

**Meeting of the Policy & Resources Committee**

**3pm on Wednesday, 3 July 2013**  
**In 1B27, Technopark, London Road, SE1**

**Agenda**

<i>No.</i>	<i>Item</i>	<i>Paper No.</i>	<i>Presenter</i>
1.	Welcome and apologies		Chair
2.	Declarations of interest		Chair
3.	Minutes of the previous meeting (for publication)	PR.20(13)	Chair
4.	Matters arising <ul style="list-style-type: none"><li>• Health and Safety reporting (Board minute 33 of 21 March 2013)</li></ul>		Chair
5.	<b>Performance Matters</b>		
5.1	Student recruitment update	PR.21(13)	PVC(E)
6.	<b>Matter for Approval</b>		
6.1	Budget, 2013/14	PR.22(13)	EDF
6.2	HEFCE Annual Accountability mid-year return	PR.23(13)	EDF
6.3	Tuition fees for 2014/15	PR.24(13)	PVC(E)
6.4	Articles of Association	PR.25(13)	Sec
6.5	Insurance Renewals, 2013/14	PR.26(13)	EDF
6.6	Amendments to Financial Regulations	PR.27(13)	EDF
7.	<b>Matters for Noting</b>		
7.1	Key Performance Indicators	PR.28(13)	VC
7.2	Management accounts to 31 May 2013	PR.29(13)	EDF
7.3	Treasury management report	PR.30(13)	EDF
8.	Any other business		Chair
9.	Date of next meeting: 4pm on Tuesday 1 October 2013		

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Members: Sarah Mullally (Chair), David Longbottom (Chairman of the Board), Martin Earwicker (Vice-Chancellor), Ken Dytor, Hilary McCallion, Anne Montgomery, Diana Parker and Jon Warwick.

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

	PAPER NO: PR.20(13)	
Board/Committee:	Policy and Resources Committee	
Date:	3 July 2013	
Paper title:	Minutes of the meeting of 7 May 2013	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsor:	Dame Sarah Mullally, Chair of the Committee	
<b>Recommendation:</b>	That the committee approve the minutes and the proposed redactions for publication	
Aspect of the Corporate Plan to which this will help deliver?	N/A	
Matter previously considered by:	N/A	N/A
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	Published on the LSBU website	

### **Executive Summary**

The committee is requested to approve the minutes of its meeting of 7<sup>th</sup> May 2013 and the proposed redactions for publication.

Minutes of a Meeting of the Policy and Resources Committee  
held at 4pm on Tuesday, 7 May 2013  
in 1B27, Technopark, London Road, SE1

**Present**

Dame Sarah Mullally	Chair
David Longbottom	Chairman of the Board
Prof Martin Earwicker	Vice Chancellor
Ken Dytor	
Prof Hilary McCallion	
Anne Montgomery	<i>(for minutes 11-19)</i>
Diana Parker	
Prof Jon Warwick	

**In attendance**

Dr Phil Cardew	Pro Vice Chancellor (Academic)
Richard Flatman	Executive Director of Finance
Beverley Jullien	Pro Vice Chancellor (External)
James Stevenson	University Secretary and Clerk to the Board of Governors
Michael Broadway	Governance Officer

**Welcome and Apologies**

1. Apologies had been received from Anisa Ali.

**Declarations of Interest**

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

**Minutes of the previous meeting**

3. The minutes of the previous meeting were approved as a correct record. The minutes were approved for publication subject to the proposed redactions (paper **PR.12(13)**).

**Matters Arising**

4. There were no matters arising which were not covered elsewhere on the agenda.

### **Student Recruitment Update**

5. The Pro Vice Chancellor (External) updated the committee on student recruitment for 2013/14 (paper **PR.13(13)**).
6. The committee noted that overall applications for 2013/14 were up on last year by 6.4%, with strong growth in EU applications. It was reported that acceptances were improving compared to 2012/13 and that an update on conversion would be given to the Board on 23 May 2013. It was expected that the University could be more selective in Clearing than in previous years and that this should help improve progression rates.
7. The committee noted that international firm acceptances had risen by 52% and that this was ahead of budget.

### **NHS Funding position for 2013/14**

8. The committee noted an update on the NHS funding position for 2013/14 (paper **PR.14(13)**). It was noted that there was still uncertainty around the funding position for 2013/14 and that there was particular concern around the £3.8m budget for Continuing Professional and Personal Development. It was noted that NHS funding had been upgraded to critical on the corporate risk register and that a further update would follow after the funding letter was received in early June 2013.

### **Capital Investment Update**

9. The committee discussed an update on capital investment plans for the five years from 2013/14 (paper **PR.15(13)**). The planned expenditure was broadly in line with the £110m capital investment planned in the five year forecasts to develop and maintain the estate as a community university (as discussed at the Board strategy day on 21 April 2013). It was noted that the £110m capital investment was to be funded from operating cash flow and that any additional investment would have to be funded through estates rationalisation.
10. Following the Board strategy day of 21 April 2013, the Board will review the long-term vision for the estates strategy as a community university at a future meeting. The committee requested the report to cover the future options for estate buildings, including details of ownership and the potential market value. The executive were preparing plans for the future management of the halls of residence which would be included.

*Anne Montgomery entered the meeting*

11. It was noted that business cases were required for all capital projects and that post investment reviews of major capital projects would be undertaken one year after completion of the project. Investments over £1m require approval by the committee and the Board (under the Financial Regulations). Property Committee will monitor the execution of the individual projects.

### **Key Performance Indicators**

12. The committee reviewed the Key Performance Indicators (paper **PR.16(13)**). The committee noted that the University remained out of the bottom 5 in the Complete University Guide 2014.

### **Management Accounts to 31 March 2013**

13. The committee noted the management accounts to 31 March 2013 which forecast a year end surplus of £4.3m (paper **PR.17(13)**).
14. The committee noted that the ratio of staff costs to income had increased to over 55%, due to a decrease in income. It was noted that the staff/student ratio was a key league table measure and that teaching quality was an important aspect of being a community university. Accordingly, setting a higher target for staffing may help improve progression.

### **Treasury Management Report to 31 March 2012**

15. The committee noted the Treasury Management Report to 31 March 2013 (paper **PR.18(13)**). It was noted that bank balances of £62.5m as at 31 March 2013 were down approximately £10m from last year due to the increased capital expenditure.

### **Student Union financial report**

16. The committee noted the Student Union half yearly financial report (paper **PR.19(13)**). It was noted that the Student Union were performing slightly ahead of budget with no expectations of major expenditure before year end. It was noted that the new Chief Executive had been appointed and would start shortly.
17. The committee noted that following the review of the Student Union and move to the Student Centre, it had now ceased all trading activity and was treated as a cost centre.

# London South Bank University

## **Date of next meeting**

18. The next meeting of the committee was changed to Wednesday, 3 July 2013 at 3pm.

The Chair closed the meeting.

Approved as a true record:

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Chair



# Committee Action Points

13 May 2013

14:38:29

Committee	Date	Minute	Action	Person Res	Status	
Policy and Resources	07/05/2013	3	Publication of minutes	Secretary		<input checked="" type="checkbox"/> Completed
Policy and Resources	07/05/2013	8	Update on NHS Funding position	VC	Funding letter expected to be received on 7th June 2013	<input type="checkbox"/> Completed
Policy and Resources	07/05/2013	10	Board to review estates strategy at a future meeting. Report to cover the future options for estate buildings, including details of ownership and the potential market value and to include plans for the management of the halls of residence.	Director of E&F		<input type="checkbox"/> Completed



	PAPER NO: PR.21(13)	
Board	Policy and Resources Committee	
Date:	3 July 2013	
Paper title:	Student Recruitment Update – September 2013	
Author:	Tere Daly, Head, Student Recruitment and Partnerships (UK and EU) Jennifer Parsons, Director, Internationalisation	
Executive sponsor:	Bev Jullien, Pro Vice Chancellor (External)	
Recommendation by the Executive:	To note the progress towards achieving recruitment targets for the September 2013/14 intake	
Aspect of the Corporate Plan to which this will help deliver?	Student choice	
Matter previously considered by:	Executive	April 2013
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	N/A	

### Executive Summary

- Recognising that LSBU is a late recruiting University, and that we expect to recruit a significant proportion of our students through Clearing, all the signs so far are that we are tracking to achieve the recruitment of full time undergraduates up to the top of the SNC Band – 2900. Currently, firm acceptances are +24% compared to this time last year, and it is forecast that we will go into Clearing offering some 1000 places, compared to 1800 last year
- This improved performance is driven partially by an improved volume of applications, but largely by a significantly enhanced conversion rate
- Post graduate recruitment full-time is progressing steadily, showing growth compared to last year
- International firm acceptances year to date are up 62% on the same period last year. Whilst the uncertainties around UKBA policies remain, all the indications are that growth in new student numbers will be achieved this cycle
- Part-time recruitment, both undergraduate and post-graduate, remains slow
- Looking across all recruitment sectors, numbers indicate that overall LSBU is on target to achieve its objectives for 2013/14

## Performance to Date – Home and EU

LSBU continues to track ahead of the national trend and competitor group for applications for undergraduate fulltime, although the rate of growth has slowed:

	2011	2012	2013	% Change 2011/2013	% Change 2012/2013
LSBU Applications	23,808	21,629	22,306	-6.31%	3.13%
UCAS Applications (Nationally)	2,825,253	2,615,429	2,686,453	-4.91%	2.75%
Competitor Applications	173,477	154,025	147,117	-15.20%	-4.48%

What is encouraging is that the level of firm acceptances is significantly ahead of this (+24%), indicating significant improvement in conversion, and there is growth in post graduate full-time:

Level	Firms (UF and CF) - CYTD	Firms (UF and CF) - LYTD	% Change	Offers (UO and CO) - CYTD	Offers (UO and CO) - LYTD	% Change	Total Applications (CYTD)	Total Applications (LYTD)	% Change
UNDERGRADUATE (FULL-TIME)	797	599	33%	18	26	-31%	9638	8990	7%
UNDERGRADUATE (FULL-TIME - SNC Only)	1695	1367	24%	322	321	0.3%	10741	10337	4%
UNDERGRADUATE (PART-TIME)	131	132	-0.8%	110	110	0%	524	492	6.5%
POSTGRADUATE (FULL-TIME)	469	457	2.6%	206	269	-23%	3355	3255	3.1%
POSTGRADUATE (PART-TIME)	154	166	-7.2%	53	69	-23%	358	397	-9.8%

Growth in applications from the EU continues to be strong, following the increased focus last year:

	2011	2012	2013	% Change 2011/2013	% Change 2012/2013
UK Applicants	21,847	19,984	20,329	-6.95%	1.73%
EU Applicants	1,082	838	1,126	4.07%	34.37%

- If our current performance in undergraduate full-time continues, this suggests we will enter clearing with a significantly reduced number of places available (we are estimating 1,000 places will be available moving into Clearing, in comparison to approximately to 1,800 last year) and we will be on track to deliver to the upper end of the permitted SNC number (2900) compared to 2500 new starters last year
- **Performance by programme:**
  - BA (Hons) English with Creative Writing and BA (Hons) Film Studies have maintained their increase in Firm acceptances (over 100% in comparison to last year)
  - Law continues to see both applications and acceptances increase – anecdotal feedback from the recruitment team suggest that this has been widely welcomed and prospective students can make more sense of the programmes because of the new naming convention
  - BA (Hons) Accounting And Finance is seeing a resurgence with applications and acceptances up across the board
  - BA (Hons) Architecture is still progressing slowly against last year, however had a significant number of offers pending decisions
  - Undergraduate business studies continues to be problematic
- **Postgraduate** . The cycle is later than for undergraduate. Full-time growth is encouraging, but part-time is below this time last year. An active campaign started in April, and the Faculty of Business have also invested to add two additional resources to work alongside the recruitment team with postgraduate conversion activities.

## Ongoing Action plan – all programmes

The main recruitment period for undergraduate programmes was in 2012 and now our focus is now on conversion activities in conjunction with faculties. Activities to build the undergraduate full time applicant pool for 2014/15 started this month, with record attendance at the Open Day.

The EU market is an area for continuing development, based on the success so far. Detailed analysis has been conducted on each market, and a tiered approach developed, with 60% of resource invested in Tier 1 countries, which include Bulgaria, France, Germany, Ireland, Italy, Romania and Sweden. In addition, there is a programme of work ongoing with Tier 2 countries, which include : Austria, Belgium, Cyprus, Denmark, Hungary, Netherland, Poland, Portugal and Spain.

Postgraduate activities increased from April 2013 with the launch of the new Postgraduate campaign.

Other ongoing Activities include:

- Open days and events, with the introduction of “Applicant Days” for students who have already applied and “Head Start” days for students who have already accepted, with a focus on conversion
- Employer sponsor contact and follow up is being conducted systematically by the Faculty and / or central team, focusing on part-time students. A university-wide strategy is being prepared to ensure a fully coordinated approach is maintained and supported
- The “keep warm” programme is ongoing, and includes telephone contact with all students potentially eligible for the scholarship programme
- A Clearing Steering Group has been created and lead by the Marketing and Student Recruitment team, to ensure that early preparation for this significant recruitment period is exploited

# London South Bank University

- Preparation is well advanced to launch an increased programme of second semester starts, which will include undergraduate business programmes suitable for both home and international students
- A Saturday only 3 year degree for business has been launched, which will count as a part-time programme. Recruitment for this is expected towards the end of the cycle
- The local community programme aimed at mature and part-time students has not had the hoped for uptake – the team is reviewing the programme, and it is likely that we will further reduce resource in this area, to focus more strongly on younger students

## International

Year to date, there is a very strong increase in firm acceptances, up 62% compared to last year:

Level	Firm Acceptances (CYTD)	Firm Acceptances (LYTD)	% change	Unconditional and conditional Offers (CYTD)	Unconditional and conditional Offers (LYTD)	% change	All Offers/ Acceptances (CYTD)	All Offers/ Acceptances (LYTD)	%
<b>TOTALS</b>	<b>904</b>	<b>558</b>	<b>62</b>	<b>1,152</b>	<b>967</b>	<b>19</b>	<b>2,056</b>	<b>1,525</b>	<b>35</b>
UG	161	98	<b>64</b>	439	341	<b>29</b>	600	439	<b>37</b>
PG	725	458	<b>58</b>	712	625	<b>14</b>	1,437	1,083	<b>33</b>
OTHER	18	2	<b>800</b>	1	1	<b>0</b>	19	3	<b>533</b>

This is across all Faculties, including Business and ESBE, which represent higher value students than AHS, which generated the majority of new student growth in 2012/13. This suggests that for new students the forecast increase in revenue for 13/14 is credible.

The increase is due to a significantly improved engagement programme with agents, enhanced and more targeted marketing and a revision of agent terms

There is a good mix of countries, with Nigeria and India, having been prioritised, coming through as well as UK based international students.

Over the next 2 months there is an extensive visit programme to markets, to generate conversion, and a strong programme of “keep warm” activities

An enhanced programme has started with China, including a much more extensive agent network and priority for Tier 2 and Tier 3 cities. The main benefit of this programme is expected to come through from 2014/15

The biggest risk remains the uncertainty around UKBA activity

# London South Bank University

	PAPER NO: PR.22(13)	
Board/Committee:	Policy & Resources	
Date:	3 July 2013	
Paper title:	2013 / 14 Budget	
Author:	Ralph Sanders: Financial Planning Manager	
Executive sponsor:	Richard Flatman: Executive Director of Finance,	
<b>Recommendation by the Executive:</b>	The Committee is requested to review the 2013/14 budget and recommend approval to the Board of Governors.	
Aspect of the Corporate Plan to which this will help deliver?	Financial Performance	
Matter previously considered by:	Executive	On: June 2013
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?		

