	<b>£3,429,372</b>	<b>128</b>	<b>£23,213,447</b>	<b>14%</b>	<b>13%</b>

### 3.2 Recruitment Agency Update

The LSBU Recruitment Agency, set up in November 2017 has made good progress so far. The total internal temporary hours contracted has been 37,978 and the total external temporary hours is 2,390. Throughout 2018/19 we will be focusing on building links with external businesses. In total 184 LSBU students worked through the agency, 51 external temps worked through the agency and a further 1,545 LSBU students are registered.

In terms of progress against the initial business case, there was a predicted loss of circa £130,000 in our first year (due to set up costs and need to build the business), however we actually made a small profit of around £10,000.

Already this year we have seen a significant increase in student registrations over welcome week and first weeks of teaching, and have recruited a second employment consultant to manage demand.

### 4.0 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.**

#### 4.1 UGFT Clearing Update & Market Context

Building on our strongest Main Cycle recruitment phase in five years, we've generated an additional 1,215 Firm Accepts through the Clearing period (up 31.3% or 290 Firm Accepts on last year). We are only one of five UK universities to have crossed the 1,000 Firm Accepts level in Clearing – a milestone shared with prestigious institutions such as the University of Nottingham. Against the backdrop of a shrinking market (with UCAS acceptances declining for a third successive year),

this is an excellent achievement considering our applications are tracking broadly on par with last year. It is further confirmation of our growing efficiency towards making each application count.

## 4.2 LSBU Recruitment Update: Home/EU

We are in the strong position of having achieved 103.3% of our Home/EU Recruitment Target. We remain focused on maximising this opportunity and are working to convert these recruited students into full enrolments in the closing stages of the 2018 cycle.

**LSBU Recruitment Position (HOME & EU Firm Accepts) as at 5<sup>th</sup> Oct 2018**

5th Oct 2018	Year to Date Progress			Change Since Last Year			Pipeline	
	Mode	Recruitment Target	Year to Date Total FAs	Progress to Target	LYTD Total FAs	% +/- change vs LY	+/- change vs LY	FAs Required to Hit Target
<b>UGFT</b>	<b>3,480</b>	<b>3,775</b>	<b>108.5%</b>	<b>3,103</b>	<b>▲ 21.7%</b>	<b>672</b>	<b>-295</b>	<b>83</b>
Home	3,159	3,315	104.9%	2,813	▲ 17.8%	502	-156	56
EU	320	460	143.7%	290	▲ 58.6%	170	-140	27
<b>UGPT</b>	<b>798</b>	<b>832</b>	<b>104.3%</b>	<b>702</b>	<b>▲ 18.5%</b>	<b>130</b>	<b>-34</b>	<b>118</b>
Home	798	797	99.9%	657	▲ 21.3%	140	1	112
EU	0	35	-	45	▼ -22.2%	-10	-35	6
<b>PGFT</b>	<b>884</b>	<b>855</b>	<b>96.7%</b>	<b>811</b>	<b>▲ 5.4%</b>	<b>44</b>	<b>29</b>	<b>223</b>
Home	770	729	94.7%	689	▲ 5.8%	40	41	145
EU	115	126	109.9%	122	▲ 3.3%	4	-11	78
<b>PGPT</b>	<b>560</b>	<b>450</b>	<b>80.4%</b>	<b>524</b>	<b>▼ -14.1%</b>	<b>-74</b>	<b>110</b>	<b>82</b>
Home	560	405	72.3%	477	▼ -15.1%	-72	155	74
EU	0	45	-	47	▼ -4.3%	-2	-45	8
<b>LSBU</b>	<b>5,722</b>	<b>5,912</b>	<b>103.3%</b>	<b>5,140</b>	<b>▲ 15.0%</b>	<b>772</b>	<b>-190</b>	<b>506</b>
Home	5,287	5,246	99.2%	4,636	▲ 13.2%	610	41	387
EU	435	666	153.2%	504	▲ 32.1%	162	-231	119

Our growth this year is driven by a significant uplift in UGFT recruitment: we are 15.0% (or +770 Firm Accepts) up on last year overall. Positively, nearly every School has seen double-digit percentage growth in Firm Accepts. Proportionately, BEA and BUS grew the most (51.1% and 43.3% respectively), while other Schools saw 10-20% growth in Firm Accepts; ACI grew by 2.8%, sustaining their cohort size despite a 7% decrease in applications earlier in the year through a strong focus on engagement and conversion. In UGPT, BEA have grown by over 100 Firm Accepts via Apprenticeships.

**UGFT / UGPT School Recruitment Position (HOME & EU Firm Accepts) as at 5<sup>th</sup> Oct 2018**

UGFT FAs			Change			UGPT FAs			Change		
BEA	269	178	▲ 51.1%	91	LSS	31	19	▲ 63.2%	12	KEY 2018 2017	
BUS	675	471	▲ 43.3%	204	BUS	45	35	▲ 28.6%	10		
ENG	488	398	▲ 22.6%	90	BEA	621	506	▲ 22.7%	115		
HSC	922	775	▲ 19.0%	147	APS	11	9	▲ 22.2%	2		
LSS	568	484	▲ 17.4%	84	ENG	94	87	▲ 8.0%	7		
APS	406	362	▲ 12.2%	44	HSC	30	46	▼ -34.8%	-16		
ACI	447	435	▲ 2.8%	12							

Postgraduate performance is mixed: ACI have tripled the number of FT and PT Firm Accepts. And continuing from their UGFT trajectory, HSC have seen a notable gain of over 40 Firm Accepts across PG. The remaining Schools are broadly on par or below last year's Firm Accepts intake. There were over 300 unaccepted Live Offers left in the Postgraduate pipeline at the end of the cycle, which applicants did not respond to. Further analysis of the PG market, motivations and behaviours of applicants and the LSBU offer are taking place to improve our understanding of the market and support growth in the ahead.

**PGFT / PGPT School Recruitment Position (HOME & EU Firm Accepts) as at 5<sup>th</sup> Oct 2018**

PGFT	FAs	Change	PGPT	FAs	Change	KEY
ACI	28 7	▲ 300% 21	ACI	9 3	▲ 200% 6	2018 2017
LSS	187 164	▲ 14.0% 23	HSC	66 45	▲ 46.7% 21	
HSC	302 282	▲ 7.1% 20	APS	43 43	▲ 0.0% 0	
APS	67 63	▲ 6.3% 4	ENG	9 9	▲ 0.0% 0	
ENG	43 42	▲ 2.4% 1	LSS	100 109	▼ -8.3% -9	
BEA	124 126	▼ -1.6% -2	BEA	183 243	▼ -24.7% -60	
BUS	104 127	▼ -18.1% -23	BUS	40 72	▼ -44.4% -32	

The extension of UGFT Clearing by one week has generated a buffer for LSBU overall. Based on a modelling assumption of 90% conversion for Home/EU, we are currently forecasting an overall surplus of £1.8m in enrolment income LSBU-wide. This is based on average tuition fees and doesn't account for in-year withdrawals.

To maximise attendance at their face-to-face sessions, we sent out text message reminders to students 24 hours before their appointments. Additionally, any students who missed their appointments have been reallocated a new slot and sent reminders automatically. We also introduced Outbound Calling from Marketing to support the conversion of Firm Accepts who failed to engage in the enrolment process (this has all helped deliver the enrolment performance and post-enrolment analysis will take place to further build on this for the next cycle).

**LSBU Enrolment Forecasts (HOME & EU Firm Accepts) as at 5<sup>th</sup> Oct 2018; Gross Tuition Fee Income, does not account for in-year drop outs or withdrawals. Based on Average Tuition Fees for School/Mode.**

5th Oct 2018	Enrolment Forecasts				Income and Revenue Forecast		
Mode Home / EU	Enrolment Target	Forecasted Enrolments	% vs Target	+/- vs Target	Income Target	Forecasted Income	Revenue Gap
<b>UGFT</b>	<b>3,132</b>	<b>3,398</b>	<b>108.5%</b>	<b>266</b>	<b>£ 28,323,677</b>	<b>£ 30,695,689</b>	<b>£2,372,013</b>
Home	2,844	2,984	104.9%	140	£ 25,720,663	£ 26,963,097	£1,242,435
EU	288	414	143.7%	126	£ 2,603,014	£ 3,732,592	£1,129,578
<b>UGPT</b>	<b>718</b>	<b>749</b>	<b>104.3%</b>	<b>31</b>	<b>£ 3,359,392</b>	<b>£ 3,457,506</b>	<b>£98,115</b>
Home	718	717	99.9%	-1	£ 3,359,392	£ 3,305,792	<b>-£53,599</b>
EU	0	32	-	32	£ -	£ 151,714	£151,714
<b>PGFT</b>	<b>796</b>	<b>770</b>	<b>96.7%</b>	<b>-26</b>	<b>£ 6,252,105</b>	<b>£ 5,978,288</b>	<b>-£273,817</b>
Home	693	656	94.7%	-37	£ 5,423,703	£ 5,092,418	<b>-£331,285</b>
EU	103	113	109.9%	10	£ 828,402	£ 885,870	£57,468
<b>PGPT</b>	<b>504</b>	<b>405</b>	<b>80.4%</b>	<b>-99</b>	<b>£ 1,650,516</b>	<b>£ 1,315,933</b>	<b>-£334,584</b>
Home	504	365	72.3%	-140	£ 1,650,516	£ 1,184,565	<b>-£465,951</b>
EU	0	41	-	41	£ -	£ 131,367	£131,367
<b>LSBU Home/EU</b>	<b>5,150</b>	<b>5,321</b>	<b>103.3%</b>	<b>171</b>	<b>£ 39,585,689</b>	<b>£ 41,447,416</b>	<b>£1,861,727</b>
Home	4,759	4,721	99.2%	-37	£ 36,154,274	£ 36,545,873	£391,599
EU	391	599	153.2%	208	£ 3,431,416	£ 4,901,543	£1,470,128

### 4.3 LSBU Re-enrolment Update: Home/EU (5<sup>th</sup> October)

Building on the learning from last year, we focused Welcome Week activity around ensuring all students had the best possible experience in their first few weeks at LSBU, including attending their Academic Inductions to create immediate connection with their course/Schools. Steps to achieve this included providing registers of students to Schools, attendance monitoring and immediate follow-up by School Executive Administrators and academics calling for non-attendees.

We've secured 6,243 re-enrolments versus a target of 5,822 for Home/EU. This represents 107.2% fulfilment of our Home/EU re-enrolment target. Our outbound operations, which have been running since mid-August, will continue to operate until Friday 12<sup>th</sup> October to prompt students to re-enrol. To date we've over 3,800 calls have been made, and 6,200 texts have been sent. Whilst there has though been an increase in postgraduate returners our year 1 undergraduate returners remain behind year 1 progression target. We will have more detail on this at the end of October but progression currently appears 4% behind last year.

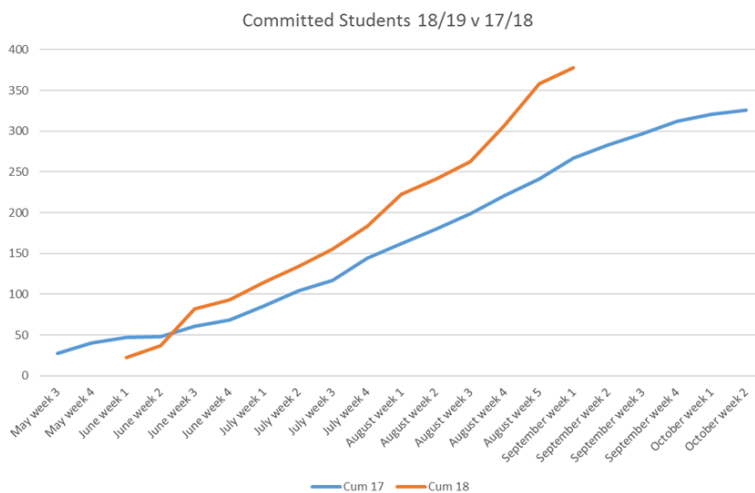
*LSBU Re-enrolment Trends (HOME & EU Full Re-enrolments) as at 5<sup>th</sup> Oct 2018; Gross Tuition Fee Income, does not account for in-year drop outs or withdrawals. Based on Average Tuition Fee for School/Mode.*

5th Oct 2018	Progress to Re-enrolment Target			Income & Revenue		
Mode Home / EU	Target Re-enrolment	Current Re-enrolments	Progress to Target	Target Income	Current Income	Revenue Difference
<b>UGFT</b>	<b>4,031</b>	<b>4,047</b>	<b>100.4%</b>	<b>£35,689,050</b>	<b>£35,846,406</b>	<b>£157,356</b>
<b>UGPT</b>	<b>1,040</b>	<b>1,076</b>	<b>103.5%</b>	<b>£5,348,200</b>	<b>£5,529,075</b>	<b>£180,875</b>
<b>PGFT</b>	<b>221</b>	<b>508</b>	<b>229.9%</b>	<b>£947,600</b>	<b>£2,752,329</b>	<b>£1,804,729</b>
<b>PGPT</b>	<b>530</b>	<b>612</b>	<b>115.5%</b>	<b>£1,553,975</b>	<b>£1,830,095</b>	<b>£276,121</b>
<b>LSBU</b>	<b>5,822</b>	<b>6,243</b>	<b>107.2%</b>	<b>£43,538,825</b>	<b>£45,957,905</b>	<b>£2,419,080</b>
Home	5,307	5,672	106.9%	£39,656,473	£41,777,461	£2,120,987
EU	515	571	110.9%	£3,882,351	£4,180,444	£298,093

### 4.4 International

The number of Firm Accepts now matches last year at this time but the yield continues to be much greater as the efficiency of the conversion has improved. At this time the most reliable information comes from the number of deposits that have been received and most importantly from the numbers of pre-enrolled students. While it is still possible for some of the students to be unable to join for a variety of reasons confidence can now be quite high in approaching semester one target. We now have 260 overseas students enrolled at 26th September and with deposits paid we predict the final number of students to be above 400. It is even more encouraging to note the increase in UG students in the mix which builds in sustainability over the next few years. It is a requirement of UKVI that progression for International students is above 85% and we are currently 2% above this (see UKVI stats below). International will be working with the Deans to improve on this figure which, although it is at the top end of the LSBU figures, could have a damaging effect on recruitment if it fell any further.

**OS Committed Students 18/19 versus 17/18**



As the students are now in the final phase of admission it is now possible to compare the number of CAS issued with last year in a meaningful way. We issue the CAS (confirmation of studies) under licence from the government and we are well up on last year. Our refusal rate looks to be under 5% this year which is very good for the sector.

Study Abroad students are down by 30 for the first semester. As each Study Abroad student is 0.3 FTE the impact is low. A new approach, to allow the operation to scale up, will be taken this year with greater involvement of the Schools and global partners, not just US ones. The UG/PG intake for January will focus on the BUS and BEA students and early indications are good for a strong intake. We also have our UKVI stats for the year with under 5% (10% max permitted) refusals, 99% (80% permitted) enrolment and 87% (85% permitted) progression.

**4.5 2019/20 Home Recruitment**



Work has already started for the new recruitment period and we have our first Open Day on Saturday 6<sup>th</sup> October. Early signs are positive with 1450 registrations, which is 100 up on last year with 4 days to go. We are building on the momentum generated through the Clearing campaign, highlighting our alumni and student stories.

#### **4.6 Major Partnerships**

The relationship between the British University Egypt and LSBU continues to grow and strengthen and the initial favourable response to BUE's offer of working with them to set up a branch campus is now about doing due diligence and carrying out a feasibility study of setting up an operation in Egypt. The most likely area for development is Hospitality and Tourism because it does not cannibalise any of the current operations and is an area of current strength which is underexploited at LSBU. The Applied Science University in Bahrain has received a favourable quality assurance report from the Bahraini Higher Education Council and having completed the first year of LSBU programmes with a successful exam board there is growing confidence in the partner's ability to thrive. It is expected that the Ministry for Education in China will report back before November 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.

#### **4.7 Apprenticeships**

Apprenticeships are entering a period of rapid growth. Total recruitment in Sept and Oct 2018 was 366, with 350 from BEA and 16 from ENG. The total cumulative figure is 671. The NHS may also send between 300 and 600 apprentices, between now and Christmas, ensuring we remain on target for 2000 Apprentices by 2020. The Passmore Centre will open for teaching on 12<sup>th</sup> November with the opening event taking place on the 28<sup>th</sup> November. A number of standards will be actively promoted for January enrolment including Chartered Management Degree Apprenticeship, Digital Marketer and Project Manager. The Quality team continue with their preparation for Ofsted with an action plan in place.

#### **4.8 South Bank Academies Update**

##### **4.8.1 South Bank Engineering UTC**

This first cohort of Year 13 students comprised two main pathways: Academic route (A levels and BTEC in Engineering) and Technical route (Extended Diploma BTEC in Engineering), both with Maths and potentially with an Extended Project Qualification (EPQ). Results were mixed; performance in Engineering was strong with 100% Pass+ rate, and significant proportions of students achieving top (Distinction and Distinction\*) grades, which map across to top A level grades in terms of UCAS points. A BTEC Extended Diploma is worth the equivalent of three A Levels.

A level performance was below par overall, although there were some encouraging performances in A level Maths. A significant number of entries failed to achieve an E

(Pass) grade with 22 U grades achieved out of 47 entries. The most challenged subjects were Physics and Computer Science. For context, many of the A levels were in their first cycle, including chemistry, biology, physics and computer science, with only Maths an established course. The performance on A level courses will need urgent review and intervention.

The school also delivered its first cohort of GCSE students. All key measures of attainment were above or very close to national averages for 2017 (2018 figures are not yet published), with the UTC outstripping the 2017 national average on Attainment 8 overall (44.7 v 44.6). This is a significant achievement.

Student recruitment has been positive. The 2018/19 budget previously approved by the South Bank Academy Board reflected General Annual Grant GAG income from 184 students and associated income, whereas actual enrolments to date reflect an additional 31 students. The increase in student numbers is expected to generate additional income of approximately £222,000 and represents a very strong performance. The phase 2 building programme is ahead of schedule and due to hand over this month.

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

This first cohort of Year 13 students followed an Academic route (A levels and a small BTEC in Engineering). Performance in the Engineering BTEC was very strong with all but one of the 17 students achieving the award. Of the 16 students who passed, 13 were awarded \* distinctions or distinctions, 3 were awarded a combination of merits and distinctions. A level performance was disappointing with all subjects excluding biology reflecting negative value add scores. The biggest concerns are Maths, Product Design and Computer science where the negative value add was below -1.5 and the school is currently putting in interventions to address performance.

Student recruitment is in line with expectations. The estimated number of students used in the calculation of ESFA funding for 2018/19 was 697 and to date, the school has enrolled this number. Estimated funding based on the enrolment numbers is £5.8m which matches the budget previously approved by the SBA Board.

#### **4.9 Lambeth College**

As members of the Board may recall, Lambeth College Board nominated LSBU as its preferred partner on 15<sup>th</sup> March 2018. DfE approved the transaction and financial support in July 2018. A Statutory Instrument will be laid on 11<sup>th</sup> October to grant designation which will mean the new FE entity we are setting up should be operational in January 2018 at the same time as the transaction completion.

The College and University have been working together to complete a number of activities including Strategy and Curriculum Planning. As the transaction nears completion, we will turn our focus to integration and enhancing the performance of the College in the future.

#### **4.9.1 ESFA**

A case conference meeting was held with the ESFA at the end of September with LSBU, Lambeth College and Barclays bank in attendance. There was a discussion around cash flow which is impacted by ESFA clawback for 17/18 which will present a cash flow challenge for the college in December. The college is in the process of reviewing its 18/19 forecast in light of recruitment as part of the business planning and growth cycle in preparation for the next ESFA meeting at the end of October. The risk is that the ESFA rebase the college budget (based on the Adult Education Budget (AEB) under recruitment which would impact on future income projections.

#### **4.9.2 Lambeth College 18/19 Recruitment**

Recruitment for 18/19 16-18 year olds is in line with the allocation the College received from the ESFA for 18/19, though it is important to note that given the impact of lagged funding we will need to review the 19/20 budget given that planned for growth of 16-18 year olds will not be achieved.

Recruitment of adults is in line with last year which indicates that there is a risk that the college will not meet its allocated AEB funding in line with the budget. The college is working closely with teams at LSBU to maximise the opportunities of this funding stream. This includes close liaison with the University's apprenticeship team to offer English and Maths courses that will enable adults in work to access Higher and Degree Apprenticeships. There are further opportunities to develop the portfolio of courses funded by the College's AEB funding stream in regard to workforce development courses for LSBU staff and alumni and as part of the offer to LSBU's employer network.

#### **4.10 Public Affairs and Civic Engagement**

In August, the Higher Education Policy Institute published my paper on Level 4 and 5 education entitled "Filling in the Biggest Skills Gap: Increasing Learning and Levels 4 and 5". This was very well received with coverage in the key education media. It resulted in an extended meeting with the Universities Minister, Sam Gyimah, at which we discussed the importance of L4 and L5 education and other HE issues. We have now been offered a further meeting with the Secretary of State for Education. Following up the Levels 4 and 5 paper, we re-publicised our earlier HEPI paper on using the Apprenticeship Levy to support Employer Sponsored Degrees, given the growing interest in broadening Levy use.

We concluded the first phase of our report with National Centre for Universities and Business entitled Talent 2050, which will be published shortly. 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 group of the UUK / CBI report “The economic case for flexible learning” which recently reported making a number of recommendations to government on part time study, the apprenticeship levy and Levels 4 and 5 education.

I spoke at the Labour and Conservative Party Conferences sharing platforms with Universities and Science Minister Sam Gyimah and Gordon Marsden, Shadow Minister for Higher Education, Further Education and Skills.

Richard Harrington MP, Parliamentary Under Secretary of State at the Department for Business, Energy and Industrial Strategy came to speak at the University as part of the Dr Rami Ranger CBE Annual Enterprise Lecture.

The University has been selected to participate in the DfE’s Higher Education Immersion Programme in which DfE staff spend three days at the University with the aim of building their understanding of Higher Education and of the impact of education policies on higher education institutions.

Locally, we continue to engage directly, and through council run groups, with councillors and senior staff of Southwark and Lambeth councils, on the development of Further Education and skills provision. The Passmore Centre, our new hub for apprenticeships, will launch through a joint event with Southwark Council on 28 November.

We continue to work with the GLA on local and regional skills, including higher and degree apprenticeships. We have now been awarded Mayor’s Construction Hub status with a remit and funding to promote construction skills in partnership with five local boroughs and leading construction employers.

## **5.0 Strategic Enablers**

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

The Voluntary Severance Scheme has now been successfully completed. The closing date was 6 July, and all applications were considered by two Executive panels. People and Organisation are now processing 60 successful VS applications. 95% of the settlement agreements have been signed and returned, while the remaining four are awaiting signature from the individual or their legal advisor. 70% of successful VS applicants will have 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.

The consultation and selection processes for all change proposals has now been completed. We have worked closely with the Trade Unions to reduce the number of anticipated redundancies from 69 to 37 - 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.

Support for staff going through major change was provided by a detailed OD support package, advice from the 24/7 confidential Employee Assistance Programme and discussions with Line Managers.

## **5.2 Industrial Relations**

We held a number of meetings and informal discussions with the Trade Unions regarding the Voluntary Severance and Change Proposals over the summer. We believe that we succeeded in establishing an open and transparent line of communication and relations currently remain manageable.

On the advice of the Board of UCEA, LSBU will be implementing the pay elements of the New JNCHES settlement for 2018/2019 even though two of our three recognised unions (UCU and Unison) have not yet agreed to the pay award and are balloting their members for a strike. UNISON remains in dispute over the national pay round and will open a statutory strike action ballot on 14 September and close on 25 October. LSBU received a ballot notice on 5 September. UNISON has confirmed that the ballot will be conducted as one aggregate ballot across all affected employers. The earliest that UNISON's industrial action could start would be Monday 12 November.

Similarly, UCU has sent a ballot notice on 21 August. The ballot was due to open on Thursday 30 August and close at noon on Friday 19 October. The earliest that UCU's industrial action could start would be Friday 2 November. UCU has confirmed that it will be running separate disaggregated ballots, rather than one single aggregated ballot. This means that UCU will only be able to take action at HEIs where it achieves a mandate locally.

GMB has accepted the offer. We will implement the agreed pay uplift of 2% on spinal point 16-51, and £425 on spinal points 2-15 in October, backdated to August 18.

The Director of HR will communicate this to staff this month.

## **5.3 Pensions.**

The 2016 TPS valuation has been published and recommends that the employer contributions increase from 16.58% to 23.68% i.e. c7% in Sept 2019 which would add a cost of c£3M to the pay bill taking contributions to c23%. Given potential increased benefits for members the lack of increase in member contribution seems inappropriate and the scale of employer increase is

challenging. My position has been to challenge the scale of increase and lack of employer contribution.

USS pension scheme is also under review with the joint panel reporting recently:

*'it is the Panel's belief..... that the full implementation of these adjustments could mean total required contributions estimated at 29.2% to fund current benefits (minus the 1% match). This compares to the current rate of 26% (18% of salary paid by employers, 8% by employees) and the rate of 36.6% from April 2020 which is proposed by USS, based on the valuation as it stands.'*

There is a consultation on the level of risk the sector is willing to accept. The feeling across the sector is that an increase to 19.5-20% would be manageable although some institutions will struggle. There is not an appetite to accept any greater risk given the external challenges being faced at the moment.

These changes and inequalities being built up around these schemes and the LGPS do require us to consider how as an institution we are going to develop an offer for staff that provides flexible and appropriate rewards into the future.

	CONFIDENTIAL
Paper title:	Report from the Group Chief Financial Officer
Board/Committee:	Board of Governors
Date of meeting:	18 October 2018
Author(s):	Richard Flatman, Group Chief Financial Officer
Sponsor(s):	Richard Flatman, Group Chief Financial Officer
Purpose:	To update the Board on group financial matters including the draft financial result for 2017/18 (subject to audit).
Recommendation:	The Board is requested to note the report and to approve the transfer of current banking from RBS to Barclays

Attachments:

Appendix 1: Management accounts summary to 31 July 2018.

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## Report from the Group Chief Financial Officer: October 2018

### 1. Financial performance

#### *Year end result*

The latest summary management accounts to 31 July 2018 are included as Appendix 1.

The draft year end result for 2017/18 is a surplus of £1.6m which compares favourably to the June forecast of £1.5m and the budget of £1.5m. Full Year Income for the year is £145.3m, an increase of 1.3% on the adjusted 16/17 outturn. This includes:

- total income in the Enterprise segment of £11m, representing year on year growth of 25%
- Research income excluding Capital grants of £5.3m, representing growth of 18%, and
- TNE Income of £1.8m, representing 13% growth.

The University invested £83.3m in staff costs, an increase of 6.1% on the 16/17 total of £78.5m. In 16/17 there was a credit of £0.6m for Staff restructuring and the FRS102 Holiday pay adjustment, in 17/18 this charge increased by £2.5m to £1.9m. In terms of Operating Expenses, the University invested £44.6m in 17/18, a decrease of 10% on last years reported figure of £49.8m although this comparison is distorted by some high value write offs in 2016/17. Depreciation and interest payable were broadly unchanged from 16/17.

The results are subject to audit completion.

### 2. Year end audit

The production of the year-end consolidated financial statements, combining both LSBU and SBUEL, is well advanced and the audit is progressing well. The external audit team from KPMG is currently onsite. Areas of audit focus include fixed assets, revenue recognition, pensions and current year recruitment. No matters were reported to Audit Committee arising from any audit work done to date.

### 3. 2018/19 financial performance

At this early stage of the year there is nothing to indicate that a major mid-term budgetary review will be required although we will continue to monitor the position carefully over the next few months, also taking account of semester 2 enrolment.