## Executive summary

1. Following detailed budget discussions, the University now has a clear path to deliver to a £2.5M surplus for 2013/14. This is the level of surplus previously approved for 2013/14 as included in the updated 5 year forecast.
2. In terms of key risks, the 2013/14 budget assumes a recruitment target of 2,750 SNC/ABB+ undergraduates, growth in postgraduate and overseas fee income and £3.8M in respect of HSC CPPD income. To mitigate for the financial impact of these risks, the budget contains an explicit contingency of £0.5M as well as an investment pot of £2.0M that could be flexed if required.
3. The budget also contains a provision of £1.5M for Restructuring costs and Exceptional items.
4. The Policy and Resources committee is requested to approve the attached budget.

## Budget aims & overall financial framework

5. The overall aims of the budget process were:

- To prepare a revenue budget for the University as a whole that is affordable and that supports the organisation's deliverables for the next 5 years, as reflected in the 5 year forecast approved by the Board.
- In terms of the original targets for 2013 / 14, this meant delivering.
  - An improvement in UG progression from 59% to 61%
  - 2,750 FT UG for our SNC/ABB+ target
  - Postgraduate Income in excess of £7.2M
  - International Income in excess of £9.2M
  - Staff costs of no more than 55% of income

6. The Budget presented for approval meets all of the above.

7. The targets for efficiency savings of £1M in 2013 /14 and an investment fund of £1M have also been met or exceeded in the budget presented for approval.

### Current Summary Position:

8. In total the proposed budget delivers a surplus of £2.5M against a target of £2.5M. However there are a number of risks

- The original proposals from the Faculties proposed SNC/ABB+ recruitment in excess of 2,750. As a result, we have made a provision in the centre to reduce this income by the equivalent of 100 Students so that the budget only includes fee income from 2,750.
- Home / EU Postgraduate Income at £8.7M represents an increase of 23% compared to the current 2012 / 13 forecast
- Overseas Fee Income at £9.4M represents an increase of 9% compared to the current forecast
- Staff costs, at 55.4% of income, are at the top of our target range.
- Summary Position
  - AHS contribution represents a year on year improvement of £660K
  - BUS contribution represents a year on year improvement of £840K
  - ESBE contribution represents a year on year improvement of £360K
  - HSC staff costs are flat year on year.
  - Student Related income rises due to the changes associated with the renegotiated catering contract and income guarantees.

9. If we can deliver the above, we will start the year with an investment pot of £2M, an operating expense contingency of £0.5M and restructuring contingencies of £1.5m which will compensate some of the risk inherent in next year.

**LSBU**  
**Integrated planning & budgeting Process for 2013 / 14**  
**2013 / 14**

Deliverables	Early Feb	Late Feb	Early March	Late March	Early April	Late April	Early May	Late May	Early June	Late June	Early July	Late July
	1	2	3	4	5	6	7	8	9	10	11	12
Board & P&R											11.1 On 2 July - Agreed budget by P&R	12.1 On 18 July Agreed budget by BoG
Executive	1.1 Executive to set high level overall financial target for LSBU through approval of the 5 year forecast				5.2 Evaluate draft plans and decide on institutional priorities			8.2 On 30 May - Exec strategy day to review final plans & budgets	9.1 Final Budgets agreed by Exec:	10.1 Submit Papers to P&R	11.2 Submit papers to BoG	12.2 Send out letters of delegated authority
	1.2 Agree planning & budgeting process & timeline			4.1 Receipt of HEFCE funding letter		6.2 Agree Initial deviation from faculty & support department financial targets						
VC, PVCs, FD		2.2 Set research & enterprise targets from the 5 Year forecast	3.1 Agree student number targets to set income targets by course	4.2 Agree faculty block grant share & target weighted student FTEs*								
VC & FD				4.5 Set faculty & support department financial targets		6.1 Review and consolidate draft plans and budgets	7.2 Review and consolidate final plans and budgets					
Marketing & Student recruitment	1.3 Initial Home / EU Student Number targets proposed	2.1 Initial International Student Number targets proposed										
Project leads		2.3 Clarify possible budget impact of corporate projects										
HR			3.3 Agree current staff numbers with HODs									
Budget holders with support of BSMs, HRBP, Student recruitment, etc			3.2 Draft overall faculty and support department plans		5.1 Submit draft plans & budgets by 05 April	6.3 BSMs to feedback results of consolidation back to Budget Holders	7.1 On 1 May - submit final plans & budgets					
				4.3 Finalise initial staffing budgets for 2013/14			8.1 From 20 to 24 May - Present final plans & budgets in monthly review meeting					
					5.3 Aligned draft plans to institutional priorities as per activity 5.2							
					5.4 Assess interdependencies within plans and agree budget impact							
EAF		2.4 By 28 Feb - Communicate indicative 2013/14 Space charges by department		4.4 Confirm 2013/14 Space charges								

**Legend:**

VC	Vice Chancellor	BSM	Business Support manager
FD	Executive Director of Finance	HRBP	HR Business Partner
PVCs	Pro-Vice Chancellor Academic and External	HR	Human Resources

**Legend:**

P&R	Policies and Resources committee	SMG	Senior Management Group
BoG	Board of Governors		

LONDON SOUTH BANK UNIVERSITY / ENTERPRISES

2013 / 14 Proposed Budget

SMT Area:

Cost Centre:

REF MANSUM

Description	FULL YEAR		Year on Year Change	
	2012 Forecast	2013 Budget	£	%
	(£)	(£)		
Funding Grants	(34,575,000)	(26,887,000)	7,688,000	(22.2%)
Health Contract	(27,490,000)	(25,879,000)	1,611,000	(5.9%)
Home & EU Fees - UG	(37,037,000)	(45,213,000)	(8,176,000)	22.1%
Home & EU Fees - PG	(7,296,000)	(8,759,000)	(1,463,000)	20.1%
Other Fees	(4,179,000)	(4,076,000)	103,000	(2.5%)
Overseas Fees - UG	(5,386,000)	(5,622,000)	(236,000)	4.4%
Overseas Fees - PG	(3,435,000)	(3,769,000)	(334,000)	9.7%
Research Grants & Contracts	(3,047,000)	(2,268,000)	779,000	(25.6%)
Other Income - student related	(8,812,000)	(10,182,000)	(1,370,000)	15.5%
Other Operating Income	(5,183,000)	(4,495,000)	688,000	(13.3%)
Endowment Income & Interest Receivable	(463,000)	(415,000)	48,000	(10.4%)
<b>Total Income</b>	<b>(136,903,000)</b>	<b>(137,565,000)</b>	<b>(662,000)</b>	<b>0.5%</b>
Academic - Permanent staff	38,096,000	39,379,000	1,283,000	3.4%
Academic - Temporary staff	3,586,000	3,359,000	(227,000)	(6.3%)
Interdepartmental Delivery staff				
Technicians staff	2,740,000	2,817,000	77,000	2.8%
Support - Permanent staff	27,086,000	28,278,000	1,192,000	4.4%
Support - Temporary staff	500,000	461,000	(39,000)	(7.8%)
Third party staff	3,256,000	2,011,000	(1,245,000)	(38.2%)
<b>Total Staff Costs</b>	<b>75,264,000</b>	<b>76,305,000</b>	<b>1,041,000</b>	<b>1.4%</b>
Depreciation	7,992,000	8,592,000	600,000	7.5%
<b>Total Depreciation</b>	<b>7,992,000</b>	<b>8,592,000</b>	<b>600,000</b>	<b>7.5%</b>
Staff Related	2,108,000	1,889,000	(219,000)	(10.4%)
Marketing and PR	2,480,000	2,196,000	(284,000)	(11.5%)
Student Recruitment	1,182,000	1,339,000	157,000	13.3%
Bursaries and Scholarships	3,597,000	2,079,000	(1,518,000)	(42.2%)
Student Related	5,957,000	5,709,000	(248,000)	(4.2%)
Equipment	795,000	703,000	(92,000)	(11.6%)
Computing	2,331,000	2,627,000	296,000	12.7%
Utilities	3,544,000	3,565,000	21,000	.6%
Maintenance & Other Estate	7,329,000	7,268,000	(61,000)	(.8%)
Cleaning & Security	4,509,000	4,657,000	148,000	3.3%
Financial	236,000	149,000	(87,000)	(36.9%)
Communications	833,000	742,000	(91,000)	(10.9%)
Legal & Professional	2,805,000	2,521,000	(284,000)	(10.1%)
Subscriptions and Membership Fees	718,000	697,000	(21,000)	(2.9%)
Photocopying and Stationery	1,027,000	1,003,000	(24,000)	(2.3%)
Other	1,708,000	2,122,000	414,000	24.2%
Other - R&CS	1,016,000	2,545,000	1,529,000	150.5%
Internal recharges	81,000	77,000	(4,000)	(4.9%)
<b>Total Other Operating Expenses</b>	<b>42,256,000</b>	<b>41,888,000</b>	<b>(368,000)</b>	<b>-0.9%</b>
Interest Payable	4,953,000	4,780,000	(173,000)	(3.5%)
<b>Total Interest Payable</b>	<b>4,953,000</b>	<b>4,780,000</b>	<b>(173,000)</b>	<b>-3.5%</b>
Exceptional Items	2,221,000	3,500,000	1,279,000	57.6%
<b>Total Exceptional Items</b>	<b>2,221,000</b>	<b>3,500,000</b>	<b>1,279,000</b>	<b>57.6%</b>
Internal Allocations				
<b>Total Internal Allocations</b>				
<b>Contribution</b>	<b>(4,217,000)</b>	<b>(2,500,000)</b>	<b>1,717,000</b>	<b>-40.7%</b>
Staff costs as % of income	55.0%	55.5%		
Contribution %	3.1%	1.8%		

Note: 1) the decrease in Bursaries & Scholarships is due to the introduction of Fee Waivers for new regime Undergraduates

Note 2) the decrease in Third Party staff and the increase in Other R&Cs is due to a change in the treatment of catering staff and expenses



	PAPER NO: PR.23(13)	
Board/Committee:	Policy & Resources Committee	
Date:	3 July 2013	
Paper title:	HEFCE Annual Accountability Return	
Author:	John Baker, Corporate & Business Planning Manager	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
Recommendation by the Executive:	<b>The Executive recommends that the Policy and Resources Committee review and recommend approval of the return by the Board of Governors.</b>	
Aspect of Corporate Plan this will help deliver?	Financial sustainability.	
Matter previously considered by:	Policy and Resources Committee	March 2013
	Board of Governors	March 2013
Further approval required?	Board of Governors	13 July 2013
Communications – who should be made aware of the decision?	HEFCE	

### **Executive summary**

1. Until 2012 all documents forming part of the annual accountability return (AAR) were submitted to HEFCE as part of the December submission. In December 2012, given the uncertainty over student numbers, HEFCE required a reduced financial forecast submission focusing only on a revised forecast for 2012/13. Future forecasts were not required at that stage. HEFCE have now introduced a mid-year element of the return whereby 5 Year forecasts will be submitted each year in July (after approval by the Board).

2. The mid-year element of the annual accountability return to HEFCE for 2013 requires actual audited results for 2010/11 and 2011/12, an update to the forecast provided in December 2012 for 2012/13 and forward forecasts for the next 3 financial years together with related commentary on sustainability and the assumptions underpinning this.
3. The 2012/13 update is in line with the May 2013 management accounts and shows a surplus of £4.2m (an improvement on the November 2012 submission to HEFCE which showed a forecast surplus at that time of £2.5m for the full year). The other elements of the return are based on the 5 Year forecasts approved by the Board in March and hence have already been approved. The detailed analysis for 2013/14 is taken from the budget submission which delivers a surplus of £2.5m consistent with those agreed forecasts. 2014/15 and 2015/16 are identical to the earlier forecasts.
4. The key targets are as follows:
  - assumed growth in student numbers to 2,750 in 2013/14 compared with 2,500 in 2012/13 and steady state thereafter
  - improvements in year 1 progression from 61% to 65% over the five years
  - a move to fees of £9,000 from 2014/15 with additional bursary spend of £1m pa from 2014/15 and fee inflation post 2015/16
  - additional income of £16m pa by 2017/18 with a surplus thereon of 20% (£3.2m)
  - capital expenditure of £110m over the 5 year planning cycle (although this may need to be reviewed depending on actual financial performance over the period).
5. One minor change has been made to the assumed capital expenditure over the plan period. This has been reduced from £110m to £107m to reflect the fact that the forecast opening cash balance at 1 August 2013 is approximately £3m less than originally assumed. The profile of spend across future years has also been smoothed to ensure that the University maintains a minimum cash balance of £20m throughout the plan period.
6. P&R is requested to review the attached reports and recommend approval to Board.

#### **4 Attachments:**

1. AAR return written commentary

2. Associated financial tables
3. LSBU Corporate Risk Register
4. Five year forecast powerpoint presentation

**Annual Accountability Return - July 2013**

**Financial Commentary**

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**Question A:** Explain how the institution is ensuring its sustainability, including:

- *the institution's strategy*
- *quality of teaching and research*
- *management of its key risks*
- *investment in estates and infrastructure*

**Financial sustainability**

The University's financial strategy is focused on future sustainability and is designed to maintain financial resilience and flexibility at all times. The following key themes emerged in response to developments in the HE environment over the past few years and are firmly embedded in the University's strategy and 5 year forecasts:

- the need for maximising financial resilience
- growth and diversification of income streams
- continued strong financial control and accountability
- value for money and productivity/efficiency gains
- targeted investment where appropriate
- flexibility, with capacity to respond to significant change and uncertainty

The University's financial strategy is expressed through its rolling five year financial forecasts. More detail, including the assumptions underpinning the financials, is provided in the attached presentation on the 5 Year forecasts dated June 2013. The key elements of the financial strategy are to:

- aim for a surplus of 5% of income. This is not achievable each year over the next 5 years although it remains our medium term target. However, assuming the income targets are met, the University has sufficient cash reserves both to increase investment and manage the financial position in the short term until the surplus returns to 5%. The financial forecasts demonstrate a clear path back to the longer term target of 5% toward the end of the forecast period

- ensure that all aspects of the University's operation are as lean and efficient as possible without compromising quality or student success
- deliver growth in income, with a particular focus on enterprise, income from international students and non SNC post graduate and part-time provision
- manage staff costs, including agency costs, to an agreed maximum percentage of income (55%)
- invest at an appropriate level to provide for future sustainability in buildings and infrastructure
- maintain cash balances at agreed levels (minimum £20m)

The assumptions and key targets are set out in more detail in the attached presentation.

The key targets which the Board has approved and which will be monitored closely are:

- minimum SNC of 2,750 from 2013/14 (with fees moving to £9k from 2014/15)
- improving YR1/YR2 progression to 65% by 2015/16
- Additional income of £16m pa (at surplus of 20%) by 2017/18
- Investment of £107m over the life of the forecasts to 2017/18
- Maintaining income in the Health and Social Care (HSC) at forecast levels

### **Sustainability of quality teaching and research**

LSBU is committed to delivering an excellent student experience, delivered through high-quality teaching, supported through relevant applied research.

Our focus on the quality of teaching is underpinned by regular monitoring and review, informed by appropriate and recent data, and focused both on the standards of academic awards and the quality of systems to support learning. All modules and courses are subject to evaluation by students, and all Course Directors receive a standard data set which includes information on student progression and achievement, module evaluation, feedback from the National Student Survey and the Survey of Destinations of Leavers in Higher Education. These data inform annual reporting and action planning, as well as providing a context for Heads of Academic Departments in their annual appraisals of academic staff.