At the Executive meeting on 3 October, I reported that the forecast income variance compared to budget for the year across all student types and modes of study (including forecast drop outs and semester 2 enrolment in line with agreed budget assumptions) was expected to be in the range -£1m to +£1m. This range was based on estimates on Friday 28 September and was substantially better than previous year when income was forecast to be £5m-£7m behind budget. At the time of drafting this report (4 October), the position had improved markedly with an extra 334 students added to the model and with both enrolment and re-enrolment still continuing. The latest combined estimate for all student types and modes of study for new and re-enrolling students combined is now £44k better than our budget fee income of £90m.

However, this masks serious concerns around progression. The income forecast for re-enrolling students is currently £2m behind budget, largely driven by lower than anticipated progression from Year1 to Year2 for FT-UG Home/EU students, despite the fact that we had been cautious in the budget by not building in any assumed increases in progression compared with previous year. Our budget progression assumption of 75% consistent with previous year actual and was lower than our agreed KPI target of 80% and our 2020 KPI target of 85%. The latest Year1 to Year 2 progression statistic is 71%, a 4% fall on previous year and 8% lower than two years ago. Whilst this financial shortfall on re-enrolling students is offset by an equally positive variance on new student recruitment, which is really encouraging for other reasons, the reduction in progression has removed any financial headroom we may have had this year.

From a cost perspective, we set ourselves the challenge to reduce staff costs by £5m through a combination of change and voluntary severance. Latest estimates are that we are approximately £0.75m short of target for 2018/19 although the longer term annual recurrent saving is close to £5m.

On the positive side for 2018/19 we have;

- £1m grant income which was held in reserve and not built into the budget
- Our normal £1.5m re-structure fund, which should be more than sufficient given the high level of change and cost booked in 2017/18

- £1m assumed additional interest cost for a new revolving credit facility linked to estate development cashflows. It is looking increasingly unlikely that this will be required in 2018/19.

This gives confidence at this early stage in the year that we can deliver to budget in 2018/19. We will however need to set aside funds to drive improvement in NSS/ and Progression outcomes in order to protect financial delivery in future years.

We will need to consolidate South Bank Colleges for the second half of the financial year, but any losses forecast are expected to be offset by the release of conditional grant from the Transaction Unit.

#### **4. Risk and control**

The internal audit programme for 2017/18 is complete and the draft annual report from PwC, our internal auditors, has been received. Their annual opinion is that

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.

The annual opinion is consistent with previous year and is the second highest of 4 assurance categories with the highest being satisfactory.

The annual report also refers to:

- The results of continuous internal audit work showing that on the whole our financial control environment has improved during the year since Phase1 work in 17/18, and that
- Notwithstanding the steady increase in the number of findings each year over the past 3 years, reflecting different reviews and risk profiles, the wider control environment has remained consistent and stable.

There were no critical risk findings in the year and one high risk report relating to International Partnership arrangements.

The auditors have also recently completed their annual review of our risk management processes and have again assigned a low risk rating, noting that risk management arrangements have remained robust and have improved. They noted that despite a low risk rated report in 2016/17, management have continued to implement improvements to further strengthen the University's approach to risk management.

On the basis of these results (and other management checks), the year-end financial accounts will include a full compliance statement in relation to LSBU's system of internal control. A detailed report setting out the assurance sources was reported to Audit Committee which approved the statement.

## 5. Group related matters

### *Lambeth College*

A merger transaction date of 31 January 2019 has been agreed.

Detailed documentation, including consolidated financial forecasts, has been provided to the OfS to enable them to form an opinion on future financial sustainability and provide assurance in this regard to the Transaction Unit (TU) and DfE.

Both the TU and the OfS raised numerous last minute questions regarding the structure of the deal and in particular the proposed novation of the existing LC loan to LSBU rather than repayment in full to Barclays. We have not been notified directly by the TU, but our understanding is that these concerns have now been satisfied and that the deal structure can proceed as originally intended.

We have received confirmation from OfS along the lines that:

*Our internal group met today and were broadly happy with the financial forecasts on the basis that the Barclays loan is novated to the University from the College and that it receives £14m from the restructuring facility via the College.*

As reported earlier both to MPIC and FPR, good progress is being made with Barclays regarding the proposed novation of the current Lambeth College loan to LSBU.

Barclays have agreed in principle and have advised us of indicative credit support for the merger and loan novation. We have received a draft term sheet with

indicative terms, including conditions precedent and outline covenants. These will be finalised with legal input on both sides. Barclays have appointed Pinsent Masons and LSBU have appointed VWV.

The margin interest rate on LSBU current loans with Barclays will remain unchanged at 0.225% and the rate on the LC loan to be novated to LSBU will fall to 1.65% (currently 2% and ratcheting to 2.6% in future). One condition is that we transfer our current banking operations with RBS to Barclays. The NPV of the margin interest cost over the remaining life of our group loans with Barclays (LSBU current and LC novated loan) is £2.378m compared with Barclays initial proposal of £3.16m. This is a reduction of £782k, including a saving of £309k in interest over the life of the loans as a result of transferring to Barclays our normal banking operations. The future cost of day to day banking will also be lower than currently paid to RBS following a very competitive tariff from Barclays.

The Board is requested to approve the transfer of current banking from RBS to Barclays.

We are currently working with KPMG on a range of LC related issues including:

- The planned audit arrangements for the LC completion accounts on 31 January 2019
- Consolidation treatment thereafter, and
- The accounting treatment to be adopted for receipt of the conditional grant from the TU.

We are also working with the LPFA and their legal advisers Eversheds regarding the transfer of pension liabilities from LC to South Bank Colleges (SBC). We have received a draft admission agreement for SBC to participate in the Local Government Pension Scheme as an Admitted Body. We are also taking appropriate advice in this regard from VWV.

Finance Transaction and Transition workstreams have been established to ensure successful completion of finance related activity before 31 January 2019 and the smooth and successful transition to group working from a financial perspective thereafter.

*South Bank Academies*

South Bank Academies, Multi Academy Trust, has now entered its third year of operation. The University Academy of Engineering South Bank has been open since September 2014 and South Bank Engineering UTC since September 2015. Both schools are now fully operational and this year delivered their first set of outcomes for students. This is a significant milestone for both schools and marks a new stage in their development.

As part of the Funding Agreement 2017/18 with the DfE, a review of governance at the UTC was completed in April 2018. Following this, the SBA Board commissioned an internal review of governance and management across the whole Trust. Good progress has been made in addressing the recommendations, including a revised model of governance and scheme of delegation which has been communicated to all members of the school's local governing bodies. We are also in the process of appointing a full time Executive Principal who will oversee academic delivery in both schools.

The Board of SBA is confident that these new arrangements will support the development of the Trust and the delivery of the highest level of learning and teaching to its students.

A number of high risk matters were raised during the audit of the accounts for the year ended 31 August 2017 regarding the operation of the accounting and internal control systems within SBA. As a consequence, LSBU has assumed more detailed oversight of financial control matters during the current year and an internal audit programme of work on key financial and other control systems has recently been agreed and is about to be rolled out. Good progress has been made in addressing the recommendations made last year and a detailed update report has been sent to the Education & Skills Funding Agency (ESFA) assuring them that appropriate action has been taken.

The team is currently a couple of weeks behind where I would like them to be with regard to the 2018 year-end financial closedown but indications are that we are in a much improved position compared to last year. First draft accounts report a small surplus of £273k (budget £350k), excluding fixed asset fund movements, on income of £6.7m.

We are also in the process of completing a self- evaluation assessment in readiness for the annual Trust review with the DfE in November.

## **6. Other matters**

*Annual accountability submission*

- Following approval at the July Board, the financial forecast element of the annual accountability review (AAR) submission was made in advance of the agreed deadline of 17 September. Receipt has been confirmed by the OfS but we have received no further feedback.
- There remains a lack of clarity over the detailed requirements for the main AAR submission, for which the submission deadline is Monday 3 December. Annex D of Regulatory Notice 2 (Regulation up to 31 July 2019 of providers that were previously funded by HEFCE -Guidance for providers during the transition), provides a high level outline but says that more detailed guidance and templates for completion will be provided in Summer 2018. On checking directly with the OfS recently we were informed that nothing has yet been issued and that guidance and templates are expected to be issued approximately within the next 2 weeks (by 19 October).

#### *Pay negotiations*

- This year's pay negotiations concluded on 10 May with UCEA making a final base pay uplift offer of 2% on spine points 16-51, and £425 on spine points 2-15 worth up to 2.8%. GMB has accepted the offer but both UCU and Unison have rejected it. On the advice of UCEA, LSBU will be implementing the offer (expected October 2018), backdated to 1/8/18 although UCU and Unison are balloting their members for a strike.
- Implementation of the 2% offer is in line with budget assumptions for the year.

#### *Pensions*

- The Local Government Pension Scheme (LGPS) service charge for 2017/18 has increased by £1.6m compared to the previous year from £7m to £8.6m. This is both significantly higher than expected and forecast by the actuaries last year (forecast to rise to £7.8m). The increase is driven by (a) an increased rate of inflation at 31/7/17 compared to 31/7/16 and (b) increases in the professional service staff costs year on year of 8%+ which we are investigating further.
- Having faced fairly modest Teachers Pension Scheme (TPS) employer contribution increases over the last few years, it was widely reported last week that employer contributions to the TPS may increase materially. Draft proposals, if implemented, could lead to eye-watering contribution increases

for employers of around 7% (i.e. an increase from the current rate of 16.48% to around 23.5%). The increase is expected as early as September 2019. This would have no impact in the current year but would cost approx. £3m extra per year for this scheme alone from 2019/20. The cost increase is driven by (a) HMT being poised to instruct the Government Actuary's Department to reduce the discount rate it uses, with the recent Parliamentary Statement suggesting a reduction in the discount rate from CPI+3% to CPI+2.4% and (b) improvements to benefits and/or reduced employee contributions as a result of life expectancy improvements slowing down and salary increases not being as high as previously assumed.

#### *Internal audit provision*

- Following appointment of PwC as our LEAP change partner, a decision has been taken to appoint new internal auditors with effect from 1 August 2019. PwC's contract has been extended for one year only to 31 July 2019 and a tender specification has been drafted and reviewed by Audit Committee. A new provider will be identified at the earliest opportunity in case of any potential conflicts arising with PwC.

#### *Banking operations*

- As noted above, we are in discussions with Barclays regarding the transfer of our day to day banking operations from RBS to Barclays.

#### *Estates*

- The University continues to consider a range of alternative estates options and we are working closely with KPMG to test the validity of the proposed off balance sheet JV structures from a financial accounting perspective.



## **APPENDIX 1**

Management accounts summary to 31 July 2018

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## July Executive Summary

1) This Executive Summary reports on the draft financial position of London South Bank University as at 31 July 2018.

### 2) RAG Status

Income Growth	1.3%	Staff Cost Growth	6.1%	Staff Cost %	57.4%	Opex Growth	-10.4%	FYF Surplus	1.1%	EBITDA	10.7%
	<i>adjusted for Catering</i>		<i>excluding restructuring</i>		<i>excluding restructuring</i>		<i>adjusted for Catering</i>				

### 3) Summary

The full year forecast as at 31 July 2018 is trending towards a surplus of £1.6M, this would deliver the University ahead of budget.

Although the year end accounts have yet to be audited, we are currently reporting income for the year of £145.3M an increase of 1.3% on the adjusted 16/17 outturn. This includes total income in the Enterprise segment of £11M representing year on year growth of 25%, Research income excluding Capital grants of £5.3M representing growth of 18% and TNE Income of £1.8M representing 13% growth. Tuition Fee income including International Fees and Health Contract income totalled £101.5M a reduction of 2.6% from the 16/17 total of £104.2M. The University invested £83.3M in staff costs, an increase of 6.1% on the 16/17 total of £78.5M. In 16/17 there was a credit of £0.6M for Staff restructuring and the FRS102 Holiday pay adjustment, in 17/18 this charge increased by £2.5M to £1.9M. In terms of Operating Expenses, the University invested £44.6M in 17/18, a decrease of 10% on last years reported figure of £49.8M. Depreciation and interest payable were broadly unchanged from 16/17.

The University is currently holding cash and cash equivalents of £49.7M. This is ahead of budget, primarily due to reduced capital expenditure and is £1.4M more than the comparable position in 16/17.

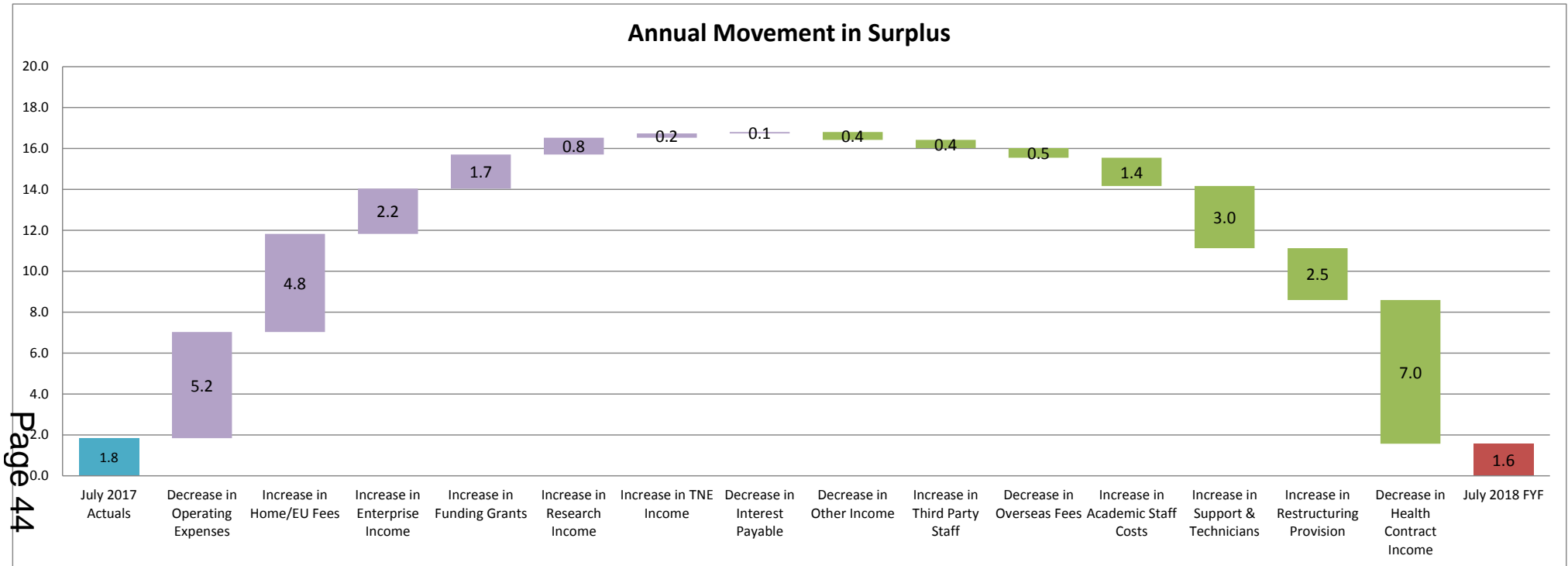
The above position will deliver EBITDA at 10.7% which is below the 17/18 target of 13% and our recurring staff cost expressed as a % of income is currently forecast to be 57.4% which is above the 55% target set by the Board of Governors. After adjusting the 16/17 income figure for the catering adjustment, our comparable income is 1.3% higher than last year.