Annual monitoring, in its turn, informs periodic review, usually focused at subject level (and including appropriate levels of external engagement - both academic and professional) which allows for a wider discussion of both teaching and research within the context of the whole operation of the subject or department. As with annual monitoring, this is focused upon the development of an action plan in response to the review, and includes input from both students and graduates. The University has piloted the inclusion of students as members of review panels and is seeking to embed this more widely in our processes. Both annual monitoring and periodic review include the work of the University with collaborative partner organisations (both within the UK and internationally). Reports from periodic review activity are received by Quality and Standards Committee, and their outcomes reported to Academic Board.

All faculties also engage in quarterly meetings with the Vice Chancellor, Pro Vice Chancellors and Director of Finance. These meetings offer an opportunity to reflect upon performance (again, within the context of a standard data set which includes module evaluation, NSS, DLHE and progression statistics, at a higher level than that used for annual monitoring) and include discussion of the research environment.

The University's Research Committee, and Research Degrees Committee, also receive regular reports at faculty level, which reflect upon the development of research strategy, progress against delivery of that strategy and the key risks relating to delivery. Research Degrees Committee directly reflects upon the experience of research students and includes representatives from the research student body. Both are direct sub-committees of Academic Board, which receives their minutes, as well as discussing items which derive from these committees and are of wide University interest.

In the past year, the University has established an Academic Staff Development Unit, which is dedicated to the delivery of the Postgraduate Certificate in Higher Education, both to new staff who have limited experience of teaching in higher education (and for whom participation is made a condition of employment) and for existing staff who wish to develop their professional practice in teaching. The Academic Staff Development Unit is in the process of developing a Professional Development Framework across the University, which is benchmarked to the Higher Education Academy's Professional Standards Framework. The University is working in collaboration with the HEA to seek accreditation of this Framework within the next six months.

## **Sustainability through management of key risks**

Please see attached *Corporate Risk register*.

Those risks with a residual risk priority of “critical” focus on revenue generation and map closely to the agreed financial targets set out above.

## **Sustainability in estates & infrastructure investment**

The University is continuing with the implementation of its 25 year estates strategy vision to transform the estate to support the delivery of academic services and enhance the student learning experience. The projects undertaken were prioritised based on business needs, criticality of service and cost reduction.

Following the recent completion of the two ‘anchor’ projects, plans are in process for the redevelopment of the remaining site with a proposal to invest up to £90m over the next ten years funded from cash reserves and operating cash flows generated over that period. As before, we are not placing reliance on new loan funding or overreliance on HEFCE capital funding.

This investment in the estate will allow us to align and coordinate the interventions and investments, thus saving resources and achieving an improved cost-benefit ratio. Projects to the value of £23.5m have either been completed, are in progress. The future plans also include £4m for specific projects to meet the University’s carbon reduction commitment by 2020.

For all projects, sustainability considerations are integrated at the design and construction phase to achieve benefits over the lifetime of the asset, and the sustainability team are included in all design development phases.

All of our infrastructure providers are procured through European Union processes to achieve full competition, and all suppliers are rigorously assessed from the sustainability aspect, an assessment that figures objectively in the decision whether or not to appoint.

At an operational level we are proud of our sustainability achievements by leading the way to have our energy and environmental management system certified to ISO 50001 and ISO 14001 standards.

Going forward we will seek to implement an asset management system to optimise the management of our physical assets..

**Question B:** *Explain the assumptions about student recruitment over the period of the forecasts, including how the institution is mitigating any risk and what scenario planning or sensitivity analysis has been undertaken.*

## **Scenario planning and actions**

Reference is made to the 2012 financial tables, which are attached.

The latest forecasts show that we will deliver a surplus of approximately £4.2m in 2012/13.

The 2013/14 planning and budgeting cycle is complete and we are optimistic at this stage that a surplus will be delivered in 2013/14. Future surpluses are considered essential to invest for a sustainable future and to deliver the Estates strategy. LSBU has already delivered a significant amount of efficiencies (approx £10m) over the past 3 to 4 years and further savings have been factored into the budget for 2013/14.

Despite the efficiencies delivered, more needs to be done to meet the continued reduction in HEFCE and NHS funding. Although further efficiency improvements are targeted, the focus is increasingly on new income generation.

Home/EU student number targets have been set at 2,750. This is recognised as the key risk underpinning the financial forecasts and scenario analysis has been undertaken assuming lower student numbers and flexing capital expenditure. Due to under recruitment in 2012 / 13 and a net average fee of £7,500 for that cohort, the analysis demonstrates that the University will have a slight deficit in 2013 / 14. Our scenario analysis has however shown that the university will be able to manage a small reduction in student numbers without moving into significant deficit. However, any significant reduction in student numbers (>5%) would require a fundamental review of the costs associated with teaching activity.

The key drivers therefore behind a sustainable financial model for LSBU are:

- increasing new intake students from the 2,500 recruited in 12 / 13 to 2,750
- increasing our Average Fee to £9,000 before Fee waivers and Bursary payments from 2014/15 onwards
- delivering against agreed targets for income growth
- further efficiency savings wherever possible.

We operate in a period of considerable uncertainty, particularly regarding student numbers. Future potential changes to core and margin places and student demand may impact our fee strategy. However, the scenario analysis undertaken indicates that LSBU is well placed to manage this uncertainty. Our targets for income growth remain ambitious and this remains



our primary focus for the next few years as we manage our way through these uncertain times.

**Question C:** *Explain significant movements ( $\pm 10$  per cent in any one year) on the income and expenditure account and material changes on the balance sheet (including the detail on any material exceptional items).*

### **Significant movements and material changes**

Funding body grants decrease by more than 20% per year from 2013/14 onwards which reflects the changes to student funding. A 22% cut has been assumed in the HEFCE core teaching grant, which would reduce LSBU's level of teaching grant funding by £7.7m approximately compared to 2012/13.

Tuition fees and education contracts: These are forecast to increase by almost 8% in 2013/14 due to the implementation of the higher tuition fees for new regime UG students. Full Time UG Tuition in fees in particular are forecast to rise by 20%. Fee waivers and Bursaries will also increase due to the new funding regime.

TDA Funding falls by 29% in 2013/14 compared to 2012/13 which reflects both decreased education activity and the change in funding.

Research grants are forecast to increase by 10% to £3.4m in 13/14 due to an increase in the number of research contracts.

Other income increases by 10% in 13/14 from £14.6m to £16.1m due to increased enterprise income, increased sports lottery project funding and a change in catering provision.

Endowment and Investment income decreases by 10% and continues to fall in subsequent years due to the levels of capital investment reducing the level of bank balances held on average during the year.

Depreciation increases by more than 10% in 2014/15 reflecting our increased investment in estates.

Cash at bank reduces by 18% again due to our Capital Investment plans but is at least £26M during the lifetime of this forecast. This investment in our estate is also reflected in the increase in payments to acquire tangible assets which increase by 11% to £22m in 2013/14

**Question D:** *Explain the key assumptions made in developing the financial forecasts*

Please see attached '5 year Financial Forecast' powerpoint presentation.

**3 Attachments:**

1. Corporate Risk Register
2. 2012 Financial tables with 10/11 - 11/12 actuals, and 12/13 – 15/16 forecasts
3. 13/14 – 17/18 'Five Year Financial Forecast' presentation

## **2012 Financial Tables - July 2013 submission**

**Please ensure that the financial information completed for 2010-11 and 2011-12 in this workbook is consistent with your institution's audited financial statements and the data returned to the HESA Finance Statistics Return (FSR)**

## 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

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<b>Financial indicators (automated table)</b>						
<b>Institution: London South Bank University</b>						
<b>Code: H-0076</b>						
<b>UKPRN: 10004078</b>						
	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Historical cost surplus/(deficit) as a % of total income	7.4	5.3	3.6	2.4	0.2	1.3
Discretionary reserves excluding pension asset/(liability) as a % of total income	67.7	77.1	83.9	88.3	89.7	88.6
External borrowing as a % of total income	25.3	24.1	22.3	21.1	19.8	17.9
Net cash flow as a % of total income	18.3	14.5	10.0	10.0	8.5	10.1
Net liquidity days	180	209	173	139	100	70
Staff costs as a % of total income	53.5	52.6	53.7	55.1	55.2	53.6

<b>Table 1: Income and expenditure account</b>						
<b>Institution: London South Bank University</b>						
<b>Code: H-0076</b>						
<b>UKPRN: 10004078</b>						
	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	£000	£000	£000	£000	£000	£000
<b>Income</b>						
1. Funding body grants	48,754	45,450	34,575	26,916	20,886	18,904
2. Tuition fees and education contracts	75,931	73,959	84,095	90,712	96,907	103,518
3. Research grants and contracts	4,916	4,068	3,066	3,366	3,528	3,703
4. Other income	14,807	14,094	14,644	16,156	17,698	20,642
5. Endowment and investment income	521	697	463	415	329	329
6. Total income	144,929	138,268	136,843	137,565	139,348	147,096
7. Less: share of income from joint venture(s)	0	0	0	0	0	0
8. Net income	144,929	138,268	136,843	137,565	139,348	147,096
<b>Expenditure</b>						
9. Staff costs	77,601	72,725	73,508	75,794	76,910	78,913
10. Other operating expenses	45,054	44,020	46,229	45,899	48,823	51,774
11. Depreciation	8,132	10,989	7,992	8,592	9,455	10,588
12. Interest and other finance costs	4,239	4,019	4,953	4,780	4,708	4,638
13. Total expenditure	135,026	131,753	132,682	135,065	139,896	145,913
14. Surplus/(Deficit)	9,903	6,515	4,161	2,500	-548	1,183
15. Share of surplus/(deficit) in joint venture(s) and associates	0	0	0	0	0	0
16. Taxation	0	0	0	0	0	0

## 2012 Financial Tables - July 2013 submission

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17. Minority interest	0	0	0	0	0	0
18. Exceptional items	0	0	0	0	0	0
19. Surplus/(deficit) for the year transferred to accumulated income in endowment funds	0	0	0	0	0	0
20. Surplus/(deficit) for the year retained within general reserves	9,903	6,515	4,161	2,500	-548	1,183
<b>Note of group historical cost surpluses and deficits for the year ended 31 July</b>						
21. Surplus/(deficit) on continuing operations before taxation	9,903	6,515	4,161	2,500	-548	1,183
22. Difference between a historical cost depreciation and the actual charge for the year calculated on the re-valued amount	792	802	802	802	802	802
23. Realisation of property revaluation gains of previous years	0	0	0	0	0	0
24. Historical cost surplus/(deficit) for the year before taxation	10,695	7,317	4,963	3,302	254	1,985
25. Historical cost surplus/(deficit) for the year after taxation	10,695	7,317	4,963	3,302	254	1,985

## 2012 Financial Tables - July 2013 submission

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**Note: Income in this table should INCLUDE income attributable to a share in joint venture(s)**

<b>Table 1a: Analysis of income</b>						
<b>Institution: London South Bank University</b>						
<b>Code: H-0076</b>						
<b>UKPRN: 10004078</b>						
	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	£000	£000	£000	£000	£000	£000
1. Funding body grants						
1a. HEFCE: teaching grant	39,898	37,368	27,499	20,728	14,937	13,219
1b. HEFCE: research grant	1,996	2,044	1,975	1,970	1,750	1,750
1c. HEFCE: other grants	2,672	2,236	2,541	2,029	2,197	2,197
1d. TDA funding	2,093	2,018	708	500	500	500
1e. SFA grants	229	98	60	0	0	0
1f. Release of deferred capital grants	1,866	1,686	1,792	1,689	1,502	1,238
1g. Total funding body grants	48,754	45,450	34,575	26,916	20,886	18,904
2. Tuition fees and education contracts						
2a. Full-time UG home and EU	24,346	23,983	33,565	40,137	45,539	50,430
2b. Full-time postgraduate home and EU	2,255	2,495	5,619	5,715	5,913	6,112
2c. Part-time fees - home and EU	5,894	6,207	5,842	7,201	8,672	9,840
2d. Home and EU domicile fees paid by the Department of Health	27,634	30,406	29,737	28,041	26,855	26,883
2e. Non-EU domicile students	10,176	9,983	9,161	9,567	9,877	10,201
2f. Other fees and support grants	5,626	885	171	51	51	52
2g. Total tuition fees and education contracts	75,931	73,959	84,095	90,712	96,907	103,518
3. Research grants and contracts						
3a. BIS Research Councils	1,553	1,185	893	980	1,027	1,078
3b. UK-based charities	344	231	174	191	200	210
3c. Other research grants and contracts	3,019	2,652	1,999	2,195	2,301	2,415
3d. Total research grants and contracts	4,916	4,068	3,066	3,366	3,528	3,703
4. Other income						
4a. Other services rendered	0	0	0	0	0	0
4b. Residences and catering operations (including conferences)	8,135	8,378	8,310	9,035	9,306	9,586
4c. Income from health and hospital authorities (excluding teaching contracts for student provision)	0	0	0	0	0	0
4d. Other operating income	6,672	5,716	6,334	7,121	8,392	11,056
4e. Total other income	14,807	14,094	14,644	16,156	17,698	20,642
5. Endowment and investment income	521	697	463	415	329	329
6. Total income	144,929	138,268	136,843	137,565	139,348	147,096

**Table 1b: Analysis of staff costs**  
**Institution: London South Bank University**

## 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

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**Code: H-0076**

**UKPRN: 10004078**

	Actual 2010-11 £000	Actual 2011-12 £000	Forecast 2012-13 £000	Forecast 2013-14 £000	Forecast 2014-15 £000	Forecast 2015-16 £000
1. Salaries and wages	63,672	59,228	59,866	61,728	62,637	64,268
2. Social security costs	5,258	5,306	5,363	5,530	5,611	5,757
3. Pension costs	8,671	8,191	8,279	8,536	8,662	8,888
4. Exceptional FRS17 related costs	0	0	0	0	0	0
5. Other staff related costs	0	0	0	0	0	0
6. Total staff costs	77,601	72,725	73,508	75,794	76,910	78,913
7. Staff numbers (FTEs academic and other)	1,480	1,386	1,386	1,386	1,386	1,386

## 2012 Financial Tables - July 2013 submission

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**Table 2: Balance sheet**

**Institution: London South Bank University**

**Code: H-0076**

**UKPRN: 10004078**

	Actual 31/7/11 £000	Actual 31/7/12 £000	Forecast 31/7/13 £000	Forecast 31/7/14 £000	Forecast 31/7/15 £000	Forecast 31/7/16 £000
1. Fixed assets						
a Intangible assets	0	0	0	0	0	0
b Tangible assets	163,578	163,626	175,434	188,842	201,387	212,799
c Investments	38	38	38	38	38	38
d Investments in joint ventures: share of gross assets	0	0	0	0	0	0
e Investments in joint ventures: share of gross liabilities	0	0	0	0	0	0
Total	163,616	163,664	175,472	188,880	201,425	212,837
2. Endowment assets	651	641	641	641	641	641
3. Current assets						
a Stock	48	46	46	46	46	46
b Debtors	10,237	9,101	9,101	9,101	9,101	9,101
c Investments	0	0	0	0	0	0
d Cash at bank and in hand	62,605	69,146	58,983	48,216	35,573	26,097
Total	72,890	78,293	68,130	57,363	44,720	35,244
4. Creditors: amounts falling due within one year						
a Creditors	37,723	38,492	38,492	38,492	38,492	38,492
b Current portion of long-term liabilities	3,378	2,254	2,254	2,254	2,254	2,254
c Bank overdrafts	0	0	0	0	0	0
Total	41,101	40,746	40,746	40,746	40,746	40,746
5. Net current assets/(liabilities)	31,789	37,547	27,384	16,617	3,974	-5,502
6. Total assets less current liabilities	196,056	201,852	203,497	206,138	206,040	207,976
7. Creditors: Amounts falling due after more than one year						
a External borrowing	33,316	31,062	28,217	26,747	25,399	24,090
b Other	0	0	0	0	0	0
Total	33,316	31,062	28,217	26,747	25,399	24,090
8. Provisions for liabilities and charges	854	1,179	0	0	0	0
9. Net assets excluding pension asset/(liability)	161,886	169,611	175,280	179,391	180,641	183,886
10. Pension asset/(liability)	-55,340	-74,664	-71,364	-68,064	-64,764	-61,464
11. Net assets including pension asset/(liability)	106,546	94,947	103,916	111,327	115,877	122,422