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

Financial Summary in £'m	Budget				Full Year Outturn Position					Year on Year Outturn	
	16/17 Actuals	17/18 Budget	Change to 16/17	Change %	June 17/18	Monthly Move	July 17/18	variance to Budget	Budget variance%	Change to 16/17	Change %
Funding Grants	12.6	13.3	0.7	5%	14.1	0.1	14.2	1.0	7%	1.7	13%
Health - Contract	26.0	18.6	-7.4	-28%	18.6	0.4	18.9	0.3	2%	-7.0	-27%
Home / EU UG Fees	59.4	67.8	8.4	14%	64.8	0.0	64.8	-3.1	-5%	5.4	9%
Home / EU PG Fees	9.3	10.2	0.9	10%	8.4	0.3	8.7	-1.5	-15%	-0.6	-6%
Overseas Tuition Fees	9.6	11.0	1.4	15%	8.8	0.3	9.1	-1.9	-17%	-0.5	-5%
TNE Income	1.6	2.1	0.5	32%	2.0	-0.2	1.8	-0.3	-14%	0.2	13%
Research Activities	4.5	5.3	0.8	18%	5.2	0.1	5.3	0.0	0%	0.8	18%
Enterprise Activities	8.7	10.6	1.9	22%	10.7	0.2	10.9	0.3	3%	2.2	25%
Student Related Income	10.6	11.3	0.8	7%	10.3	0.1	10.4	-0.9	-8%	-0.1	-1%
Other Operating Income	1.1	0.1	-1.0	-90%	0.3	0.6	0.9	0.8	666%	-0.3	-22%
Endowments & Interest	0.2	0.1	-0.0	-26%	0.1	0.1	0.2	0.0	32%	-0.0	-3%
<b>Income</b>	<b>143.5</b>	<b>150.5</b>	<b>7.0</b>	<b>5%</b>	<b>143.4</b>	<b>1.9</b>	<b>145.3</b>	<b>-5.2</b>	<b>-3%</b>	<b>1.8</b>	<b>1%</b>
<b>in £'m</b>											
Academic Staff Costs	39.4	42.7	3.3	8%	41.4	-0.6	40.8	-1.9	-4%	1.4	4%
Support & Technicians	36.4	39.8	3.4	9%	39.6	-0.2	39.4	-0.4	-1%	3.0	8%
Third Party Staff	2.7	1.6	-1.1	-41%	2.3	0.8	3.1	1.5	94%	0.4	15%
Restructuring / FRS 102	-0.6	1.5	2.1		1.5	0.4	1.9	0.4	29%	2.5	
Depreciation	9.6	10.0	0.3	4%	9.7	-0.0	9.6	-0.3	-3%	0.0	0%
Operating Expenses	49.8	46.3	-3.4	-7%	42.9	1.7	44.6	-1.7	-4%	-5.2	-10%
Interest Payable	4.4	4.4	-0.0	0%	4.4	-0.1	4.3	-0.1	-1%	-0.1	-2%
Exceptional Items	0.0	2.7	2.7	0%	0.2	-0.2	0.0	-2.7	-100%	0.0	0%
<b>Expenditure</b>	<b>141.6</b>	<b>149.0</b>	<b>7.3</b>	<b>5%</b>	<b>141.9</b>	<b>1.9</b>	<b>143.7</b>	<b>-5.2</b>	<b>-4%</b>	<b>2.1</b>	<b>1%</b>
<b>Surplus for the year</b>	<b>1.8</b>	<b>1.5</b>	<b>-0.3</b>	<b>-19%</b>	<b>1.5</b>	<b>0.1</b>	<b>1.6</b>	<b>0.1</b>	<b>4%</b>	<b>-0.3</b>	
<b>Surplus as % of income</b>	<b>1.3%</b>	<b>1.0%</b>			<b>1.0%</b>		<b>1.1%</b>				

## 5) Forecast Summary

As compared to 16/17 we are now forecasting a £1.8M increase in like for like Income, a £4.8M increase in Staffing Costs, a £5.2M reduction in Operating Expenses, a £0.1M reduction in Interest payable and a £2.5M increase in the costs associated with Restructuring, leading to a reduction of £0.3M in our annual surplus.



The key movement in the year on year position of the University is the reduction of £7.0M in Health Contract income. This is not all due to a reduction in activity but is because New Health students have transferred to the same funding regime as UG and PG students in the other 6 schools. There is however a net reduction in our total income outturn of £2.2M for Home / EU students, this is in line with the reduction in student FTEs of 7%. Operating Expenses have decreased year on year by £5.2M, however last year we wrote off £5M of expenditure in the last 2 months of the year and so recurring Operating Expenses are broadly flat. The other major investment as compared to 16/17 is in staffing. The University has invested an additional £4.8M in staff as compared to 16/17. £2M of this increase is in the Schools in both Academic and Support staff and there is a £2.8M increase in staff in the Professional Functions including the Research and Enterprise teams. The other key movement in staffing costs is the £2.5M additional charge associated with Restructuring costs and the FRS 102 pension cost.

## 6) Contribution Analysis

As a result of the lower than expected Tuition fee income, the Schools generated £124.7M of income in 17/18, a reduction of £0.4M as compared to 16/17. We invested an additional £0.4M in the schools and so the net contribution from the School's portfolio is £0.8M less than in 16/17. Two Schools; Arts & Creative Industries and Health & Social Care grew in terms of Income, the School of Built Environment & Architecture was broadly flat whilst the Schools of Applied Sciences, Business, Engineering and Law & Social Sciences declined in terms of income.

### Contribution per School across Teaching, Research and Enterprise activities

	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	16 / 17 Actual	July 17/18 FYF	16 / 17 Actual	July 17/18 FYF	16 / 17 Actual	July 17/18 FYF	16 / 17 Actual	July 17/18 FYF	16 / 17 Actual	July 17/18 FYF	16 / 17 Actual	July 17/18 FYF	16 / 17 Actual	July 17/18 FYF	16 / 17 Actual	July 17/18 FYF
Income (M)	£11.2	£10.8	£10.5	£11.2	£18.4	£18.3	£17.4	£16.5	£18.5	£18.1	£34.0	£35.6	£15.0	£14.2	£125.1	£124.7
Expenditure (M)	£5.4	£5.4	£5.1	£5.4	£7.1	£7.2	£8.0	£6.9	£9.8	£11.0	£19.5	£19.3	£6.6	£6.8	£61.6	£61.9
Contribution (M)	£5.9	£5.4	£5.4	£5.9	£11.3	£11.1	£9.4	£9.5	£8.7	£7.1	£14.5	£16.3	£8.4	£7.4	£63.5	£62.7
Contribution %	52%	50%	51%	52%	61%	61%	54%	58%	47%	39%	43%	46%	56%	52%	51%	50%

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

### Contribution per School across Teaching activity only (excluding TNE)

	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	16 / 17 Actual	July 17/18 FYF	16 / 17 Actual	July 17/18 FYF	16 / 17 Actual	July 17/18 FYF	16 / 17 Actual	July 17/18 FYF	16 / 17 Actual	July 17/18 FYF	16 / 17 Actual	July 17/18 FYF	16 / 17 Actual	July 17/18 FYF	16 / 17 Actual	July 17/18 FYF
Teaching Income (M)	£10.5	£10.0	£10.2	£10.6	£17.1	£17.4	£17.1	£16.0	£16.0	£14.5	£29.8	£30.2	£14.5	£13.8	£115.3	£112.5
Teaching Staff (M)	£3.0	£3.2	£2.8	£2.9	£3.8	£4.7	£4.9	£4.2	£4.6	£4.6	£12.7	£12.7	£4.5	£4.6	£36.3	£37.0
Teaching Expenditure (M)	£1.7	£1.3	£1.8	£1.8	£1.9	£1.8	£3.0	£2.0	£2.7	£2.6	£4.6	£4.4	£1.9	£1.8	£17.7	£15.8
Teaching Contribution (M)	£5.8	£5.4	£5.6	£5.9	£11.3	£10.8	£9.3	£9.8	£8.7	£7.3	£12.5	£13.2	£8.2	£7.3	£61.3	£59.8
Contribution %	55%	54%	55%	55%	66%	62%	54%	61%	54%	51%	42%	44%	56%	53%	53%	53%
Full Year Student FTE	1,117	1,039	1,108	1,124	1,845	1,763	2,179	2,020	1,602	1,409	4,257	3,844	1,621	1,528	13,729	12,727
Contribution per Stud FTE	£5,200	£5,200	£5,000	£5,200	£6,100	£6,200	£4,200	£4,800	£5,400	£5,200	£2,900	£3,400	£5,100	£4,800	£4,500	£4,700
Return on Academic Investment	191%	168%	201%	201%	295%	229%	189%	232%	189%	160%	99%	104%	184%	158%	169%	162%

In terms of contribution per student, the School of the Built Environment & Architecture, is significantly ahead of the average School position at £6,200 per student FTE. There is then some consistency in terms of return between the Schools of Applied Sciences, Arts & Creative Industries and Engineering at £5,200 per student FTE. The Teaching staffing costs above exclude any technicians, administration or research staff and demonstrate that the Schools of Business, the Built Environment & Architecture and Arts & Creative Industries remain significantly ahead of the School's average when measured in Return on Academic Investment. The School of Health and Social Care and the School of Built Environment & Architecture were the only schools to deliver better than budget in 17/18.

### 7) Student Number Analysis

In terms of Student numbers, at the comparable position in 16/17 had 13,729 FTE. We currently have 12,727 enrolled FTE and so are 7% down year on year. The biggest drop following Semester 2 enrolment is in New students which are now 16% down. We also had a large recruitment of HSC students in March 2017 which was not replicated in March 2018

New School	FTE July				Continuing School	FTE July				Total School	FTE July			
	FTE July 16/17	17/18	Change	% Change		FTE July 16/17	17/18	Change	% Change		FTE July 16/17	17/18	Change	% Change
ACI	508	514	6	1%	ACI	600	610	10	2%	ACI	1,108	1,124	16	1%
ASC	545	434	-111	-20%	ASC	572	605	33	6%	ASC	1,117	1,039	-78	-7%
BEA	813	730	-83	-10%	BEA	1,032	1,033	1	0%	BEA	1,845	1,763	-82	-4%
BCM	1,113	937	-176	-16%	BCM	1,066	1,083	17	2%	BCM	2,179	2,020	-159	-7%
ENG	686	525	-161	-23%	ENG	916	884	-32	-3%	ENG	1,602	1,409	-193	-12%
HSC	2,127	1,659	-468	-22%	HSC	2,130	2,185	55	3%	HSC	4,257	3,844	-413	-10%
LSS	755	675	-80	-11%	LSS	866	853	-13	-2%	LSS	1,621	1,528	-93	-6%
<b>Total</b>	<b>6,547</b>	<b>5,474</b>	<b>-1,073</b>	<b>-16%</b>	<b>Total</b>	<b>7,182</b>	<b>7,253</b>	<b>71</b>	<b>1%</b>	<b>Total</b>	<b>13,729</b>	<b>12,727</b>	<b>-1,002</b>	<b>-7%</b>

## 8) Student Withdrawal Analysis

At 31 July 2018, the total amount refunded to students who withdrew or interrupted in year totalled £4,592k. This is an increase of 9.6% as compared to 2016/17's £4,214k. Across all schools we processed 1,096 (student head count) of withdrawals and interruptions in 2017/18. This is down by 10% from 2016/17's 1,215 total number of withdrawals and interruptions. On average across the seven schools we refunded 5.6% of Tuition fee income; The Schools of Applied Science, Engineering and Business had the highest level of refunds when compared to total income.

Academic year	FY Withdrawals
14/15	1,102
15/16	1,025
16/17	1,215
17/18	1,096

'Lost Fee Income' in £000K	16/17	17/18	% change	% T Inc		16/17	17/18	% change	% T Inc
Applied Science	£552	£653	18.3%	7.6%	Engineering	£834	£815	-2.3%	7.1%
Arts and Creative Industries	£429	£391	-8.9%	4.1%	Health & Social Care	£221	£482	118.1%	4.9%
Built Environment & Architecture	£612	£601	-1.8%	4.2%	Law & Social Sciences	£642	£652	1.6%	5.2%
Business	£899	£997	10.9%	6.8%	<b>Total</b>	£4,189	£4,591	9.6%	5.6%

% T Inc = % of Tuition Fee Income

## 9) Income Analysis

In the final month of the year our income forecast increased by £1.9M. The School of Health & Social care increased its forecast Health Contract income by £0.4M due to lower than budgeted 'clawback', there was an increase of £0.3M in forecast Post Graduate income relating to higher than budgeted teacher training income, overseas tuition fees were also £0.3M higher due to additional commonwealth scholarships. The University also released £0.3M of donation income to match the level of scholarships paid out during the year, increased its contracted Research income and released additional income from our summer school cohorts.