## 2012 Financial Tables - July 2013 submission

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12. Deferred capital grants	31,653	31,695	29,903	28,214	26,712	25,474
13. Endowments						
a Expendable	308	304	304	304	304	304
b Permanent	343	337	337	337	337	337
Total endowments	651	641	641	641	641	641
14. Reserves						
a Income and expenditure account	97,794	106,289	114,552	121,154	124,708	129,993
b Pension reserve	-55,340	-74,664	-71,364	-68,064	-64,764	-61,464
c Revaluation reserve	31,788	30,986	30,184	29,382	28,580	27,778
d Minority interest	0	0	0	0	0	0
Total reserves	74,242	62,611	73,372	82,472	88,524	96,307
15. Total funds	106,546	94,947	103,916	111,327	115,877	122,422

## 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

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**Table 3: Cash flow statement**

**Institution: London South Bank University**

**Code: H-0076**

**UKPRN: 10004078**

	Actual 2010-11 £000	Actual 2011-12 £000	Forecast 2012-13 £000	Forecast 2013-14 £000	Forecast 2014-15 £000	Forecast 2015-16 £000
1. Net cash inflow/(outflow) from operating activities (Table 4 head 15)	26,495	20,083	13,672	13,768	11,784	14,842
2. Returns on investments and servicing of finance						
a Income from endowments	23	25	20	20	20	20
b Income from short-term investments	0	0	0	0	0	0
c Other interest received	498	672	443	395	309	309
d Interest paid	-1,952	-1,757	-1,653	-1,480	-1,408	-1,338
e Other items	0	0	0	0	0	0
f Net cash inflow/(outflow) from returns on investments and servicing of finance	-1,431	-1,060	-1,190	-1,065	-1,079	-1,009
3. Taxation	0	0	0	0	0	0
4. Capital expenditure and financial investment						
a Payments to acquire tangible assets	-6,267	-11,063	-19,800	-22,000	-22,000	-22,000
b Payments to acquire endowment asset investments	0	0	0	0	0	0
c Total payments to acquire fixed/endowment assets	-6,267	-11,063	-19,800	-22,000	-22,000	-22,000
d Receipts from sale of tangible assets	0	0	0	0	0	0
e Receipts from sale of endowment assets	0	0	0	0	0	0
f Deferred capital grants received	0	0	0	0	0	0
g Endowments received	0	0	0	0	0	0
h Other items	0	0	0	0	0	0
i Net cash inflow/(outflow) from capital expenditure and financial investment	-6,267	-11,063	-19,800	-22,000	-22,000	-22,000
5. Management of liquid resources	0	0	0	0	0	0
6. Financing						
a. Capital element of finance lease repayments	-864	-833	-340	-192	-55	0
b. Mortgages and loans acquired	608	0	0	0	0	0
c. Mortgage and loan capital repayments	-2,535	-2,545	-2,505	-1,278	-1,293	-1,309
d. Other items	2,835	1,959	0	0	0	0
e. Net cash inflow/(outflow) from financing	44	-1,419	-2,845	-1,470	-1,348	-1,309
7. Increase/decrease in cash in the year	18,841	6,541	-10,163	-10,767	-12,643	-9,476

**Table 4: Reconciliation of surplus/(deficit) for the year to net cash flow**

## 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

Telephone number: 0117 931 7389

E-mail address: j.brasted@hefce.ac.uk

**Institution: London South Bank University**

**Code: H-0076**

**UKPRN: 10004078**

	Actual 2010-11 £000	Actual 2011-12 £000	Forecast 2012-13 £000	Forecast 2013-14 £000	Forecast 2014-15 £000	Forecast 2015-16 £000
1. Surplus/(deficit) after depreciation of assets at valuation and before tax (from Table 1 head 14 + head 15 + head 18)	9,903	6,515	4,161	2,500	-548	1,183
2. Depreciation (from Table 1 head 11)	8,132	10,989	7,992	8,592	9,455	10,588
3. Deferred capital grants released to income	-1,867	-1,686	-1,792	-1,689	-1,502	-1,238
4. (Increase)/decrease stocks	2	2	0	0	0	0
5. (Increase)/decrease in debtors	-2,939	1,136	0	0	0	0
6. Increase/(decrease) in creditors	10,205	-546	0	0	0	0
7. Increase/(decrease) in provisions	-659	325	-1,179	0	0	0
8. Interest payable (from Table 1 head 12)	4,239	4,019	4,953	4,780	4,708	4,638
9. Investment income	-521	-697	-463	-415	-329	-329
10. Profit on sale of endowment assets	0	0	0	0	0	0
11. Loss on disposal of fixed assets	0	26	0	0	0	0
12. Impairment of fixed assets	0	0	0	0	0	0
13. Details	0	0	0	0	0	0
14. Details	0	0	0	0	0	0
15. Net cash inflow/(outflow) from operating activities	26,495	20,083	13,672	13,768	11,784	14,842

## 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

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<b>Table 5: Supporting data</b>						
<b>Institution: London South Bank University</b>						
<b>Code: H-0076</b>						
<b>UKPRN: 10004078</b>						
	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	£000	£000	£000	£000	£000	£000
1. Identification of items included in other operating expenses (Table 1 head 10)						
1a. Operating leases and other long-term operating expense commitments	1,427	1,247	1,200	1,200	1,200	1,200
1b. Annual contract cost of PFI deals	0	0	0	0	0	0
1c. Maintenance expenditure	7,001	7,037	7,248	7,466	7,690	7,920

## Student number forecasts 2012

<b>Table 6: Student number forecasts (FTEs)</b>		<b>Please complete student numbers in FTEs</b>													
<b>Institution: London South Bank University</b>															
<b>Code: H-0076</b>															
<b>UKPRN: 10004078</b>															
		Actual 2011-12		Forecast 2012-13		Forecast 2013-14		Forecast 2014-15		Forecast 2015-16					
		Home & EU	Island & o'seas	Home & EU	Island & o'seas	Home & EU	Island & o'seas	Home & EU	Island & o'seas	Home & EU	Island & o'seas	Home & EU	Island & o'seas		
				Old-regime	New-regime	Old-regime	New-regime	Old-regime	New-regime	Old-regime	New-regime	Old-regime	New-regime		
Total full-time and sandwich year-out	UG (incl FD)	8,393	695	5,800	2,496	600	3,000	4,220	600	500	5,600	600	0	6,000	600
	PGT	1,105	390	500	636	350	0	1,136	350	0	0	350	0	0	350
	PGR	0	35	0		35	0		35	0		35	0		35
	Total	9,499	1,120	6,300	3,132	985	3,000	5,356	985	500	5,600	985	0	6,000	985
Total part-time	UG (incl FD)	1,452	135	1,000	473	120	600	800	135	300	1,100	135	100	1,300	135
	PGT	604	128	100	525	110	50	600	128	0	600	128	0	600	128
	PGR	0	2	0		2	0		2	0		2	0		2
	Total	2,056	266	1,100	998	232	650	1,400	265	300	1,700	265	100	1,900	265

Note: The numbers returned in this table should be consistent with population of students returned to the Higher Education Statistics Agency (HESA). A description of the HESA student population is available at [http://www.hesa.ac.uk/index.php/component?option=com\\_studrec/task/show\\_file/Itemid,233/mnl,10051/href,coverage.html/](http://www.hesa.ac.uk/index.php/component?option=com_studrec/task/show_file/Itemid,233/mnl,10051/href,coverage.html/).

The information in this table will be used to provide context to the other financial tables and will not be used for funding purposes. For further guidance on completing this table please see Annex B of the AAR publication HEFCE 2012/23.

# 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

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**Table 7: Annualised servicing costs of long-term borrowing**

**Institution: London South Bank University**

**Code: H-0076**

**UKPRN: 10004078**

If a nil return then please choose "nil return" from the drop down menu:

The table below is populated with the long-term borrowing information returned to HEFCE in December 2012. **You only need to update the loans in this table if you find an error in the data returned previously.** Any changes made to data will be highlighted in red. Please choose "Error on previous return" in column O of the relevant row where data has been corrected.

The data returned in this table are used to review compliance with the Financial Memorandum in relation to the level of annualised servicing costs (ASC) of long-term financial commitments. We also use these data to review and update the borrowing consent limits and to understand the borrowing behaviour in the sector. Guidance on calculating the ASC of long-term borrowing is provided in Annex F of the Financial Memorandum (HEFCE 2010/19).

Please review the validation checks for Table 7 on the "Validation" worksheet.

Long-term borrowings														Annualised servicing costs £000s	Reason for difference in loan compared to last year's return
Lender	Type of Instrument (Note 1)	Capital sum originally borrowed £000s	Capital sum owed at 31/07/12 £000s	Date drawn down month year	Period of loan years	Date due to be repaid month year	Interest rate at 31/07/12 %	Interest rate fixed, variable or fixed/variable	Proportion relating to activities listed at Note 2 %						
<b>Loans outstanding as at 31 July 2012</b>															
1	AIB	10,000	5,660	Apr 2001	26	Sep 2027	6.7	Fixed	100.0					711	
2	Barclays	7,475	650	Apr 2007	6	Jan 2013	6.0	Fixed	100.0					1,533	
3	Barclays	7,695	6,228	Apr 2007	25	Jan 2032	5.7	Fixed	100.0					531	
4	SALIX	200	200	Feb 2009	5	Jan 2014	0.0	Fixed	0.0					0	
5	Barclays	6,830	5,865	Mar 2009	23	Mar 2032	0.9	Variable	0.0					419	
6	Barclays	5,000	5,000	Apr 2009	20	Apr 2029	5.3	Fixed	0.0					501	
7	Barclays	10,000	9,196	Apr 2009	23	Jan 2032	5.5	Fixed	0.0					754	
8	ING	238	43	May 2009	4	Apr 2013	12.4	Fixed	0.0					73	
9	ING	40	8	May 2009	4	Apr 2013	13.2	Fixed	0.0					12	
10	ING	253	78	Nov 2009	4	Oct 2013	10.1	Fixed	0.0					77	
11	ING	40	13	Nov 2009	4	Oct 2013	11.9	Fixed	0.0					12	
12	ING	213	70	Dec 2009	4	Nov 2013	10.2	Fixed	0.0					65	
13	ING	336	177	Oct 2010	4	Sep 2014	9.2	Fixed	0.0					100	
14	ING	202	128	Apr 2011	4	Mar 2015	8.9	Fixed	0.0					60	
15															
16															
17															
18															
19															
20															
21															
22															
23															
24															
25															
<b>Total loans outstanding as at 31 July 2012</b>		48,522	33,316											4,848	
<b>Loans drawn between 1 August 2012 and 31 October 2012</b>															
26															
27															
28															
29															
30															
<b>Total of loans drawn down between 1 August 2012 and 31 October 2012</b>		0												0	
<b>Loan facilities agreed with lender but not drawn down as at 31 October 2012</b>															
31															
32															
33															
34															
35															
<b>Total of loan facilities agreed with lender but not drawn down as at 31 October 2012</b>		0												0	
<b>TOTAL ANNUALISED SERVICING COSTS</b>															4,848
										2010-11	2011-12	2012-13			
										Actual	Actual	Estimate			
										£000s	£000s	£000s			
Total annualised servicing costs										5,368	4,848	3,230			
Total income - as income and expenditure account										144,929	138,268	136,843			
<b>Annualised servicing costs (ASC) as a percentage of total income</b>										3.70	3.51	2.36			
										2010-11	2011-12				
										Actual	Actual				
										£000s	£000s				
Operating leases and other long-term operating expense commitments and ASC as a percentage of total income										4.69	4.41				

**Notes**

- For example, mortgage, term loan, finance lease, BES, MOPS. Refer to Annex F in HEFCE 2010/19 publication for further guidance.
- Proportion of the borrowing related to the following activities: research contracts; residences, catering and conferences; services to external customers, including consultancy; and overseas activity.

# 2012 Financial Tables - July 2013 submission

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		Please update this table if you find an error in the data returned previously	
		Outturn as at 31 October 2012 £000s	Highest level of negative net cash sustained for more than thirty five consecutive days between 1 November 2011 and 31 October 2012 (note 4) £000s
1	Cash at bank and in hand	64,343	0
2	Deposits repayable on demand (note 3)	0	0
3	Bank overdraft (enter as negative)	0	0
4	Sub-total	64,343	0
5	Other current asset investments	0	0
6	Net liquidity	64,343	0

## Notes

3 Deposits repayable on demand, as defined in FRS1 and FRS7.

4 Only enter data in this column if the overall level of net cash (on a cash book basis) is negative.

# 2012 Financial Tables - July 2013 submission

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Please review your return to check it shows "validation passed" for all checks before submitting your workbook to HEFCE. If you have a genuine reason for failing a validation check, please provide a brief explanation of this reason in the box at the bottom of this page.

**Your workbook has passed all validation checks**

Table1	Completed
Table1a	Completed
Table1b	Completed
Table2	Completed
Table3	Completed
Table4	Completed
Table5	Completed
Table6	Completed
Table7	Completed
Table8	Completed

Table 1: Income and expenditure account

1a. Please check you have entered share of income in joint venture(s) (Head 7) as a negative figure for each year.

Validation Passed

1b. Please check you have entered other operating expenses (Head 10) and depreciation (Head 11) in the correct rows.

Validation Passed

Table 1a: Analysis of income

1c. Please ensure you have entered the fee income for non-EU domiciled students (Head 2e) in each year.

Validation Passed

Table 1b: Analysis of staff costs

1d. Please ensure that staff numbers are entered (Head 7) for each year.

Validation Passed

Table 2: Balance sheet

2. Please check you have entered intangible assets (Head 1a) and tangible assets (Head 1b) in the correct rows for each year.

Validation Passed

3. Please check you have entered investments in joint ventures: share of gross liabilities (Head 1e) as a negative figure for each year.

Validation Passed

4. Net assets including pension asset/(liability) (Head 11) should equal total funds (Head 15) for each year.

Validation Passed

5. Endowment assets (Head 2) should equal total endowments (Head 13) for each year.

Validation Passed

6a. You have entered a pension asset in Head 10, please confirm in the box below if this is correct. (Liabilities should be entered as negative.)

Validation Passed

6b. Please check you have entered pension assets/(liabilities) in Head 10 for all years.

Validation Passed

# 2012 Financial Tables - July 2013 submission

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6c. If you have entered a pension asset/liability in Head 10, please make sure you enter a pension asset/liability in Head 14b.

Validation Passed

Table 3: Cash flow statement

7. Interest paid (Head 2d) would usually be less than or equal to 0.

Validation Passed

8. Payments to acquire tangible assets (Head 4a) would usually be less than or equal to 0.

Validation Passed

9. Payments to acquire endowment asset investments (Head 4b) would usually be less than or equal to 0.

Validation Passed

Table 4: Reconciliation of surplus/(deficit) for the year to net cash flow

10. If you have entered additional items in Head 11 to Head 14 please record a description of the item.

Validation Passed

Table 6: Student number forecasts

11. Please ensure that you have entered full-time student numbers for all years in Table 6.

Validation Passed

No full-time students

12. Please ensure that you have entered part-time student numbers for all years in Table 6.

Validation Passed

Table 7: Annualised servicing costs of long-term borrowing

13. If you have deleted or altered any of the pre-filled loan data please choose a reason for the change from the drop-down list in the final column of the table. Any changes that you have made to the pre-filled data will appear as red text.

Validation Passed

14. The period of the loan must correspond with the year the loan was drawn down and the year the loan will be repaid.

Validation Passed

15. The capital sum owed at 31/07/12 should be less than the capital sum original borrowed.

Validation Passed

16. Loans which have finished (i.e. where the capital sum owed is zero) should be deleted.

Validation Passed

17. Total loans outstanding as at 31 July 2012 should equal the total external borrowing in table 2 (Head 4b + Head 7a).

Validation Passed

18. An estimate of the 2012-13 annualised servicing costs should be completed in Table 7.

Validation Passed

19. Annualised servicing costs must be provided for all loans.

Validation Passed

20. Please ensure that you have entered all of the details for an individual loan.

Validation Passed

21. If you have selected 'Nil return' for Table 7 please ensure no data are entered in Table 7.

Validation passed



## 2012 Financial Tables - July 2013 submission

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Workbook:

22. All monetary values in this workbook should be stated to the nearest thousand pounds.

Validation Passed

If you have a genuine reason for failing any of the above validation checks, please enter a brief explanation of this in the table below.

Validation check	Reason for failure

## Corporate Level - Risk Register

<b>Date</b>	26/06/2013
<b>Risk Status</b>	Open
<b>Risk Area</b>	Corporate

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
1	CP-01 Failure to position the university to effectively respond to changes in government policy and the competitive landscape  <b>Risk Owner: Martin Earwicker</b>  <b>Last Updated: 06/06/2013</b>	<p><b>Cause &amp; Effect:</b></p> <p>Causes:</p> <ul style="list-style-type: none"> <li>- Changes to fees and funding models</li> <li>- Increased competition, supported by Government policy</li> <li>- Failure to anticipate change</li> <li>- Failure to position (politically)</li> <li>- Failure to position (capacity/structure)</li> <li>- Failure to improve League Table position</li> </ul> <p>Effects:</p> <ul style="list-style-type: none"> <li>- Further loss of public funding</li> <li>- Loss of HEFCE contract numbers</li> <li>- Failure to recruit students</li> <li>- Business model becomes unsustainable</li> </ul>	4 3 <b>Critical</b>	<p>Financial controls (inc. forecasting/modelling, restructure) to enable achievement of operating surplus target</p> <hr/> <p>Maintain relationships with key politicians/influencers, boroughs and local FE</p> <hr/> <p>Annual review of corporate strategy by Executive and Board of Governors</p> <hr/> <p>OFFA agreement for 13/14 and 14/15</p> <hr/> <p>Recent work/modelling to establish a fee position net of fee waivers less than £7500. Monitoring of guidance and continual modelling/update as required in response to changing position.</p>	4 1 <b>High</b>	<p>Resolve the position with Hefce regarding recent correspondence over average fee levels relating to the 11/12 core and margin competition process</p> <p><b>Person Responsible: Martin Earwicker</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Identifying and building on our academic strengths (Portfolio Review).</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Improve contacts with national and regional press</p> <p><b>Person Responsible: Lynn Grimes</b></p> <p><b>To be implemented by: 31/07/2013</b></p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
2	CO-01-02 Failure to meet revenue targets	<p><b>Cause &amp; Effect:</b></p> <p>Causes:</p> <ul style="list-style-type: none"> <li>- Changes to fees mechanisms for UGFT</li> <li>- Increased competition</li> <li>- Failure to develop and communicate brand</li> <li>- Lack of accurate real-time reporting mechanisms</li> <li>- LSBU late entrant to international student market and fails to catch-up</li> <li>- Poor league table position</li> <li>- Portfolio or modes of delivery do not reflect market need</li> <li>- Failure to engage with non-enterprise activities</li> </ul> <p>Effects:</p> <ul style="list-style-type: none"> <li>- Under recruitment</li> <li>- Loss of HEFCE contract numbers</li> <li>- Over recruitment leading to penalties on HEFCE numbers</li> <li>- Failure to meet income targets for non-HEFCE students</li> </ul>	4 3 <b>Critical</b>	<p>Report on student recruitment presented to every monthly Executive meeting and also reviewed by Board of Governors</p> <hr/> <p>Enterprise Business Plan submitted annually to SBUEL Board for approval and quarterly updates provided at Board meetings.</p> <hr/> <p>International Action Plan, including International Fees &amp; Discounting policy, simplified fee structure and discount/scholarship programme for targeted countries, enhanced in-market and partner activity</p> <hr/> <p>Sustainable internationalisation strategy</p> <hr/> <p>League Table action plan</p> <hr/> <p>Modelling of student recruitment numbers, including worse case scenarios which aid the planning process.</p> <hr/> <p>SBUEL has 2 Non-Executive Directors in place to oversee the Enterprise strategy</p> <hr/> <p>Differentiated campaigns started for postgraduate and part-time students</p>	4 2 <b>Critical</b>	<p>Identify, research, develop and implement a range of major long term investment opportunities with potential to generate significant income and contribution over ~5+ years under the auspices of the 16-20 Challenge programme, overseen by the University Executive (as Programme Board).</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Postgraduate action plan developed.</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Step-change in Internationalisation Plan to be incorporated.</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Identifying and building on our academic strengths (Portfolio Review).</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p>

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

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

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
		<p>- Failure to satisfy requirements of Professional, Statutory and Regulatory bodies (NHS, course accreditation etc)</p>		<p>Data warehousing, to construct a 'master data view' and reports therefrom, including:</p> <ul style="list-style-type: none"> <li>- Cleansing core systems to ensure all data as accurate and complete as possible</li> <li>- Ensuring reports use core data without manipulating results</li> <li>- Provision of standard reports on key aspects of data:                             <ul style="list-style-type: none"> <li>*Progression analysis</li> <li>*Student engagement</li> <li>*Admissions (especially during clearing)</li> <li>*Enrolment</li> </ul> </li> </ul> <hr/> <p>Systematic data quality checks of student returns by Registry in conjunction with faculties.</p>		

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
14	CO-10-06 Potential loss of NHS contract income	<p><b>Cause &amp; Effect:</b> Cause: Reduction in expected CPPD funding due to ongoing NHS financial challenges/ structural change. In addition potential problems with NHS deanery recruitment to community programmes. Failure to maintain student numbers on the contract resulting in clawback</p> <p>Effect: Reduction in income Reduced staff numbers Negative impact on reputation</p>	4 3 <b>Critical</b>	<p>Named Customer Manager roles with NHS Trusts, CCGs and HEE.</p> <hr/> <p>Monitor quality of courses (CPM and NMC) annually in autumn (CPM) and winter (NMC)</p> <hr/> <p>Regular contact with commissioning contract managers and deanery</p>	4 2 <b>Critical</b>	<p>Review staffing in faculty to reflect total activity, freeze non-critical vacant posts and HPL activity until income assured.</p> <p><b>Person Responsible: Warren Turner</b> <b>To be implemented by: 28/06/2013</b></p> <hr/> <p>Continue contract discussions with newly formed HEE/ LETB's</p> <p><b>Person Responsible: Judith Ellis</b> <b>To be implemented by: 28/06/2013</b></p> <hr/> <p>Submit a strong return to next REF exercise.</p> <p><b>Person Responsible: Nicola Crichton</b> <b>To be implemented by: 31/12/2013</b></p> <hr/> <p>Ensure a quality campus in each HEE/ LETB area.</p> <p><b>Person Responsible: Warren Turner</b> <b>To be implemented by: 01/09/2013</b></p> <hr/> <p>Grow into new markets for medical and private sector CPPD provision</p> <p><b>Person Responsible: Warren Turner</b> <b>To be implemented by: 31/08/2013</b></p> <hr/> <p>Improvement in NSS returns and scores</p> <p><b>Person Responsible: Judith Ellis</b> <b>To be implemented by: 31/07/2013</b></p>



Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
						<p>Develop opportunities for further International 'in-country' activity.</p> <p><b>Person Responsible: Dr Michelle Spruce</b></p> <p><b>To be implemented by: 30/09/2013</b></p> <hr/> <p>Increase uptake in band 1-4 activity Support Trusts in seeking external (non NHS) funding</p> <p><b>Person Responsible: Sheelagh Mealing</b></p> <p><b>To be implemented by: 01/09/2013</b></p>
37	CO-10-08 Potential impact of estates strategy delivery on financial position	<p><b>Cause &amp; Effect:</b></p> <p>Causes:</p> <ul style="list-style-type: none"> <li>- Poor project controls</li> <li>- Lack of capacity to manage/deliver projects</li> <li>- Reduction in agreed/assumed capital funding</li> <li>- Reduction in other government funding</li> </ul> <p>Effects:</p> <ul style="list-style-type: none"> <li>- Adverse financial impact</li> <li>- Reputational damage</li> <li>- Reduced surplus</li> <li>- Planned improvement to student experience not delivered</li> <li>- Inability to attract new students</li> </ul>	<p>3 3</p> <p>High</p>	<p>Regular Reports are provided to both P&amp;R and the Board on planned capital expenditure.</p> <hr/> <p>Full Business Case including clarity on cost and funding prepared for each element of Estates Strategy and approved by Board of Governors</p> <hr/> <p>Clear requirement (including authority levels) for all major (&gt;£1m) capital expenditure to have Board approval</p> <hr/> <p>Property Committee is a sub-committee of the Board of Governors and has a remit to review all property related capital decisions.</p> <hr/> <p>Automated process developed for business cases including all capital spend. Guidance developed as part of new process.</p>	<p>3 1</p> <p>Medium</p>	<p>Completion of the Terraces Project will see the completion also of the current development plan in relation to the Anchor Projects. The potential acquisition of the Hugh Aster Court (Peabody Building) on Keyworth Street opens up the opportunity for the redevelopment of the North West quarter of the campus and the creation of a clear University 'front door'.</p> <p>Plans have been developed for a major redevelopment scheme that will be shared with the Executive in July and following consultation with the Faculties and major stakeholders, the 2013 Estate Development Plan will be shared with Governors for consideration and consultation in the Autumn 2013.</p> <p><b>Person Responsible: Ian Mehrrens</b></p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
				<p>Financial forecasts regularly updated to take account of changing assumptions about future capital funding.</p> <hr/> <p>Clear project governance established for both the renovation of the Terraces and the Student Centre</p> <hr/> <p>Estates &amp; Facilities Dept project controls</p>		<p><b>To be implemented by: 30/11/2013</b></p> <hr/> <p>Deliver the renovation of the Terraces in accordance with agreed budget.</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Complete and report on the final negotiations for the Student Centre</p> <p><b>Person Responsible: Ian Mehrtens</b></p> <p><b>To be implemented by: 30/04/2013</b></p>
305	CO-13-01 Data protection (Upgraded from Registry's operational register)	<p><b>Cause &amp; Effect:</b> Loss of student data security either en masse (e.g. address harvesting) or in specific cases (e.g. loss of sensitive personal files)</p>	<p>3 2 <b>High</b></p>	<p>Following a meeting on 16/11/12, David Swayne has taken responsibility for improving our control over data protection risks at an institutional level.</p>	<p>3 2 <b>High</b></p>	<p>Define an Information Security solution for LSBU and implement it. LSBU has no Information Security Manager - the post was removed some time ago. To rectify this situation a Managed Security Service is being procured.</p> <p><b>Person Responsible: David Swayne</b></p> <p><b>To be implemented by: 30/09/2013</b></p> <hr/> <p>1. Define Mobile Device Policy - this is agreed and published 2. Prepare and deliver a training course on this topic - this is in progress in collaboration between ICT and OSDT 3. Ensure that all mobile devices have adequate protection - laptop encryption tool being selected, mobile device management tool purchased and being deployed</p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
						<b>Person Responsible: David Swayne</b> <b>To be implemented by: 31/07/2013</b>
362	CO-10-09 Poor staff engagement	<b>Cause &amp; Effect:</b> <b>Causes:</b> <ul style="list-style-type: none"> <li>•Bureaucracy involved in decision making at the University</li> <li>•No teamwork amongst departments at the University</li> <li>•Staff feeling that they do not receive relevant information directly linked to them and their jobs</li> <li>•Poor pay and reward packages</li> <li>•Poor diversity and inclusion practises</li> </ul> <b>Effects:</b> <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> </ul>	3    3 <b>High</b>	Departmental Business Planning process <hr/> Feedback page for staff to leave comments on staff Gateway <hr/> Scheduled Team meetings <hr/> Corporate Roadshows <hr/> Staff engagement survey <hr/> Quarterly review meetings	3    2 <b>High</b>	Co-ordination of the 2013 employee engagement survey <b>Person Responsible: Mrs Vongai Nyahunzvi</b> <b>To be implemented by: 31/05/2013</b>
	<b>Risk Owner: Martin Earwicker</b>  <b>Last Updated: 04/02/2013</b>					

**London South Bank**  
University

# 5 Year Financial Forecast

June 2013

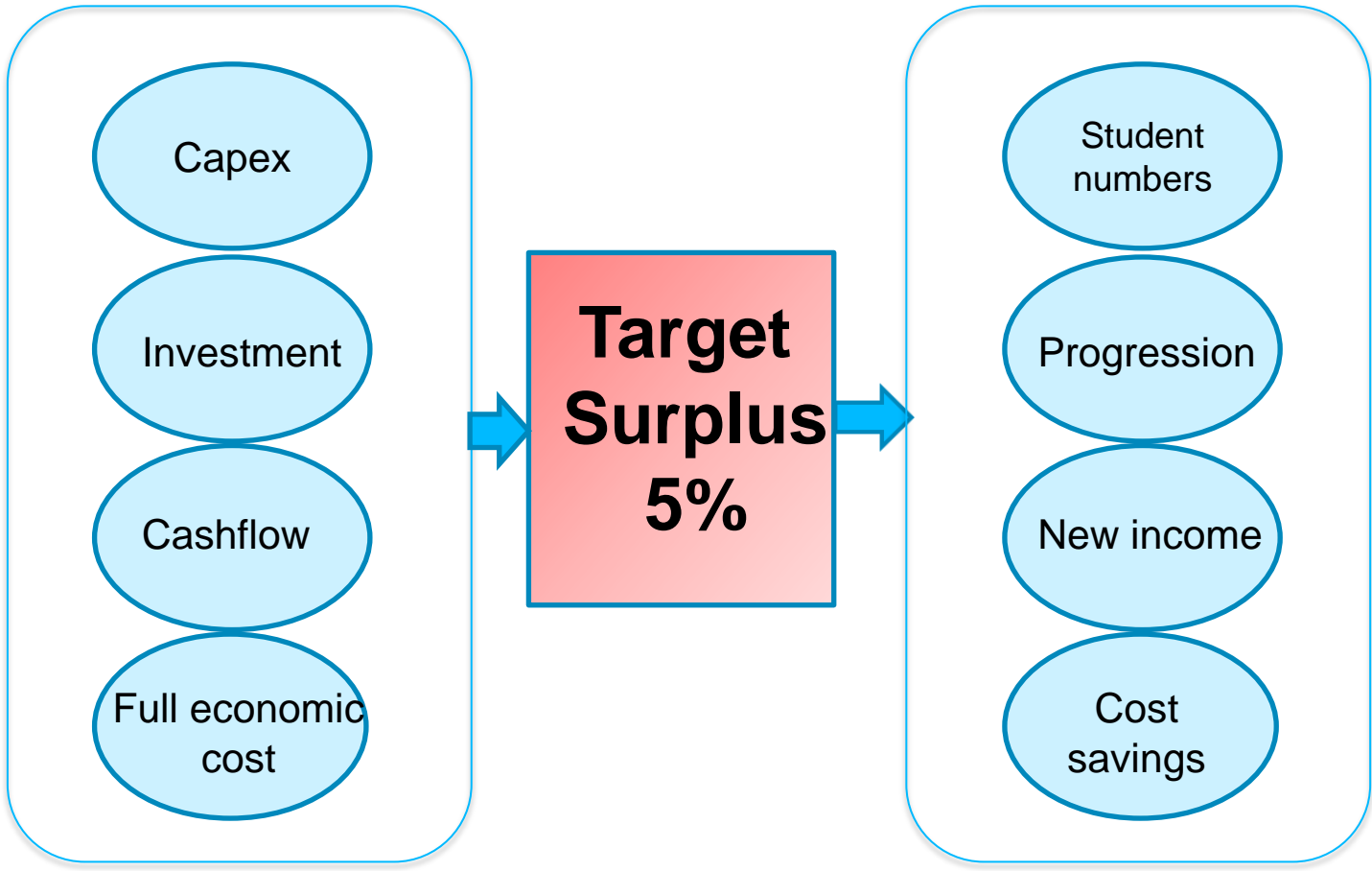


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# Financial objectives

- Generate positive cashflows and manage risk
  - Focus on surplus as a % of income (target 5%)
  - Grow and diversify income
  - Effective risk management framework
    - strong financial/cost control
    - Clear accountability and responsibility for risk and financial performance
    - Effective delegation
    - Improve performance monitoring and review
- Deliver value for money in all that we do
- Continue to invest in strategic areas