## 10) Staff Cost Analysis

In terms of staffing the total forecast did not change month on month and totalled £83.3M for the year. We had been anticipating a potential reduction of £1M in our monthly forecast however we booked an additional £0.5M in FRS 17 costs following the annual report from our LPFA actuaries due to a combination of higher than anticipated inflation costs and increases in support staff payroll costs. We also took the opportunity to write off 0.3M of Third party staff who had been charged to ICT capital projects. There was also reclassification of £0.3M of staff working through LSBU Employment from 'Support staff' to 'Third party staff' which slightly overstates the monthly increase in Third Party staffing costs.

## 11) Operating Expense Analysis

In terms of Operating Expenses, the University invested £44.6M in 17/18 which is £5.2M less than in 16/17. The 16/17 figure includes £5M of write offs and so the University is broadly flat in terms of recurring costs. The forecast increased by £1.7M for the month due to a number of year end provisions and write offs. This year the University bad debt provision was £800K; £600K of this related to Tuition Fee debt whilst £200K related to debtors within our Halls of Residence. We also took the opportunity to review our Assets in the Course of Construction and wrote off £200K of the HR / iTrent project. Following a review of activity the University also increased its provision related to the costs of Lambeth by £200K and costs associated with outstanding student complaints by £200K.

## 12) Budget Analysis

There are 32 distinct areas of the University that have separate budgets and each area is expected to deliver to their Budget. Due to the shortfall in recruitment, amongst the 7 schools only the School of Health and Social Care and the School of Architecture and the Built Environment delivered better than budget although the School of Apprentices also delivered better than budget due to cost control. As well as the other 5 schools, the ICT Innovation team, the Academy of Sport, Catering, Marketing, the International team, the Confucius Institute and the Legal team were also unable to deliver to budget this year.

Full Year Outturn Last Year  (£)	Description	Note	YEAR TO DATE				YEAR ON YEAR	
			2017 Actuals  (£)	2017 Budget  (£)	Variance - Actuals to Budget  (£) %	Note	Variance - Actuals to 16/17  (£) %	
(143,478,035)	<b>Total Income</b>		(145,301,325)	(150,459,411)	(5,158,086)	(3%)		1,823,290 1%
77,889,377	<b>Total Staff Costs</b>		85,240,117	85,566,358	326,241	%		7,350,740 9%
9,619,774	<b>Total Depreciation</b>		9,625,747	9,963,303	337,556	3%		5,972 0%
49,758,553	<b>Total Other Operating Expenses</b>		44,574,263	46,323,092	1,748,828	4%		(5,184,290) (10%)
4,368,590	<b>Total Interest Payable</b>		4,297,781	4,358,157	60,375	1%		(70,809) (2%)
	<b>Total Exceptional Items</b>			2,748,502	2,748,502	100%		0
(1,841,740)	<b>Contribution</b>		(1,563,417)	(1,500,000)	63,417	4%		(278,323) (15%)
54.7%	Recurring Staff costs as % of income		58.7%	56.9%				
1.3%	Contribution %		1.1%	1.0%				

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	CONFIDENTIAL
Paper title:	Corporate Risk Report & Register, & Statement of Risk Appetite – October 2018
Board/Committee:	Board of Governors
Date of meeting:	18 October 2018
Author(s):	John Baker, Corporate & Business Planning Manager
Sponsor(s):	Richard Flatman, Chief Financial Officer
Purpose:	For Information & Approval
Recommendation:	The Board is requested to:  Review and note the attached risk report and register Approve the proposed statement of risk appetite

## Executive Summary

The Risk Report, Register & Appetite were reviewed by the September meeting of the Strategic Risk Review group, by the Executive, and at the October Audit Committee. Updated versions of these documents are presented here for review.

The first section of the report & register is the Board Summary Report, which presents the risks across the four risk types of the proposed appetite statement, along with a page summarising high level overview of risks rated medium or above.

The second Update Summary section details the changes to the full register made since the previous presentation to Audit Committee in June, and details changes to risk ratings, new actions and details of completed actions in the central column, with progress notes on overdue actions on the right hand side.

This section should be reviewed alongside the final section which is the current full Corporate Risk Register, and both of these group the risks by each of the goals of the Corporate Strategy.

The Executive and Audit Committee also recommend that the attached Risk Appetite statement be maintained in its current form for 2018/19, subject to Board approval.

Financial – open	Legal and compliance – cautious
Academic delivery – seek	Reputational - open

The Board is requested to

- Review and note the risk report and register
- Approve the proposed statement of risk appetite

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# LSBU Corporate Risk Board Summary Report – October 2018

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

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

**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 and narrowing candidate pool put pressure on applicant numbers. Brand positioning doesn't articulate LSBU potential effectively and impacts on conversion rate, leading to shortfall in anticipated income, or changes entrant 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>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>• International Office runs annual cycle of training events with staff on UKVI processes.</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 attended by Deans, DESEs &amp; International leads</li> <li>• UKVI Consultant report received &amp; actioned</li> <li>• Egyptian Joint Venture in development</li> </ul>
<p><b>6: Pensions:</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>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> <li>• Graeme Wolfe appointed to Head of Information Security role and joins LSBU in August.</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>308: 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>6: Management Information:</b> (RF)            Past concerns expressed regarding triangulation of data from separate returns made to the designated data body, and controlled internal access to this business intelligence.            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>362: Low staff engagement or staff cost containment impacts performance:</b> (PB)            Systems and structures don't achieve intended facilitation of collaborative working across the institution.            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.            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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# Appendix: LSBU Corporate Risk Register - Cover page, Risk overview matrix; by impact & residual likelihood

**Date:** 11<sup>th</sup> October 2018

**Author:** John Baker – Corporate & Business Planning Manager

**Executive Lead:** Richard Flatman – Chief Financial Officer

<b>Page 20</b>	<b>4 Critical</b> <i>Corporate plan failure / removal of funding, degree award status, penalty / closure</i>		2: Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL)	
	<b>3 High</b> <i>significant effect on the ability for the University to meet its objectives and may result in the failure to achieve one or more corporate objectives</i>	6: Management Information (RF) 37: Affordability of Capital Expenditure investment plans (RF) 305: Data not used / maintained / processed securely (SW) 362: Low staff engagement (PB) 495: Higher Apprenticeships (PB) 519: Negative Curriculum Assessment (SW) 624: LSBU Family integrated service benefits (IM)	3: Increasing pensions deficit reduces flexibility (RF) 467: Progression rates don't rise (SW)	457: Anticipated international & EU student revenue unrealised (PI)
	<b>2 Medium</b> <i>failure to meet operational objectives of the University</i>	1: Capability to respond to change in policy or competitive landscape (DP) 517: Impact of EU Referendum result on regulation & market trends (DP) 494: Inconsistent delivery of Placement activity across the institution (SW)	14: Loss of NHS contract income (WT) 398: Academic programmes not engaged with technological and pedagogic developments (SW) 402: Unrealised research & enterprise £ growth (PI) 584: External incident compromises campus operations or access (PB) 518: Core student system inflexibility / failure (SW)	
	<b>1 Low</b> <i>little effect on operational objectives</i>			
		<b>1 - Low</b>	<b>2 - Medium</b>	<b>3 - High</b>
		<i>This risk is only likely in the long term</i>	<i>This risk may occur in the medium term.</i>	<i>The risk is likely to occur short term</i>
<b>Residual Likelihood</b>				
Executive Risk Spread: VC – 2, DVC – 3, CFO – 3, PVC-S&E – 5, PVC-R&EE – 2, COO – 1, CMO -1, Dean Health – 1, US - 0				

**Update Summary: Overview of changes since presentation at previous Operations Board, and overdue action progress updates:**

Reference	Risk title	Completed Actions & Risk Changes	Overdue Action Progress Notes	
<b>Goal 1: Teaching &amp; Learning:</b> Ensuring teaching is highly applied, professionally accredited & linked to research & enterprise				
398 (SW)	Low engagement with tech or pedagogic developments	<p><b>Course Director CPD delivered:</b> A range of Professional Development events was scheduled, with topics set by the DESEs.</p> <p><b>Lecture Capture capability completed:</b> 70 Dell laptops have been purchased for installation of Panopto lecture capture software, which is fully integrated with the Moodle environment, &amp; academics are encouraged to share the equipment.</p> <p><b>Moodle baseline published:</b> This was approved by DEL governance board &amp; is available to all staff on Moodle.</p>		
467 (SW)	UG Progression rate doesn't rise	<p><b>New action added around LEAP workstream.</b></p> <p><b>Personal Tutoring specifications published:</b> The specifications were approved by the DESEs, and have been published for students on the relevant website.</p> <p><b>Embedded Learning Development:</b> Few modules now have pass rates below 40%, so the threshold for intervention was increased to 50%. Modules were identified through data from registry and in consultation with DESEs.</p>	<p><b>Re-enrolment Action re-allocated to CMO.</b></p> <p><b>Dashboards progress note:</b> Dashboards have been created, but there is still progress to make in terms of integration into review processes and reports for the Academic Quality &amp; Standards Committee. This work is envisaged to be developed in 2018/19.</p>	
Page 58	<b>Goal 2: Student Experience:</b> Seeing students as learning participants & encouraging and listening to the student voice.			
	518 (SW)	Core Student System inflexibility / failure	<b>New actions added around LEAP workstreams, and OEG project 6: Timetabling.</b>	<b>Student enquiry management progress note:</b> The necessary funding wasn't allocated during 17/18, and this requirement will now be incorporated into the LEAP programme.
	519 (SW)	Negative assessment of curriculum compliance	<b>New actions added around LEAP workstreams.</b>	<b>Curriculum set up transfer progress note:</b> The capacity within TQE is not currently available for transfer, due to complexity of current JDs & structures.
<b>Goal 3: Employability:</b> Ensuring students develop skills, aspiration and confidence.				
494 (SW)	Inconsistent delivery of Placement activity across institution		<b>Schools On-boarding progress note:</b> A dedicated Placement Officer joined the team in January and whose role is to focus on this activity, and to create and run the first user group this semester, as well as linking with the software User group for best practice.	
<b>Goal 4: Research &amp; Enterprise:</b> Delivering outstanding economic, social and cultural benefits from our intellectual capital.				
402 (PI)	2020 £ growth through Research & Enterprise	<b>ACEEU.Org Accreditation:</b> Action re-assigned, and timescale amended following departure of Gups Jagpal.	<b>Health CPD action progress note:</b> Business case completed, and is due for review by the SBUEL board, and confirmation awaited regarding premises for operation.	

		<p>Controls updated.</p> <p>New action around Cambridge Partnership.</p>	<p>LSBUEL revised operating structure: Clearance received from Governing body to expand remit. Paper going to Executive for approval.</p>
<p><b>Goal 5: Access:</b> Work with local partners to recruit, engage and retain students with the potential to succeed.</p>			
495 (PB)	Impact of Higher Apprenticeship degrees	New actions around Ofsted inspection preparations.	<p>Passmore Centre progress note: Progress on the refurbishment project is progressing well.</p> <p>IPTE structure progress note: Pat Bailey appointed to national UCAS Advisory Group re apprenticeship application processes, to inform marketing/recruitment strategies, and link to LSBU family approach.</p>
<p><b>Goal 6: Internationalisation:</b> Developing a multicultural community of students &amp; staff through alliances &amp; partnerships.</p>			
Page 59	International & EU student £income unrealised	<p>Financial model action completed: The financial model for partnerships has now been implemented with BUE, and is now being reviewed with ASU. The model will vary by partner &amp; country, but will follow a formal approval process, and we have facilitated direct engagement between Professional Service Group staff between partners.</p>	<p>EU Partners progress note: Potential partnerships with Latvia &amp; Portugal are in development, along with a new partnership with ISM from Vilnius in Lithuania, who visit LSBU in Sep.</p>
		<p>Overseas Offices action completed: Partnership agreements are now in place, and offices are now operational in Beijing, Shanghai, India, Jakarta &amp; Lagos, with locals targets set and annual contractual performance review processes.</p> <p>Internationalisation Campaign completed: School Roadshows were run in conjunction with Legal and Finance on developing &amp; managing partnerships attended by Deans, DESEs &amp; International leads, and produced SWOT reviews of current activity &amp; potential growth opportunities, including student mobility in both directions.</p> <p>New action regarding Egyptian joint venture:</p>	
517 (DP)	Impact of EU Referendum		
<p><b>Goal 7: People &amp; Organisation:</b> Attracting proud, responsible staff, &amp; valuing &amp; rewarding their achievements.</p>			
1 (DP)	Response to environmental change & reputation	New actions added around LEAP programme, and OEG project 2: Strategy & Planning.	
362 (PB)	Poor Staff Engagement	<p>Engagement Survey results circulated.</p> <p>New action around OEG project 5: Service Charters &amp; Business Partners.</p>	