# Key considerations



## Full economic cost

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

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

## Historical cost surplus

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

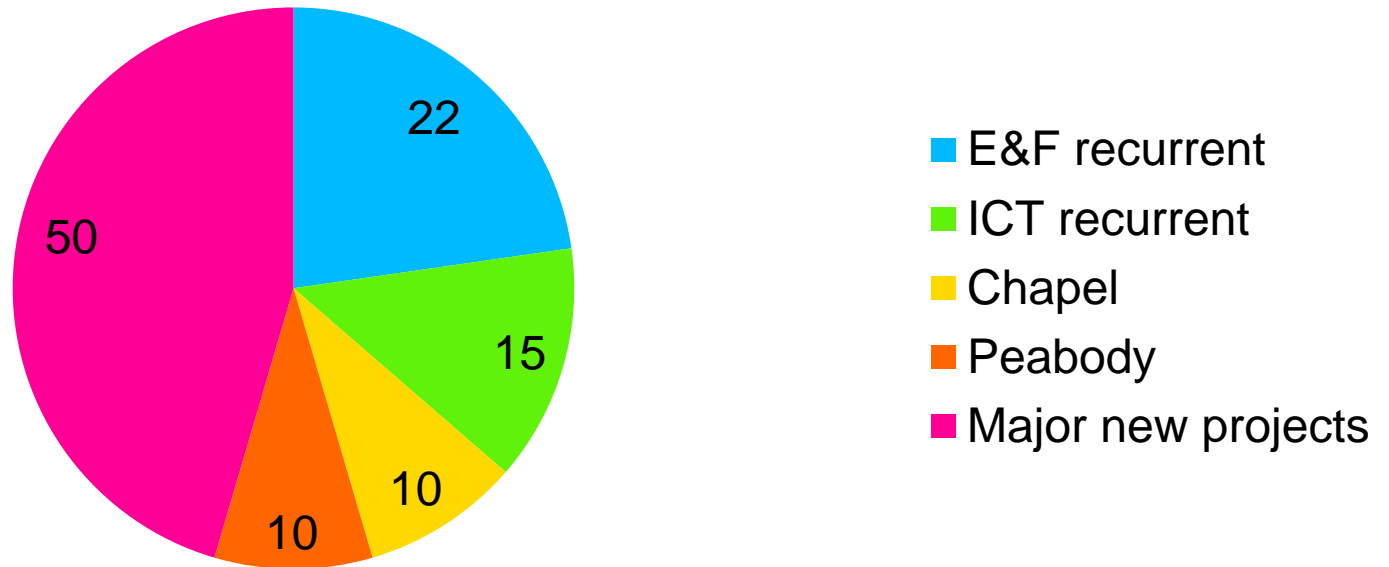
\* May 2013 management accounts

\*\*Before impairment £3m



## Potential capex over planning period

### Capital expenditure (£m)

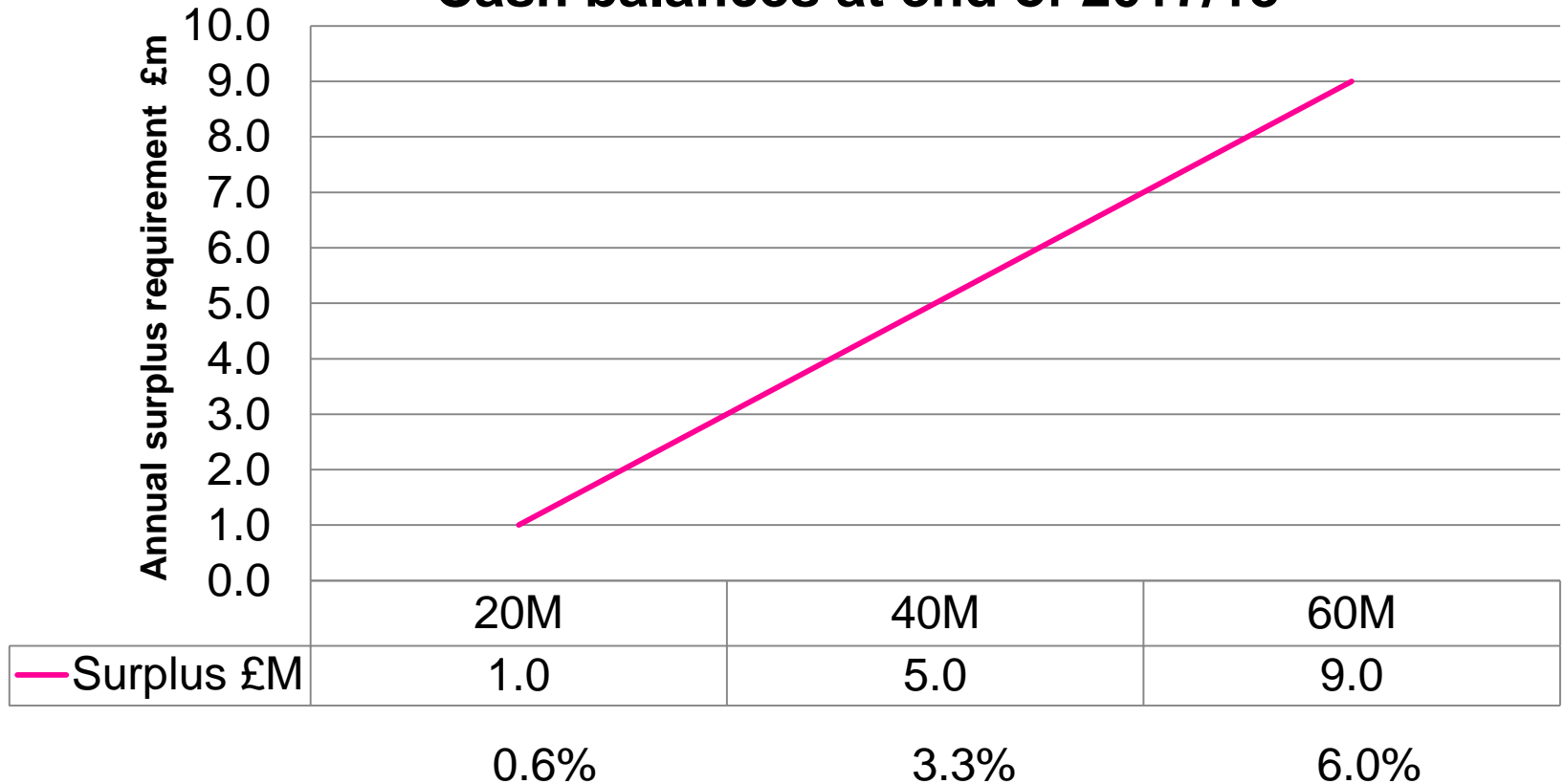


Target investment £107m over 5 year planning cycle  
compared with average annual spend of £16.8m over last 5 years

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Surplus required to fund £107m investment

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



Assuming investment of £107m over 5 years to 31 July 2018  
and opening 2013/14 balance of £59M and £63M non cash charges over 5 years.

**To be cash neutral an average of 5.9% is required**

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## 5YR forecast key assumptions

Key assumptions																																																		
Surplus as % of income	5%																																																	
Funding Council Grant	<ul style="list-style-type: none"> <li>❑ <b>SNC (including AAB+ and margin places) grows from current level of 2,500 to 2,750 in 2013/14 and remains at that level</b></li> <li>❑ HEFCE funding has decreased to £29m in 12/13 and is projected to decrease further to £13.3m by 15/16; a decrease of 69% compared to 10/11.</li> <li>❑ The Core HEFCE Teaching grant decreases by 92% to £3.3m by 15/16 as previously reported;</li> <li>❑ Other HEFCE Teaching grants are projected to increase from £8.4m in 11/12 to £9.9 in 17/18 mainly due to the London Allocation.</li> <li>❑ HEFCE QR and HEIF funding remains relatively stable at £1.8m and £0.8m respectively,</li> <li>❑ Teaching Agency grants decrease from £2m in 11/12 to £0.5m in 17/18; partly offset by std fees at £9k p/a p/std</li> <li>❑ Capital grant funding decreases by £0.5m to £1m p/a in 17/18</li> </ul>																																																	
Academic Fee income	<ul style="list-style-type: none"> <li>❑ Fees for cohorts starting in 12/13 and 13/14 have been held at £8,450 and assume no inflation increase during the life of the course. Fees for new cohorts have been set at £9,000 from 2014/15. Inflation has been applied post 2015/16. The table below sets out the assumed fee per student by cohort per year :</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>FEE / Student in £</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> </tr> </thead> <tbody> <tr> <td>2012 Cohort</td> <td>£8,450</td> <td>£8,450</td> <td>£8,450</td> <td>£8,450</td> <td></td> <td></td> </tr> <tr> <td>2013 Cohort</td> <td></td> <td>£8,450</td> <td>£8,450</td> <td>£8,450</td> <td>£8,450</td> <td></td> </tr> <tr> <td>2014 Cohort</td> <td></td> <td></td> <td>£9,000</td> <td>£9,000</td> <td>£9,000</td> <td>£9,000</td> </tr> <tr> <td>2015 Cohort</td> <td></td> <td></td> <td></td> <td>£9,270</td> <td>£9,270</td> <td>£9,270</td> </tr> <tr> <td>2016 Cohort</td> <td></td> <td></td> <td></td> <td></td> <td>£9,550</td> <td>£9,550</td> </tr> <tr> <td>2017 Cohort</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>£9,840</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>❑ Income projections have been shown net of fee waivers and bursary costs are modelled to phase out as current cohorts complete their studies.</li> <li>❑ Fee waivers have been modelled to achieve a net UGFT student fee &lt;£7,500 for 2012 Cohort. The average fee increases to £9,000 for the 2014 Cohort and discretionary fee waivers are stopped.</li> <li>❑ NHS Contract income increases by £0.3m to £27.6m in 12/13, but then falls to a new normal of £24.2m by 14/15 in line with forecasts provided by the faculty.</li> <li>❑ No growth in PG or UGPT for 13/14. It has been assumed that income increases by 3% per year thereafter.</li> <li>❑ International income target for 2013/14 is £9.2m compared to £8.9m in 12/13 FYF. It has been assumed that income increases by 3% per year thereafter.</li> <li>❑ Student Progression 1st year to 2<sup>nd</sup> year increases from 61% to 65% over life of forecasts. Year 2 onwards at 80%</li> </ul>	FEE / Student in £	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012 Cohort	£8,450	£8,450	£8,450	£8,450			2013 Cohort		£8,450	£8,450	£8,450	£8,450		2014 Cohort			£9,000	£9,000	£9,000	£9,000	2015 Cohort				£9,270	£9,270	£9,270	2016 Cohort					£9,550	£9,550	2017 Cohort						£9,840
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## 5YR forecast key assumptions

	Key assumption
Costs	<ul style="list-style-type: none"> <li>❑ Staff costs increase year-on-year by 2.5%: 1.5% for increments and 1% pay award</li> <li>❑ Bursary costs and Fee Waivers peak at £3.8M in 2013 / 14 and fall to a new normal of 2.3M per year</li> <li>❑ Inflation on OPEX 3%</li> <li>❑ Estate costs have increased mainly as a result of the new Student centre £0.5m in 12/13, Enterprise centre £0.7m in 13/14 partly offset by savings related to the termination of the Eileen house lease £0.9m.</li> <li>❑ Depreciation reduces from £8.2m in 12/13 to £7.9m in 17/18; being the net impact of depreciation of both new investments and existing assets phasing out.</li> <li>❑ Investment fund in 12/13 is £2.0m but normalises to £1.5m from 14/15 onward. This includes £0.5m specifically aimed at improving retention.</li> <li>❑ Provisions for restructuring reduce from £2.3m in 11/12 to £1.5m going forward.</li> <li>❑ Interest decreases from £5.0m in 12/13 to £4.6m in 17/18 as a result of the change in pension interest from RPI to CPI</li> <li>❑ No other cost efficiencies have been assumed in the base case</li> <li>❑ Total CapEx for the period £107m.</li> </ul>
Other income	<ul style="list-style-type: none"> <li>❑ Assumed £16m pa new income by 2017/18 at surplus 20%</li> </ul>

## Key Areas of Focus

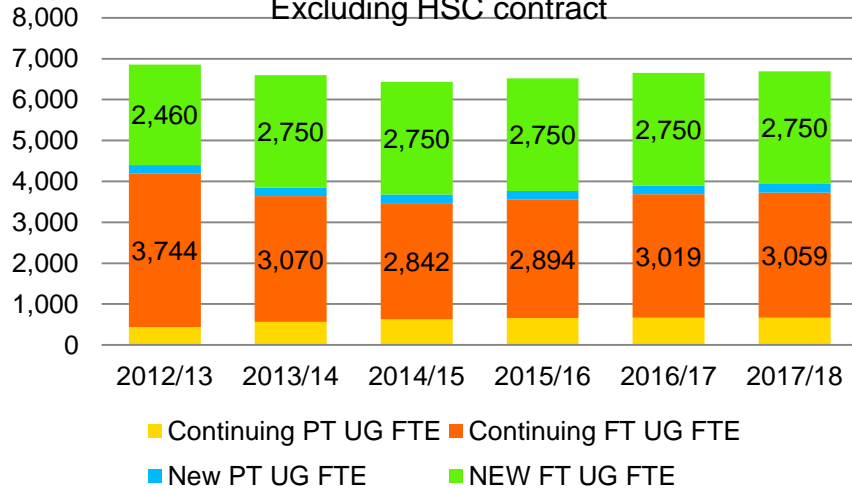
- Short term alignment of LSBU cost base with reduced student numbers in 2012/13
- Developing a clear plan for growth in student numbers (assumed to grow from 2,500 in 2012/13 to steady state SNC 2,750 from 2013/14 onward)
- Improving Progression (YR1 to YR2 target 65% by 2015/16)
- Investing as necessary to deliver required outcomes (£110m assumed over life of forecasts to 2017/18)
- Diversifying and increasing income. Assumed delivery of additional £16m pa income by 2017/18 at surplus 20%. This includes enterprise income and additional income from overseas students
- Maintaining HSC income