Reference	Risk title	Completed Actions & Risk Changes	Overdue Action Progress Notes
<b>Goal 8: Resources &amp; Infrastructure: Investing in first class facilities and outcome focused services, responsive to academic needs.</b>			
2 (NL)	Home UG Recruitment income targets	<p><b>Residual likelihood reduced:</b></p> <p><b>Response protocols action completed:</b> The timings &amp; contents of full application cycle elements agreed with Schools for 19/20 entry - with full details of interviews, testing, open days, &amp; all aspects involving academic staff.</p> <p><b>New actions added around LEAP workstream, course development lifecycle &amp; Welcome week OEG projects, and research activity around campaign spend and value add incentives.</b></p>	<p><b>School &amp; College Outreach progress note:</b> MAT &amp; Lambeth liaison plans already in place. Further action on hold pending recruitment to a new Grade 8 position to develop a more tactical approach to outreach, involving greater linkage with academic staff.</p> <p><b>Corporate Comms plan progress note:</b> PR agency appointment on hold pending restructure of the team. Revised plan to be developed by Dec, to shift focus towards strategic approach to conveying brand strengths to audiences.</p> <p><b>Brand Architecture &amp; Narrative progress note:</b> Proposal to be shared with Exec in Autumn when agendas permit.</p> <p><b>School Web pages progress note:</b> Stage 1 updates were completed ahead of Clearing. Stage 2 updates; a further re-design to incorporate LSBU group aspects, is being actioned for Feb 2019.</p> <p><b>Institutional Brand Campaign:</b> Marketing &amp; Recruitment plan for 19/20 entry is being reviewed in early September, with School level marketing plans (digital) being approved &amp; finalised by the end of September.</p>
60 (RF)	Pensions deficit	<b>Actions combined to develop way forward utilising Mercer's costed scenarios.</b>	
60 (RF)	Quality and availability of Management Information	<b>Controls updated</b>	<p><b>Phase 2 of MIKE Data Warehouse contents progress note:</b> The PPA team has been restructured &amp; includes the BI &amp; Reporting team, &amp; this action is included within the agreed 18/19 objectives of the team.</p> <p><b>Performance Scorecards progress note:</b> These metric sets are being taken forward as part of the development process for the next Corporate Strategy, and will be operationalised during 18/19.</p>
14 (WT)	Loss of NHS income	<p><b>Pre Reg applicant process streamlined:</b> The process was redesigned to remove unnecessary forms, and to integrate testing and interview appointments within the recruitment cycle. For the 19/20 applicant cohort, we will no longer be conducting literacy &amp; numeracy testing, which will further streamline the applicant journey.</p>	<b>Health CPD action progress note:</b> Re risk 402 - business case for a training company has been drafted, approved by Executive, & is due for review by SBUEL board meeting.
37 (RF)	Impact & affordability of Capital Investment plans	<p><b>Residual likelihood increased, and risk re-focused around impact as well as cost:</b></p> <p><b>Finalysis Loan proposal on hold:</b> Revolving credit facility is on hold for the time being, due to timing lag inv current estates activity</p>	

305 (SW)	Corporate & personal data security & use	<p>Controls updated.</p> <p>Head of Digital Security Inducted: Graeme Wolf joined LSBU in August.</p>	<p>Windows 2003 action progress note:</p> <p>We have circa 300 servers at LSBU, and those running Windows2003 have reduced from about 30 to 5 in the past 9 months, and these 5 are scheduled for upgrade or shutdown in the next couple of months.</p>
584 (PB)	External incident impacts operations or access		
624 (IM)	Benefits of LSBU Family integrated service project unrealised	New risk entry	

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# Standard Risk Register



<b>Report Date</b>	11 Oct 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> <p style="background-color: red; color: black;">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> <p style="background-color: red; color: black;">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>	<p>I = 2 L = 3 Medium (6)</p>	LEAP Programme Board meets monthly to review progress against work packages across all workstreams.	<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	Kirsteen Coupar	31 Jul 2018
					LEAP Programme Progress Updates scrutinised at Academic Board, to oversee progress and assess fit with strategy and existing practice.		Complete discovery phase (with Carol Rose) of OEG project 6: Timetabling.	Patrick Callaghan	31 Oct 2018
					LEAP Programme provides regular progress updates to MPIC Committee for Board scrutiny of progress against LEAP work packages.		Complete Market Sounding for technology solutions in relation to LEAP project.	Penny Green	31 Oct 2018
					Operational Issues reported and tracked through ICT TopDesk system, with internal escalation protocols.		Issue tender for Student Information System (LEAP)	Penny Green	29 Mar 2019

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 #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.	Chloe Gopika Devi De Boer	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 style="background-color: red; color: black; text-align: center;">High</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> <p style="background-color: yellow; color: black; text-align: center;">Medium</p>	Determine structure of IPTE when shape of LSBU family confirmed.	Pat Bailey	30 Sep 2018
							Arrange soft launch of Passmore Centre following refurbishment programme.	Pat Bailey	31 Oct 2018
							Oversee development of Self Assessment Report (SAR) for 16/17 & 17/18 delivery, with integrated Quality Improvement Plan.	Janet Bohrer	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 = 3 High (9)	<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 responsiveness to policy changes, external perception & shifts in competitive landscape	David Phoenix	<p><b>Cause:</b></p> <ul style="list-style-type: none"> <li>- Changes to fees and loan funding models</li> <li>- Transition to OfS as sector regulator and 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>- Reduced student recruitment</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>- Burden of response to regulatory intervention, and potential impact or outcome of decision</li> <li>- Registration failure with OfS leading to loss of University Title and access to current levels of funding.</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)	Plan for corporate comms shared with Executive.	Judith Barnard	30 Nov 2017
					Clearing Opens in July for BTEC students		Develop revised School & College Outreach Strategy, with broader footprint outside local boroughs, which includes LSBU Family MAT institutions.	Steven Brabenec	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

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
							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	Staff pension scheme deficit increases	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>- 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 cost means other resources are restricted further if a surplus is to be maintained</li> <li>- Balance sheet is weakened and may move to a net liabilities position, though pension liability is disregarded by HEFCE</li> <li>- Significant cash injections into schemes may be required in the long term</li> <li>- Inability to plan for longer term changes</li> </ul>	I = 3 L = 3 High (9)	<p>Annual FRS 102 valuation of pension scheme</p> <p>DC pension scheme for SBUEL staff.</p> <p>Regular monitoring of national/sector pension developments and attendance at relevant conferences and briefing seminars by FMI Management team.</p> <p>Regular participation in sector review activity through attendance at LPFA HE forum, BUFDG events &amp; UCEA pensions group by CFO or deputy.</p> <p>Reporting to every Board of Governors meeting via CFO Report</p> <p>Strict control on early access to pension at redundancy/restructure</p> <p>Tight Executive control of all staff costs through monthly scrutiny of management accounts</p>	I = 3 L = 2 High (6)	Consider way forward following receipt of the Costed Scenarios from Mercers, including HR representation.	Richard Flatman	30 Nov 2018

**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
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

**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
14	Loss of NHS contract income	Warren Turner	<p><b>Cause:</b> NHS financial challenges/ structural changes resulting in a total review of educational commissioning 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

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
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

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
			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				



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
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

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
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

## **London South Bank University Risk Appetite:**

### **Proposed Statement – October 2018**

That the risk appetite statements remain as follows for each of the four risk types within the risk appetite framework:

- Page 83
- a. Financial – open;
  - b. Legal and compliance – cautious;
  - c. Academic delivery – seek;
  - d. Reputational – open.

These are displayed against the original appetite framework overleaf.

Financial

**Avoid / Averse**

Avoidance of risk and uncertainty is a Key Organisational objective

Avoidance of financial loss is a key objective.

**Minimal**

(as little as reasonably possible) Preference for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential

Only prepared to accept the possibility of very limited financial loss if essential.

**Cautious**

Preference for safe delivery options that have a low degree of inherent risk & may only have limited potential for reward

Prepared to accept possibility of some limited financial loss.

Resources generally restricted to existing commitments.

**Open**

Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM)

Prepared to invest for return and minimise the possibility of financial loss by managing the risks to a tolerable level.

Resources allocated in order to capitalise on opportunities.

**Seek**

Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk)

Investing for the best possible return and accept the possibility of financial loss (with controls may in place).

Resources allocated without firm guarantee of return – 'investment capital' type

**Mature**

Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust

Consistently focused on the best possible return for stakeholders. Resources allocated in 'social capital' with confidence that process is a return in itself.

Legal Compliance

Play safe; avoid anything which could be challenged, even unsuccessfully.

Want to be very sure we would win any challenge.

Similar situations elsewhere have not breached Innovations always avoided unless essential or commonplace elsewhere.

Limited tolerance for sticking our neck out. Want to be reasonably sure we would win any challenge.

Tendency to stick to the status quo, innovations in practice avoided unless really necessary. Decision making authority generally held by senior management. Systems / technology developments limited to improvements to protection of current operations.

Challenge would be problematic but we are likely to win it and the gain will outweigh the adverse consequences.

Innovation supported, with demonstration of commensurate improvements in management control.

Systems / technology developments used routinely to enable operational delivery.

Responsibility for non-critical decisions may be devolved.

Chances of losing any challenge are real and consequences would be significant. A win would be a great coup.

Innovation pursued – desire to 'break the mould' and challenge current working practices. New technologies viewed as a key enabler of operational delivery.

High levels of devolved authority – management by trust rather than tight control.

Consistently pushing back on regulatory burden. Front foot approach informs better regulation.

Innovation the priority – consistently 'breaking the mould' and challenging current working practices.

Investment in new technologies as catalyst for operational delivery. Devolved authority – management by trust rather than tight control is standard practice.

Academic Activity

Defensive approach to objectives – aim to maintain or protect, rather than innovate.

Priority for tight management controls & limited devolved authority.

General avoidance of systems/ technology developments.

Decision making authority held by senior management.

Only essential systems / technology developments to protect current operations.

Tolerance for risk taking limited to those events where there is little chance of any significant repercussion for the organisation should there be a failure. Mitigations in place for any undue interest.

Appetite to take decisions with potential to expose the organisation to additional scrutiny/interest.

Prospective management of organisation's reputation.

Willingness to take decisions that are likely to bring scrutiny of the organisation but where potential benefits outweigh the risks.

New ideas seen as potentially enhancing reputation of organisation.

Track record and investment in communications has built confidence by public, press and politicians that organisation will take the difficult decisions for the right reasons with benefits outweighing the risks.

Reputation

	CONFIDENTIAL
Paper title:	Project Larch update
Board/Committee:	Board of Governors
Date of meeting:	18 October 2018
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	Dave Phoenix, Vice Chancellor
Purpose:	To update the Board on project Larch
Recommendation:	The Board is requested to note

### **Project Larch update – *extract of the draft minutes***

Under delegated authority from the Board (minute 10 of 12 July 2018 refers), the project Larch transaction sub committee met on 11 October 2018 to discuss the proposed transfer arrangements for Lambeth College (LC) to South Bank Colleges (SBC).

#### *Governance documents*

The committee noted and ratified the articles of association of SBC, the governance agreement between LSBU and SBC and the asset deed dated 6 August 2018 between SBC and the Secretary of State – included as an appendix to the Board pack for information.

#### *Exit arrangements*

The committee noted legal advice on exiting the proposed arrangement with Lambeth College. The committee noted the challenges of unwinding as set out in the advice. This would be part of its consideration of whether to approve proceeding with the transfer.

#### *Insurance*

The committee noted that the directors and officers of SBC are covered under LSBU's directors' and officers' insurance policy.

### *Loan arrangements*

The committee noted the proposed Barclays loan arrangements which had been approved by the Finance, Planning and Resources Committee and the Major Projects and Investment Committee.

### *Legal due diligence report*

The committee discussed the legal due diligence report on Lambeth College from VWV in detail. The committee noted that the level of risks identified in the report are broadly similar to the VWV legal due diligence report on Lambeth College dated May 2017. The risks in the report were in two main areas: financial and reputational.

The committee discussed each risk and the management response and mitigations.

The committee considered that the estate risks were manageable. A number of the risks were unknown due to the lack of title deeds. Efforts are being made to relocate them with the college's previous solicitors.

The committee discussed in detail the potential financial costs of addressing all the estates risks. It was noted that the impact of this would be largely on the overage repayable to the ESFA and not on LSBU finances.

The committee considered that the risks identified in the report were manageable in the context of the strategy that the university is pursuing.

### *Pensions*

The committee noted the update on pensions. The two project red lines on pensions were that there is no crystallisation of the liabilities and that the categorisation of the LPFA pension fund that transfers to SBC does not affect LSBU's LPFA categorisation. The agreed arrangements meant that these red lines had not been crossed.

The committee noted that LC staff are in the LGPS and TPS. There is a DC scheme for staff in SW4 Catering Ltd (a wholly owned subsidiary of LC which transfers to SBC on completion). A side letter to the transfer agreement had been drafted to give LC assurance that the pension arrangements of LC employees will transfer on completion.

### *Authority to exchange*

The committee noted the near final transfer agreement between SBC and LC. The committee authorised the Vice Chancellor to approve any final changes to the draft transfer agreement and authorised SBC to approve and exchange the transfer agreement with LC.

### *Drawdown of Transaction Unit (TU) funds by LC*

The committee discussed the proposed drawdown of TU funds by LC of up to £2m for clawback of funding and costs associated with the Nine Elms Skills Centre at Vauxhall. The committee authorised the drawdown in principle, subject to LC agreeing the terms.

### *Next steps*

The committee noted that the SBC board meets on 18 October 2018 to authorise exchange and execution by an SBC director. The LC Board also meets on 18 October 2018 to authorise exchange and execution and to resolve to dissolve the Lambeth College Further Education Corporation on 31 January 2019 subject to, and immediately after, the transfer of the undertaking of Lambeth College to SBC.

### *Designation of Lambeth College (as part of SBC)*

An order has now been laid in Parliament to designate Lambeth College (as part of SBC). The order should become effective on the day of transfer of LC to SBC (31 January 2019) – the order is included as an appendix to this paper.

The Board is requested to note this update.

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**2018 No. 1059**

**EDUCATION, ENGLAND**

**The Lambeth College (Designated Institution in Further Education) Order 2018**

<i>Made</i>	- - - -	<i>9th October 2018</i>
<i>Laid before Parliament</i>		<i>11th October 2018</i>
<i>Coming into force</i>	- -	<i>31st January 2019</i>

The Secretary of State for Education makes the following Order in exercise of the powers conferred by section 28 of the Further and Higher Education Act 1992(a).

**Citation and commencement**

1. This Order may be cited as the Lambeth College (Designated Institution in Further Education) Order 2018 and comes into force on 31st January 2019.

**Designation**

2. Lambeth College(b), being an educational institution of the kind described in subsections (1) and (2) of section 28 of the Further and Higher Education Act 1992, is designated as an institution for the purposes of that section.