# London South Bank University

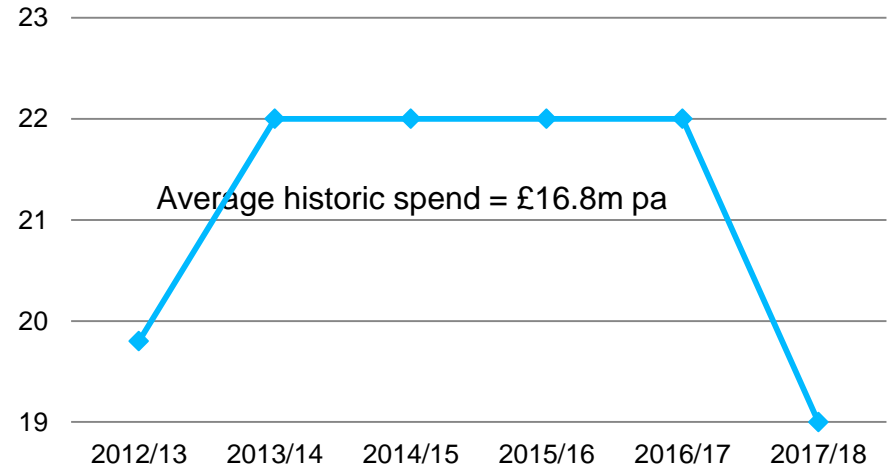
## Profile of key assumptions

### Undergraduate FTE

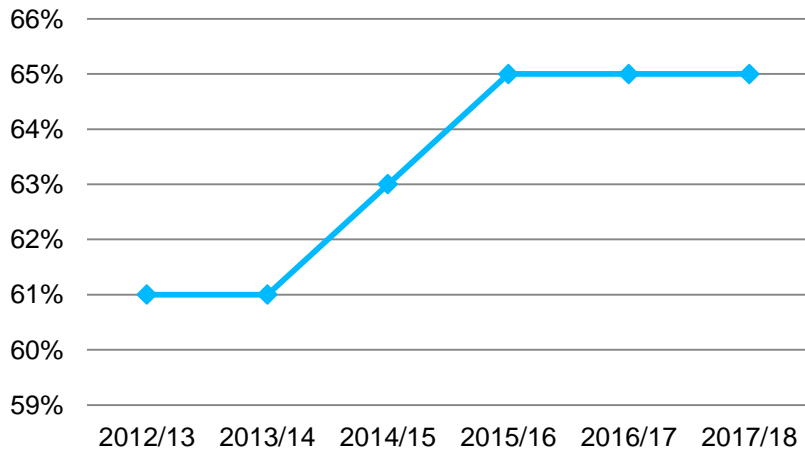
Excluding HSC contract



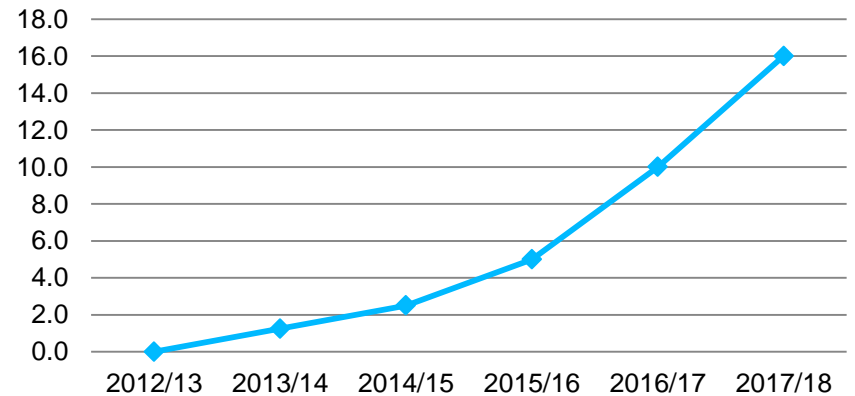
### Capital Investment £m



### UG Progression



### Scenario A new Income £m



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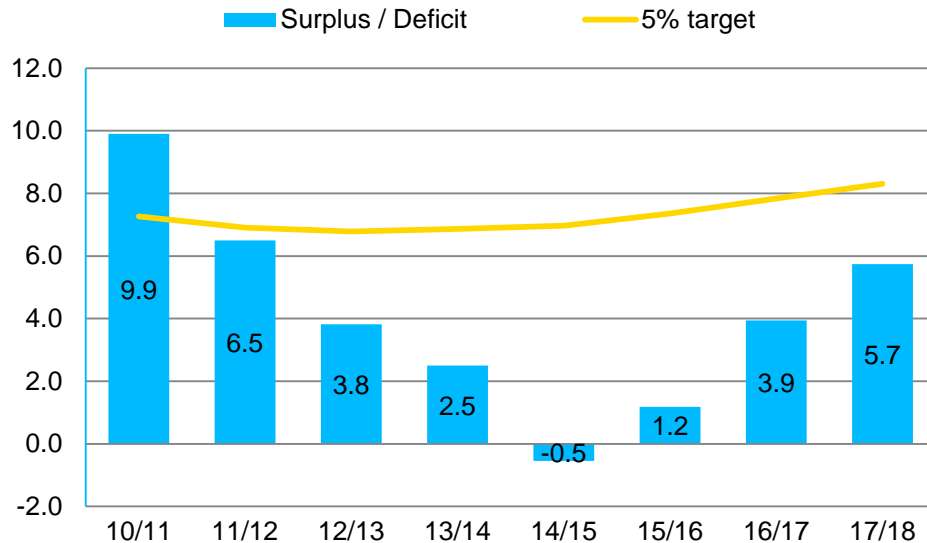
## Income scenarios and impact on contribution

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

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

# Target case

Projected Surplus for target case



In the target case:

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

## Key differences to the original base case

- SNC growth to 2,750 (base case = 2,500)
- Progression rises to 65% (base case = 59%)
- Cap Ex = £107M (base case = £29M), Dep'n = £52M (base case = £41M)
- Income as Scenario A, phased over 5 year period with 20% surplus (base case no additional income)
- Cost savings of £1M in 13/14 (assumed structural and roll forward)
- Increased Bursaries of £1M pa from 14/15

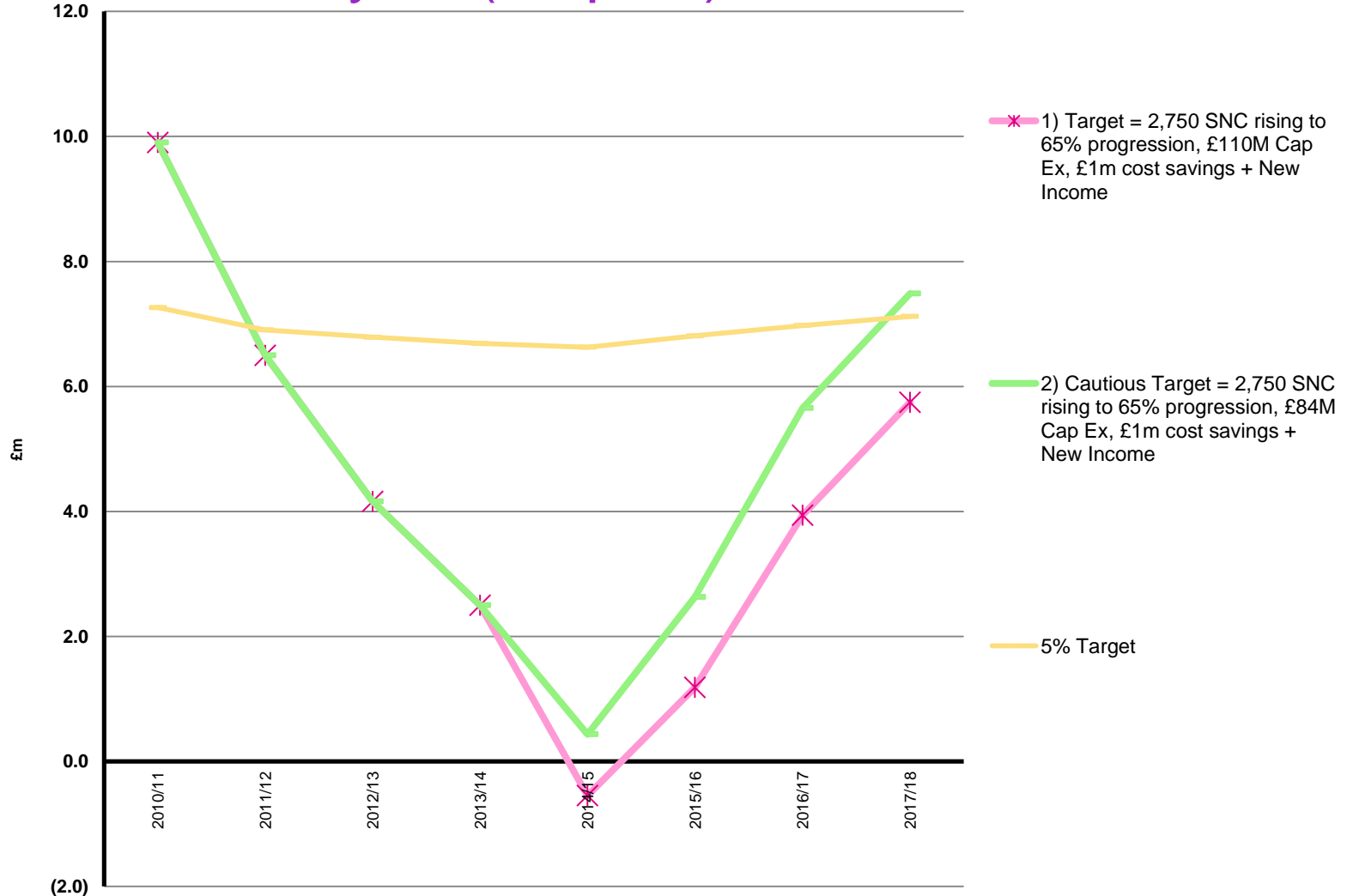


# Target case profile

The U shaped profile is driven by the following factors:

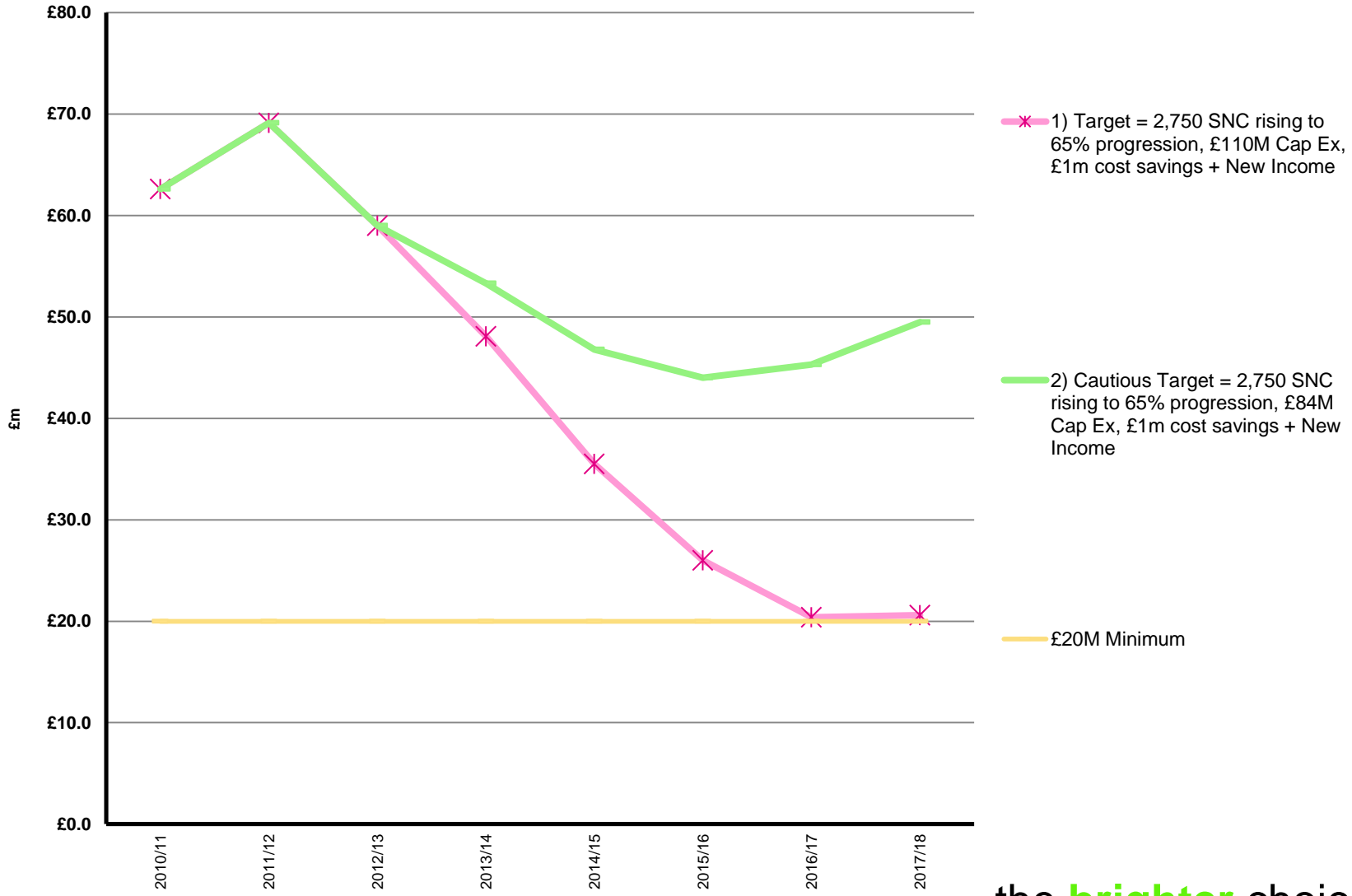
- Principally by student numbers. We lose total student FTEs in the next 2 years because of bulge in current YR2 and YR3 numbers
- This is compounded by current cohort of 2500FTE working way through system at fee of £7,450
- Continued decline in HEFCE funding
- HSC income reduces over the next 2 years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

## Scenario Analysis (surplus)



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## Scenario Analysis (cash at bank)



## Risks, uncertainties & impact

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

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

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

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

	PAPER NO: PR.24(13)	
Board/Committee:	Policy & Resources Committee	
Date:	3 July 2013	
Paper title:	Tuition Fees for 2014/15	
Author:	John Baker, Corporate & Business Planning Manager	
Executive sponsor:	Bev Jullien, Pro Vice Chancellor (External)	
<b>Recommendation by the Executive:</b>	The Executive recommends that the Policy and Resources Committee recommend the proposed fees to the Board for approval.	
Aspect of Corporate Plan this will help deliver?	The competitive pricing of fees at undergraduate and postgraduate level should facilitate meeting recruitment targets for the university that have been set in the Corporate Plan.	
Matter previously considered by:	Executive	On: March 2013
Further approval required?	Board of Governors	On: 18 July 2013
Communications – who should be made aware of the decision?	n/a	

### **Executive summary**

The Executive recommendation for the fees for new students in the 2014-15 academic year is as set out in the attached report.

This is to increase fees for new full time undergraduate students, but to hold fees for new international, postgraduate and part time students.

Market Research has been completed to support this position for postgraduate courses, and a summary of this research is also attached.

### **Two Attachments:**

1. 14-15 Fees proposal paper
2. PG Fees market research report summary

## Proposal for Fees for New Students: 2014/15 Academic Year

Purpose of Paper:

To gain approval for the fees for different groups for 2014/15

### **A. New Undergraduates:**

1. *Home and EU Undergraduate Full Time: Recommendation - £9,000 (from £8,450 in 13-14).*

This is as previously approved by the Board during discussions on the OFFA agreement. See separate update on the dialogue with HEFCE following their communication discussed at the May Board meeting

2. *Home and EU Undergraduate Part Time: Recommendation - £6,500 (for 100 credits, an increase from £6,200)*

The maximum student loan available is £6,750 ( or £67.50 per credit) so this remains within the amount fully fundable by loan. An increase is proposed, because there is no evidence that this level of increase will be a further disincentive to part-time study

No bursaries are proposed, because this rate remains below the equivalent for a 3 year full time degree ( £23,400 compared to £27,000), and is comparable with competitor positioning

3. *International Undergraduate Full Time: Recommendation: hold at 2013-14 levels.*

The fees in 2013/14 represented a significant increase over 2012/13. At a time when LSBU is aiming to build its international student body strongly, the recommendation is that it is most appropriate to hold at what is now a competitive headline fee, with a continuation of the national scholarship discounts, to grow the volume.