9th October 2018

*Anne Milton*  
Minister of State  
Department for Education

**EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order designates the institution of Lambeth College from 31st January 2019, for the purposes of section 28 of the Further and Higher Education Act 1992 (“the Act”). This designation brings the institution within the further education sector as defined in section 91(3) of the Act. An impact assessment has not been produced for this instrument as it has no impact on businesses and civil society organisations. The instrument has no impact on the public sector.

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- (a) 1992 c. 13; section 28(1) was amended by section 143(1)(a) of the Learning and Skills Act 2000 (c. 21) and section 28(2)(a) was amended by the School Standards and Framework Act 1998 (c. 31), Schedule 30, paragraph 38. Section 28(2)(b) was repealed by the Learning and Skills Act 2000, section 143(1)(b), section 153 and Schedule 11. Section 28(2)(d) was inserted by the Learning and Skills Act 2000, section 143(1)(c).
- (b) Lambeth College, whose principal address is 45 Clapham Common South Side, London, SW4 9BL, is an institution conducted by a registered company with company number 11495376 and with the name South Bank Colleges.

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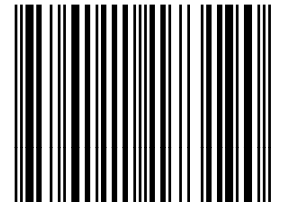
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	INTERNAL
Paper title:	Senior remuneration policy
Board/Committee:	Board of Governors
Date of meeting:	18 October 2018
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	Mee Ling Ng, Remuneration Committee Chair
Purpose:	For Approval
Recommendation:	The Board is requested to approve the remuneration policy for senior staff.

## Executive Summary

Under element 3b of ‘The Higher Education Senior Staff Remuneration Code’ by the CUC, universities are expected to publish a “policy on the remuneration for post holders within the remit of Remuneration Committee”.

The attached policy has been drafted to take into account the three elements of fair and appropriate remuneration as set out in the code:

- (i) a fair, appropriate and justifiable level of remuneration
- (ii) procedural fairness; and
- (iii) transparency and accountability

The remuneration committee recommends the policy to the Board for approval.

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## **LSBU SENIOR REMUNERATION POLICY**

### *Context*

1. 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 will require 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.
2. 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. But 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.
3. In setting remuneration, LSBU has adopted and complies with the CUC Higher Education Senior Staff Remuneration Code (2018). Any non-compliance with the Code will be explained in the annual remuneration report.
4. This policy focuses on senior pay to be determined by the Remuneration Committee, which will focus as a minimum on the Vice Chancellor and leaders reporting to the Vice Chancellor, but may include other senior leaders as appropriate; the policy should be compatible with remuneration policy throughout the University.

### *Principles*

5. Within this context the following principles for senior remuneration apply:
  - 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

#### *Process*

6. The Remuneration Committee is a sub-committee of the Board of Governors. It is comprised of independent governors, including the Chair of the Board. It is chaired by a senior independent governor. The Vice Chancellor is not a member of the committee.
7. The Remuneration Committee:
  - oversees the process of determining remuneration as set out through the principles above;
  - determines each Senior Executive's starting package, pay award and any performance bonus, based on recommendations from the Vice Chancellor (for his/her direct reports) and the Chair of the Board (for the Vice Chancellor);
  - approves this remuneration policy;
  - approves the design of any bonus scheme for Senior Executives;
  - approves the objectives of the Vice Chancellor for performance bonuses;
  - monitors the objectives being set for performance bonuses of Senior Executives;
  - approves a policy on external income for Senior Executives;
  - approves a policy on severance arrangements for Senior Executives; and
  - any other areas as defined in its terms of reference.
8. The Committee will have a particular role to play in ensuring application of this policy is discrimination-free.
9. The Vice Chancellor will be invited to present her/his recommendations to the Remuneration Committee on his/her direct reports. He/she will not be present for any discussion on her/his own remuneration. The Vice Chancellor will not have a role in the final decision on pay and other awards for themselves or other senior executives.
10. The Remuneration Committee Chair will report as a minimum annually to the full Board on how the Committee has carried out its duties, and this annual report will be included in LSBU's Report & Accounts.

	CONFIDENTIAL
Paper title:	Terms of reference
Board/Committee:	Board of Governors
Date of meeting:	18 October 2018
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	James Stevenson, University Secretary
Purpose:	For approval
Recommendation:	The Board is requested to approve the terms of reference.

## Executive Summary

The Board is requested to approve changes to the following terms reference:

- Remuneration Committee
- Finance, Planning and Resources Committee.

The remuneration committee's terms of reference have been reviewed to take into account 'The Higher Education Senior Staff Remuneration Code' by the CUC.

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## **Remuneration Committee Terms of reference**

### **1. Constitution**

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

### **2. Membership**

- 2.1 The Remuneration Committee and its chair shall be appointed by the Chair of the Board, from among the independent governors, and must consist of members with no executive responsibility for the management of the institution.
- 2.2 The Chair of the Board shall not be Chair of the Committee.
- 2.3 There shall be no fewer than three members; a quorum shall be at least two members.
- 2.4 The chair of the Board shall be a member of the committee.
- 2.5 Members should not have significant interests in LSBU.
- 2.6 The committee may, if it considers it necessary or desirable, co-opt members with particular expertise.

### **3. Attendance at meetings**

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

### **4. Definition:**

- 4.1 the following definition applies to these terms of reference:
- Senior Executives: senior leaders who report directly to the Vice Chancellor. This group includes the Senior Post Holders as defined in the Standing Orders.

## **5. Remit of the committee**

The responsibilities of the committee are to:

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

## **6. Reporting responsibilities**

- 6.1 The committee chair shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 6.3 An annual remuneration committee report shall be included in the annual report and accounts

## **7. Authority**

- 7.1 The committee is authorised by the board, at LSBU's expense:
  - 7.1.1 to obtain any outside legal or other professional advice; and
  - 7.1.2 within any budgetary restraints imposed by the board, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.

## **8. Secretary**

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

## **9. Minutes**

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

## **10. Frequency of Meetings**

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

## **11. Remuneration policies**

- 11.1 in determining any of the policies within its remit the committee shall comply with 'The Higher Education Senior Staff Remuneration Code' published by the CUC (June 2018).

- 11.2 in determining the remuneration policy under 5.1, the committee shall take into account all factors which it deems necessary. The objective of such policy shall be to ensure that the Senior Executives are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of LSBU.
- 11.3 In determining the severance guidance under 5.7 the committee shall comply with the CUC's "guidance on decisions taken about severance payments in HEIs".

## Finance, Planning and Resources Committee

### Terms of Reference

The Finance, Planning and Resources Committee is a sub-committee of the Board. It provides for the Board in depth review of:

- LSBU's in-year financial performance;
- Performance against the corporate strategy;
- The proposed annual budget;
- Implications of the strategy for human and physical resources;
- Treasury management including opening of bank accounts proposals for borrowing; and
- Compliance with the University Gift Acceptance policy.

#### 1. Remit

1.1 The remit of the committee is to:

- 1.1.1 review management accounts;
- 1.1.2 review the annual budget and recommend to the Board;
- 1.1.3 review the five year forecasts and recommend to the Board;
- 1.1.4 to review regular reports on human and physical resources
- 1.1.5 monitor progress against the KPIs – strategic enablers as approved by the Board and alert the Board of key potential variations against target;
- 1.1.6 approve investment and treasury management policies;
- 1.1.7 recommend opening of bank accounts to the Board;
- 1.1.8 approve investment policies for charitable funds and to receive an annual report on expenditure;
- 1.1.9 receive an annual report of all donations above £25,000 and to monitor adherence to the Gift Acceptance Policy and any regulatory guidance on charity fundraising;

- 1.1.10 receive a six monthly report on the Students' Union's income and expenditure;
- 1.1.11 review litigation involving over £0.5 million or otherwise material to the interests of LSBU and recommend to the Board for decision; and
- 1.1.12 receive assurance from the Executive that the insurance programme is adequate from year to year

## **2. Membership**

- 2.1 Membership shall consist of up to five independent governors including the Chair of the Board, the Vice Chancellor, one student governor and one staff governor.
- 2.2 A quorum shall consist of at least three independent governors.
- 2.3 The chair shall be an independent governor.
- 2.4 The Chairman of the Audit Committee shall not be a member of the committee.

## **3. Reporting Procedures**

- 3.1 The minutes (or a report) of meetings of the Committee will be circulated to all members of the Board.

*Approved by the Board of Governors on 14 May 2015.*

*Revision approved by the Board of Governors on [18 October 2018 – tbc].*

	CONFIDENTIAL
Paper title:	Annual declarations of interest
Board/Committee:	Board of Governors
Date of meeting:	18 October 2018
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	James Stevenson, University Secretary
Purpose:	For approval
Recommendation:	The Board is requested to authorise the newly declared situational conflicts of its members.

## Executive Summary

1. Under the Companies Act 2006, governors have a duty to avoid a "situation" in which they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of LSBU, unless this has previously been authorised by the Board. Following a declaration process during October 2018, the Register of Interests has been updated and is attached. Declarations have been made by governors and the Executive. Additions and amendments to the register are highlighted in red.
  
2. The Board is requested to review existing interests and authorise new interests. Please note, that any new interests or changes to the authorised interests will need to be approved by unconflicted members of the Board. This means that governors must not participate in the authorisation of their own interests.
  
3. When authorising interests, unconflicted governors will need to consider whether to attach any conditions to the authorisation, for instance to not disclose confidential LSBU information.
  
4. Governors will continue to have a duty to inform the University Secretary if their interests change throughout the year.
  
5. Governors will also continue to have a duty to declare any conflicts of interest in items on the agenda at each meeting.

6. The Board is requested to authorise the declared situational conflicts of its members.

### Governors' declaration of interests

A full list of declarations of interest which have been authorised by the Board can be viewed on each governor's profile on the modern.gov website. New declarations to be authorised by the Board are listed in the table below. A full list of changes is provided as supplementary information.

Organisation	Sector	Relationship
<b>Shachi Blakemore</b>		
Lambeth College	FE	Client of firm
<b>Jerry Cope</b>		
Prison Service Pay Review Body	Prison Service	Chair (paid)
<b>Peter Fidler</b>		
Together for Children Sunderland	Charity	Non-executive director
Live Theatre Newcastle	Charity	Non-executive director
Hays Travel Foundation	Charity	Non-executive director
<b>Hilary McCallion</b>		
Ashford and St.Peters NHS Foundation Trust	Healthcare	Non-executive director
<b>Jeremy Parr</b>		
Allen & Overy LLP	Legal	Partner
<b>Nelly Kibirige</b>		
London South Bank Students' Union	HE	President of the Students' Union
<b>Nazene Smout</b>		
London South Bank Students' Union	HE	Union Council Chair
<b>Paul Ivey</b>		
Military Education Committee, University of London	HE	Chair
<b>Nicole Louis</b>		
South Bank Academies	Secondary education	Director and CEO



	CONFIDENTIAL
Paper title:	Report on decisions of Committees
Board/Committee	Board of Governors
Date of meeting:	18 October 2018
Author:	Michael Broadway, Deputy University Secretary
Board sponsors:	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 note the reports.

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## **Committee reports to the Board of Governors**

### **Major Projects and Investment Committee – 20 September 2018 [Minutes](#)**

The committee approved the awarding of a contract for the advertising agency framework to Natives Online for a lifetime cost of up to £3.2m over a four year period, subject to appropriate due diligence checks being completed.

The committee discussed:

- An update on the estate development plans:
  - The committee were informed that the lease of Lancaster House had not gone through. Additional space would be created on campus.
  - Havering campus lease negotiations continued. A maximum three year lease had been offered. The loss of campus would have limited impact on teaching but was a significant risk to NHS placements.
  - The Executive was waiting for feedback from Southwark Council on the draft HoTs for the sale of Southwark Hostel.
  - The Executive was in the process of appointing property advisor to review the CCCA joint venture proposal for the St George's Quarter development.
- Project Larch:
  - The transaction process was currently on track for completion as planned on 31 January 2019.
  - Renegotiations of Lambeth College's commercial debt were ongoing with Barclays. The committee discussed the transfer of day-to-day banking to Barclays and the security required by Barclays
- An update on Project LEAP and work package 1.
- The possible acquisition of Sigma/QTS which was being considered by the Executive.

The committee noted its terms of reference and annual workplan.

### **Finance, Planning and Resources Committee – 25 September 2018 [Minutes](#)**

The committee approved:

- LSBU day to day banking and LC commercial debt negotiations:
  - The committee approved the recommendation to the Board the transfer of the day to day banking to Barclays bank for a minimum of 5 years.
  - The committee requested that the CFO put a clause in the agreement to allow LSBU withdraw from the contract if Barclays bank's services become materially unsatisfactory to LSBU.

The committee discussed:

- Management accounts to July 2018:
  - reporting a surplus of £1.6M, ahead of budget. Audit would be done at the end of October 2018.
  - The high figures of high level staff shown in the management accounts were discussed. The CFO to provide a table with the numbers so that this can be compared at the next FPR committee meeting in November 2018.

The committee noted:

- Student recruitment update:
  - The CMO confirmed that LSBU is performing strongly. Expected to meet the 2,450 target excluding Health as agreed with the Board.
  - The CMO confirmed that re-enrolment is still ongoing and would have a clearer picture on real number by end of October 2018.
- HR report:
  - VS successfully completed, and consultation on change proposals now closed.
  - Following the data of LSBU population compared to VS population (September 2018) in the HR report, the committee has requested to see how diversity data breaks down to academic and non-academic staff at the next meeting in November 2018.
  - The committee has requested a presentation on staff engagement survey at the next meeting in November 2018.
- KPI – strategic enablers:
  - The committee noted the decline in NSS.
  - The committee requested that the Executive to provide assurances on how it will reverse the decline in NSS at the next meeting in November 2018.

### **Nominations Committee – 27 September 2018 [Minutes](#)**

The committee reviewed the Board's skills and diversity matrix and discussed the future needs of the Board when recruiting new independent governors. The committee agreed to engage an external recruitment firm to assist with governor recruitment which was hoped would further improve the quality and diversity of shortlisted candidates.

The committee recommended that Jerry Cope is re-appointed as an independent governor and Chair at the end of his current term, ending on 31 July 2019. (separate paper attached)

## Audit Committee – 4 October 2018 [Minutes](#)

The committee approved:

- The pension assumptions: the committee asked they continue to be reviewed for any material changes and returned to the next meeting.

The committee discussed:

- The internal audit progress report and specific reports on:
  - Student Data (continuous audit)
  - Key Financial Systems - period 1 (continuous audit) : “Payroll has improved to a green risk rating due to fewer exceptions identified”.
  - Risk Management (low risk): “Controls in place for risk management across the University appear to be robust and well managed”.
  - HR audit: (low risk)
  - IT technology roadmap: (medium risk)
- The draft internal audit annual report for 2017/18, with the audit opinion that the control environment at LSBU is “generally satisfactory with some improvements required”.
- The corporate risk register: risks around income generation would potentially be downgraded given the positive progress made in recruitment.
- The Audit Charter and Plan.
- The risk appetite, which remains unchanged from last year, and agreed to recommend to the Board for approval.

The committee noted:

- The internal controls annual review.
- The external audit progress report.
- The Audit Committee annual report.
- The GDPR update: the committee asked that this remain on the agenda as a standing item.
- The Speak up report: no new matters had been raised.
- The anti-fraud, bribery and corruption report – no instances of fraud, bribery or corruption had been identified since the last meeting.
- its work plan; and
- its membership and terms of reference: Steve Balmont will step down as Chair on 31 December 2018 and be succeeded by Duncan Brown from 1 January 2019. The committee noted that the terms of reference are likely to be amended to reflect an expanded remit with the LSBU Group.

## **South Bank Academies Board – 11 October 2018 [Minutes](#)**

The committee approved:

- The revised scheme of delegation.

The committee discussed:

- The Health & Safety and HR audits and approved arrangements for addressing recommendations through LSBU Group support, and for tracking progress.
- The recruitment and appointment of an Executive Principal; the Board was supportive of an initial approach through internal candidates.
- The national exam results from both schools.
- The full year management accounts 2017/18 which forecast a small surplus.
- The appointment of an SBA Business Manager who will take up post on 15 October 2018.
- The external audit progress which is currently ahead of schedule.
- The Safeguarding reports from both schools. In future the report will be compiled by the Executive Principal.

The committee noted:

- Preparations for an Ofsted inspection at the UTC.
- The development of the Governance Agreement between LSBU and SBA which will be presented for approval at the next meeting.

	CONFIDENTIAL
Paper title:	Standing orders
Board/Committee:	Board of Governors
Date of meeting:	18 October 2018
Author(s):	James Stevenson, University Secretary and Clerk to the Board of Governors
Sponsor(s):	Jerry Cope, Chair of the Board
Purpose:	For Information
Recommendation:	The Board is requested to note the Standing Orders

## **Executive Summary**

Under the Articles, the Board can make and amend Standing Orders to govern the administration of the University and cover areas not in the Articles. The Standing Orders are likely to be reviewed in the context of the LSBU Group but currently cover the following areas:

1. Role of the Board of Governors
2. Primary Responsibilities of the Board
3. Chair and Vice Chair of the Board
4. Composition of Board and methods of appointment
5. Proceedings of Meetings and Decision Making
6. Committees
7. Schedule of Matters Reserved to the Board
8. Remuneration of Governors
9. Chief Executive
10. Suspension and Dismissal of Senior Staff

11. Academic Board

12. Honorary Positions

13. Senior Post Holders

The Board is requested to note the Standing Orders.



	CONFIDENTIAL
Paper title:	Joint Board Strategy Day report
Board/Committee:	Board of Governors
Date of meeting:	18 October 2018
Author(s):	Joe Kelly, Governance Officer
Sponsor(s):	Jerry Cope, Chair
Purpose:	For Information
Recommendation:	The Board is requested to note the report.

## **Executive Summary**

The Joint Board Strategy Day was held on 27 September 2018 at Avonmouth House. The day was attended by the Board of Governors, Academic Board, and senior executives and directors.

The day focused on evaluating LSBU's strengths, weaknesses, opportunities and threats, and discussing how these could inform the development of the next corporate strategy 2020-2025.

The Vice-Chancellor gave an overview of the external and internal environment affecting LSBU. The key elements included: Brexit, media, sector competition, pensions, regulations, fees, international, technical education, and industrial strategy.

Richard Duke (Head of Performance, Planning and Assurance) gave a data presentation outlining the strengths and weaknesses in LSBU's performance. Areas of success included: league table performance, employability, learning resources satisfaction, and position in market. Areas for improvement included: student experience, attainment gap, financial targets, and progression.

Breakout groups evaluated the information in a SWOT analysis (see attached).

The Vice-Chancellor gave an introduction to developing the next corporate strategy based on the three pillars of the current strategy: student success, real world impact, and access to opportunity. The Vice-Chancellor also outlined the changes in executive roles which will shape the LSBU Group.

Breakout groups discussed how the SWOT analysis informs and aligns with the corporate strategy 2020-2025 (see attached).

Employability x3  
Technical education focus  
Transnational  
Outstanding staff / pride / culture  
Real world impact:  
Flexible / responsible / responsive to employer  
demand  
High quality graduates into professions  
Apprenticeships

**Strengths**

NSS results x3  
Organisation and management x2  
Teaching  
Inconsistency in student experience and  
satisfaction  
Retention  
Professional culture  
Future readiness of infrastructure

**Weaknesses**

**Opportunities**

Work as collective in family of institutions:  
sharing, transparency, simplification  
Portfolio  
Vocational training @ L2-L8 within the group  
Internationalisation as TNE  
Diversification of income  
Harnessing power of staff, student, place,  
employers

**Threats**

Financial sustainability, viability, headroom  
Unpredictability – sector and funding  
Competition / fragmentation of students  
Student satisfaction  
Maintaining reputation – external challenges and  
changes

**Most significant SWOTs  
across the groups**



Group feedback on how our SWOT aligns with the shape of the 2020-2025 strategy

	CONFIDENTIAL
Paper title:	Board of Governors annual work plan
Board/Committee:	Board of Governors
Date of meeting:	18 October 2018
Author(s):	Joe Kelly, Governance Officer
Sponsor(s):	James Stevenson, University Secretary
Purpose:	For Information
Recommendation:	The Board is requested note the plan.

## **Executive Summary**

The Board's business plan is based on its primary responsibilities and the Matters reserved to the Board. The plan covers recurring and compliance matters for the year. Significant investments or ad hoc items will be discussed as required.

The Board meetings for 2018/19 are:

- 18 October 2018
- 22 November 2018
- 14 March 2019
- 23 May 2019
- 18 July 2019

The Board is requested to note its annual business plan.

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## Board of Governors plan 2018/19

Agenda Item	Consider By	Date	Decision By	Date	Lead Officer
<b>18 OCTOBER 2018</b>					
VC report			Board of Governors	18 Oct 2018	David Phoenix
Risk strategy and appetite	Executive Audit Committee	19 Sep 2018 4 Oct 2018	Board of Governors	18 Oct 2018	Richard Flatman
Review of standing orders			Board of Governors	18 Oct 2018	Jerry Cope
Board strategy day report			Board of Governors	18 Oct 2018	Jerry Cope
Reports and decisions of committees			Board of Governors	18 Oct 2018	James Stevenson
Corporate Risk	Executive Audit Committee	19 Sep 2018 4 Oct 2018	Board of Governors	18 Oct 2018	Richard Flatman
'Committee of the month'			Board of Governors	18 Oct 2018	Jerry Cope
Chief Financial Officer's report			Board of Governors	18 Oct 2018	Richard Flatman
Board strategy day report			Board of Governors	18 Oct 2018	Jerry Cope
Board annual work plan			Board of Governors	18 Oct 2018	James Stevenson

Annual declaration of interests			Board of Governors	18 Oct 2018	Jerry Cope
<b>22 NOVEMBER 2018</b>					
Corporate strategy progress report	Executive	31 Oct 2018	Board of Governors	22 Nov 2018	Pat Bailey
EDI annual report	Executive	24 Oct 2018	Board of Governors	22 Nov 2018	Pat Bailey
Reports and decisions of committees			Board of Governors	22 Nov 2018	James Stevenson
VC report			Board of Governors	22 Nov 2018	David Phoenix
Remuneration Committee report to Board	Remuneration Committee	21 Nov 2018	Board of Governors	22 Nov 2018	James Stevenson
Quality assurance return	Academic Board Audit Committee Executive	31 Oct 2018 8 Nov 2018 24 Oct 2018	Board of Governors	22 Nov 2018	Shân Wareing
Annual Academic Board report	Academic Board	27 Sep 2018	Board of Governors	22 Nov 2018	Pat Bailey
Prevent annual return	Executive Audit Committee	24 Oct 2018 8 Nov 2018	Board of Governors	22 Nov 2018	Ian Mehrtens
OfS annual accountability return	Executive	7 Nov 2018	Board of Governors	22 Nov 2018	Richard Flatman
Modern slavery act statement	Executive Audit Committee	24 Oct 2018 8 Nov 2018	Board of Governors	22 Nov 2018	Richard Flatman



KPI targets	Executive FPR	17 Oct 2018 6 Nov 2018	Board of Governors	22 Nov 2018	Richard Flatman
Health and Safety annual report	Executive	31 Oct 2018	Board of Governors	22 Nov 2018	Pat Bailey
External audit letter of rep	Executive Audit Committee	12 Sep 2018 4 Oct 2018	Board of Governors	19 Sep 2018	Richard Flatman
External audit findings	Executive Audit Committee	19 Sep 2018 4 Oct 2018	Board of Governors	22 Nov 2018	Richard Flatman
Corporate Risk	Executive Audit Committee	24 Oct 2018 8 Nov 2018	Board of Governors	22 Nov 2018	Richard Flatman
'Committee of the month'			Board of Governors	22 Nov 2018	Jerry Cope
Chief Financial Officer's report			Board of Governors	22 Nov 2018	Richard Flatman
Audit committee annual report	Executive Audit Committee	24 Oct 2018 8 Nov 2018	Board of Governors	19 Sep 2018	Richard Flatman
Annual report and accounts	Audit Committee	8 Nov 2018	Board of Governors	22 Nov 2018	Richard Flatman
Public benefit guidance			Board of Governors	22 Nov 2018	James Stevenson
<b>14 MARCH 2018</b>					
VC report			Board of Governors	14 Mar 2019	David Phoenix
Reports and decisions of committees			Board of Governors	14 Mar 2019	James Stevenson

Corporate Risk	Executive Audit Committee	16 Jan 2019 5 Feb 2019	Board of Governors	14 Mar 2019	Richard Flatman
'Committee of the month'			Board of Governors	14 Mar 2019	Jerry Cope
Chief Financial Officer's report			Board of Governors	14 Mar 2019	Richard Flatman
<b>23 MAY 2018</b>					
VC report			Board of Governors	23 May 2019	David Phoenix
SU election results			Board of Governors	23 May 2019	Shân Wareing
Reports and decisions of committees			Board of Governors	23 May 2019	James Stevenson
Health and Safety mid year report	Executive	1 May 2019	Board of Governors	23 May 2019	Pat Bailey
Corporate strategy progress report	Executive	1 May 2019	Board of Governors	23 May 2019	Pat Bailey
Corporate Risk	Executive	8 May 2019	Board of Governors	23 May 2019	Richard Flatman
'Committee of the month'			Board of Governors	23 May 2019	Jerry Cope
Chief Financial Officer's report			Board of Governors	23 May 2019	Richard Flatman
CC20 compliance	Executive FPR	17 Apr 2019 7 May 2019	Board of Governors	23 May 2019	Pat Bailey
Board strategy day report			Board of Governors	23 May 2019	Jerry Cope

**18 JULY 2018**

VC report			Board of Governors	18 Jul 2019	David Phoenix
Reports and decisions of committees			Board of Governors	18 Jul 2019	James Stevenson
Corporate Risk	Executive Audit Committee	29 May 2019 13 Jun 2019	Board of Governors	18 Jul 2019	Richard Flatman
'Committee of the month'			Board of Governors	18 Jul 2019	Jerry Cope
Chief Financial Officer's report			Board of Governors	18 Jul 2019	Richard Flatman
Budget	Executive FPR	19 Jun 2019 2 Jul 2019	Board of Governors	18 Jul 2019	Richard Flatman
Board and committee membership			Board of Governors	18 Jul 2019	James Stevenson
5 year forecasts	Executive FPR	12 Jun 2019 2 Jul 2019	Board of Governors	18 Jul 2019	Richard Flatman

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	CONFIDENTIAL
Paper title:	Re-appointment of the Chair of the Board
Board/Committee:	Board of Governors
Date of meeting:	18 October 2018
Author(s):	James Stevenson, University Secretary and Clerk to the Board of Governors
Sponsor(s):	Douglas Denham St Pinnock, Vice Chair
Purpose:	For Discussion
Recommendation:	The Board is requested to note recommendation of the Nomination Committee to re-elect Jerry cope as an independent governor, Chairman and Pro Chancellor for a further term of four years from 1 August 2019 to 31 July 2023.

## Executive Summary

Jerry Cope was appointed as Chair of the Board and Pro Chancellor on 1 August 2015 for a term of four years ending on 31 July 2019. It is therefore timely to consider whether the Chair should be recommended for a second term as independent governor and Chair.

The Nominations Committee met on 27 September 2018 to consider the Chair's re-appointment as an independent governor. The committee considered the annual appraisal of the Chair conducted by the Vice Chair. The committee has unanimously recommended that Jerry Cope is re-appointed as an independent governor and Chair of the Board for a term of 4 years starting on 1 August 2019.

### Recommendations:

1. Appointments Committee (all the independent governors) to approve the re-appointment of Jerry Cope as independent governor from 1 August 2019; and
2. Board (as a whole) to approve the re-appointment of Jerry Cope as Chair of the Board from 1 August 2019.

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