### **B. New Postgraduates:**

1. *Home Post Graduate: Recommendation – Maintain Credit band prices as in 2013-14 for all Faculties.*

As with International undergraduates, the recommendation is to hold prices to drive volume growth. Market research indicates that this is a competitive position

2. *Overseas Post Graduate: Recommendation – hold as 2013-14 for all Faculties.* Again, the priority is to drive volume growth, and the pricing is supported by market research data

**C. Other New Student Categories:**

1. *Research & Doctoral: Recommendation – increase by 3%.*
2. *Placement fee: Recommendation - hold at 2013-14 fee (£750)*  
We are seeking to increase the volume of students going on placement, to strengthen their employability – so do not wish for the fee to be a disincentive

**D. Continuing students:**

1. *2012-13 Home/EU Undergraduate students: average fee at £7,500 (headline £8,450)*  
No choice in this due to Access agreement.
2. *2013-14 Home/EU Undergraduate students - same fee as Y1 (£8,450)*  
No choice in this due to Access agreement.
3. *Old Regime Home/EU students: Inflationary uplift by 3%.*
4. *International UG and PG students : Keep their fee at the level of their first year. This is common practice and ensures that students can plan for the fees for the full period of study*
5. *Research and doctoral students: Increase by 3%*

## LSBU Market Research Overview: Post graduate fees & Scholarships 2014:15

Summary of findings: June 2013\*

### AHS

Largely on par with competitor group for UK & EU pricing (in some areas e.g. Arts we are priced towards more "affordable end") - many competitor courses are a similar / higher fee for UK&EU, but are much higher for Intl students, where our fee is set at one rate for all students

LLM priced at lower end

Social Sciences competitively priced

### BUS

Within a similar range to our competitors (if a little more towards the 'affordable' end). University of West London is the only institution with lower UK, EU & Intl fees for every course area

MBA - towards lower end of fee spectrum, on a par with West London

Marketing - competitively priced in relation to competitors

IT courses on a par with competitors

### ESBE

**Engineering** course fees vary considerably – the range of competitor's engineering courses included in the spread sheet demonstrate the variance in courses and fees. At £7,560 for UK and EU students, LSBU is largely on a par with some competitors (Lon Met, City) but more expensive than others (Kingston, Greenwich), but for Intl fees, we are priced slightly higher than UEL, UWL, LMU, Greenwich and one Middlesex course

### Scholarships and Bursaries

A variety seen between the 9 London modern universities in terms of general scholarships and subject specific scholarships

Westminster University seemed to have the largest number of scholarships/bursaries available

No information for Postgraduate scholarships/bursaries could be found on London Met's website.

3 of the 9 institutions offer the Santander scholarships to PGT students from Spanish speaking countries (although the amounts offered did vary by institution)

7 of the 9 institutions offered alumni fee discounts - typically a 10 or 20% discount of a PG fee if students had studied their UG at the same institution

University of West London has yet to update their site with 2013/14 offers. Only their Law school had an up to date offering.

\*Detailed analysis can be supplied on request



	PAPER NO: PR.25(13)	
Board/Committee:	Policy and Resources Committee	
Date:	3 July 2013	
Paper title:	Revision of LSBU's Articles update	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsor:	David Longbottom, Chairman of the Board	
<b>Recommendation:</b>	<p>To recommend to the Board:</p> <ul style="list-style-type: none"> <li>• The draft Articles for approval to begin consultation with the Privy Council;</li> <li>• Whether to include a provision for the remuneration of governors and, if so, to recommend the standing order on remuneration for approval for consultation with the Privy Council; and</li> <li>• The draft standing orders</li> </ul>	
Aspect of the Corporate Plan to which this will help deliver?	Creating an environment in which excellence can thrive	
Matter previously considered by:	P&R and the Board	On: November 2012
Further approval required?	Board for final approval	On: tbc
Communications – who should be made aware of the decision?	No decisions to be made	

### **Executive Summary**

In November 2012, the Policy and Resources Committee and the Board of Governors considered draft revised Articles of Association for LSBU. This report updates the committee on progress since these meetings.

**Update on Articles**

1. The University's Memorandum and Articles of Association (M&A) are the University's constitution and govern how the University is run. The M&A have not substantively changed since the institution became a university in 1992.
2. The proposed new Articles have been significantly revised following legal advice from Pinsent Mason LLP based on guidance from the Privy Council. The new Articles will comply with the Companies Act 2006 and allow authorisations of situational conflicts of interest (under the Companies Act 2006 the Memorandum is a historic document).

**Consultation with the trade unions**

3. On 17<sup>th</sup> January 2013 and 28<sup>th</sup> February 2013 the University Secretary and Governance Officer met representatives of the three recognised trade unions to consult them on the proposed changes to the Articles of Association.
4. The Unions were supportive of the need to revise and modernise the Articles of Association but questioned the removal of detail in the objects clause (Article 1), the responsibilities of the Chief Executive (Article 6) and the membership of the Academic Board (Article 7). Having regard to this feedback, the objects clause has subsequently been extended and wording from the current articles reinserted to cover the responsibilities of the Chief Executive and membership of the Academic Board.
5. The Unions considered the inclusion of an enabling clause on governor remuneration. UCU are of the view that although there are equality and diversity issues associated with non-remuneration these are outweighed by the positives of retaining a public service ethos. Thus, they would not welcome the payment of governors.
6. The enabling clause on remuneration has been retained in the draft and the committee are requested to recommend to the Board whether to include this clause in the new articles. Use of the enabling power will be governed by a Standing Order which is subject to Privy Council and Charity Commission approval. The draft Standing Order is included for completeness.
7. The draft Standing Order is based on Charity Commission template. If the Board decided it needed to use the power to remunerate it would have to consider Charity Commission guidance, resolve that the remuneration is

clearly in the interests of the University and that remuneration provides a clear and significant advantage over all other options.

### **Composition of the Board**

8. Membership of the Board is proposed as follows:
  - 13 independent governors;
  - the Vice Chancellor (ex officio);
  - two students; and
  - two academic staff members of the Academic Board.
9. The consequence is that the practice of co-opting two staff governors following an election will cease. It is important that academics are members of the Board and the two Academic Board nominees and two student governors will continue.
10. As the new Articles propose reducing the maximum size of the Board to 18 members (from 24), the current composition of the Board as outlined in paragraph 9 is the maximum size of the Board and any future increase in staff or student governors will mean a reduction in the number of independent governors.

### **Standing Orders**

11. In order to streamline and modernise the articles some detail has been removed from the articles. Where necessary these provisions will now be covered by standing orders of the Board. Standing orders are proposed to cover:
  - a. Role of the Board
  - b. Primary Responsibilities of the Board
  - c. Chairman of the Board
  - d. Composition of Board and methods of appointment
  - e. Proceedings of Meetings and Decision Making
  - f. Committees
  - g. Chief Executive
  - h. Academic Board
  - i. Honorary Positions

12. These standing orders are intended to complement the articles and offer the Board greater flexibility to alter without referring to the Privy Council. The proposed standing orders are attached for information.

### **Consultation with the Privy Council**

13. Following approval of the draft articles by the committee and the Board, consultation with the Privy Council will commence. Once the Privy Council confirms that it is content with the draft “in principle”, the Board will be requested to approve the final version before final “official” approval by the Privy Council.

14. The likely timetable to completion is as follows:

July 2013	Board approves final draft
Aug/Sept	“Informal” consultation on the Articles and standing order on remuneration considered by the Privy Council
Sept	Consideration of Privy Council’s comments
Oct	Final approval of Articles and Standing Orders by Board of Governors
Nov/Dec	Final approval by the Privy Council

### **Recommendation**

The committee is requested to recommend to the Board:

- The draft Articles for approval to begin consultation with the Privy Council;
- Whether to include a provision for the remuneration of governors and, if so, to recommend the standing order on remuneration for approval for consultation with the Privy Council; and
- The draft standing orders

Companies Act 2006

Company Limited by Guarantee

**ARTICLES OF ASSOCIATION OF  
LONDON SOUTH BANK UNIVERSITY**

**1. OBJECTS**

1.1 The Objects of the University are to:

- 1.1.1 conduct a university for the public benefit for the advancement of education, promotion of research and dissemination of knowledge;
- 1.1.2 provide full time and part time courses of education at all levels; and
- 1.1.3 provide facilities to promote these objects and provide associated support and welfare for students.

**2. CONDUCT OF THE UNIVERSITY**

2.1 The University shall be conducted in accordance with the provisions of the Education Acts and any relevant regulations, orders or directions made by the Secretary of State or by the Privy Council, and subject to those, in accordance with the provisions of these Articles and any Standing Orders made under these Articles.

**3. POWERS**

3.1 The University has the power to do anything which is calculated to further its Objects or which is conducive or incidental to doing so including but not limited to the following powers:

- 3.1.1 to award degrees and other awards and to withdraw such degrees or awards;
- 3.1.2 to make rules and regulations for the conduct of students;
- 3.1.3 to acquire, own, maintain, manage and dispose of land and other property;
- 3.1.4 to solicit, receive and administer fees, grants, subscriptions, donations, endowments, legacies, gifts and loans of any property whether land or personal property;
- 3.1.5 to act as trustee for and in relation to endowments, legacies and gifts;
- 3.1.6 to invest any monies in the hands of the University and available for investment;
- 3.1.7 to establish or acquire subsidiary companies;
- 3.1.8 so far as permitted by charity law, to give guarantees;
- 3.1.9 so far as permitted by charity law, to borrow and raise money and give security for loans; and for those purposes the University shall have the authority to enter into any financial instrument which is ancillary or incidental to the exercise of such powers;
- 3.1.10 to take such steps as may from time to time be deemed expedient for the purposes of procuring and receiving contributions to the funds of the University, and to raise money in such other manner as the University may determine;

- 3.1.11 to co-operate with other institutions and individuals and to award joint degrees or other awards;
- 3.1.12 to affiliate or incorporate into the University any other institution and to take over its property, rights, liabilities and staff;
- 3.1.13 to transfer the assets and liabilities of the University to another institution with objects, the same as or similar to the objects of the University; and
- 3.1.14 to enter into engagements and to accept obligations and liabilities in all respects without any restrictions whatsoever and in the same manner as an individual may manage his or her own affairs.

#### **4. GOVERNORS**

- 4.1 Subject to the powers of the Members in general meeting and the provisions of these Articles, the Governors shall have control of the University and its assets and may exercise all the powers of the University; and without limiting the above, the Governors shall have the specific powers set out in the Standing Orders.

#### **5. RESPONSIBILITIES OF THE BOARD OF GOVERNORS**

- 5.1 The Board of Governors shall be responsible:-
  - 5.1.1 for the determination of the educational character and mission of the University and for oversight of its activities including the exercise of degree awarding powers;
  - 5.1.2 for the effective and efficient use of resources, the solvency of the University and for safeguarding its assets;
  - 5.1.3 for approving annual estimates of income and expenditure;
  - 5.1.4 for the appointment, appraisal, suspension, dismissal and determination of the pay and conditions of service of the Chief Executive, the Clerk and such other senior posts as the Board may determine;
  - 5.1.5 for setting frameworks for the appointment, appraisal, suspension and dismissal of and for the pay and conditions of service of other Employees; and
  - 5.1.6 for the appointment of a Chancellor who shall hold office for such term and have such duties and responsibilities as the Board of Governors from time to time shall determine.

#### **6. CHIEF EXECUTIVE**

- 6.1 There shall be a Chief Executive of the University who shall be the chief executive and chief academic officer of the University.
- 6.2 Subject to the responsibilities of the Board of Governors, the Chief Executive shall be responsible for:
  - 6.2.1 making proposals to the Board of Governors about the educational character and mission of the University; and for implementing the decisions of the Board of Governors;
  - 6.2.2 for the organisation, direction and management of the University and leadership of the staff;
  - 6.2.3 for the appointment, assignment, grading, appraisal, suspension and dismissal of staff other than Holders of Senior Posts within the framework set by the Board of Governors;

- 6.2.4 for the determination, after consultation with staff and within the framework set by the Board of Governors, of the pay and conditions of service of staff other than Holders of Senior Posts ;
- 6.2.5 for the determination, after consultation with the Academic Board, of the University's academic activities, and for the determination of its other activities;
- 6.2.6 for preparing annual estimates of income and expenditure for consideration by the Board of Governors, and for the management of budget and resources, within the estimates approved by the Board of Governors;
- 6.2.7 for the maintenance of Student discipline and, for the suspension or expulsion of Students on disciplinary grounds and for implementing decisions to expel students for academic reasons.

## 7. **ACADEMIC BOARD**

- 7.1 There shall be an Academic Board of the University which shall, subject to the general control and approval of the Board of Governors, be responsible for academic standards and the direction and regulation of academic matters.
  - 7.2 The Academic Board shall consist of up to 40 members, comprising as follows:
    - 7.2.1 The Holders of Senior Posts;
    - 7.2.2 Senior members of the faculties and professors
    - 7.2.3 Members of staff below the level of staff referred to in 7.2.2 above and drawn from the following categories:
      - (a) academic and research staff;
      - (b) non-teaching staff;
      - (c) technicians;
      - (d) Student Union President;
      - (e) Students
  - 7.3 There shall be no more than 24 persons drawn from categories 7.2.1 and 7.2.2 in aggregate and no more than 16 persons drawn from categories 7.2.3. Members from categories 7.2.1 and 7.2.2 shall be in a majority.
  - 7.4 The Chief Executive shall be the Chairman of the Academic Board.
  - 7.5 The membership and powers of the Academic Board shall be further prescribed in the Standing Orders.
- ## 8. **DELEGATION**
- 8.1 Subject to Article 8.2, the Board of Governors shall be entitled to delegate all or any of its functions, powers and duties to any person or body.
  - 8.2 The Board of Governors shall not delegate the following:-
    - 8.2.1 the determination of the educational character and mission of the University;
    - 8.2.2 the approval of the annual estimates of income and expenditure;

- 8.2.3 ensuring the solvency of the University and the safeguarding of its assets;
- 8.2.4 the appointment and dismissal of the Chief Executive and the Clerk; and
- 8.2.5 the recommendation to the Members in General Meeting for the approval, revoking, amendment or variation of these Articles.

## 9. COMPOSITION OF THE BOARD OF GOVERNORS

- 9.1 The Board of Governors when complete shall consist of at least eight and not more than eighteen members comprising as follows:-
  - 9.1.1 the person who is for the time being the Chief Executive of the University; and
  - 9.1.2 persons who are neither Employees nor Students and who are considered by the Appointments Committee to have experience and capability relevant to the University's requirements ("Independent Governors").
- 9.2 Within the minimum and maximum limits set out in Article 9.1, the Board of Governors may appoint as Governors persons who are Employees ("Staff Governors") or Students ("Student Governors").
- 9.3 The Board of Governors shall determine and set out in Standing Orders the number of its membership, the number of its members to be appointed in each of the categories of membership set out in Article 9.1 and 9.2 above and the appointment of nominated individuals and in so doing shall ensure that a majority of the members of the Board of Governors when constituted are Independent Governors.
  - 9.3.1 The Board of Governors shall establish an Appointments Committee to appoint Independent Governors and which shall be comprised of all the Independent Governors.
- 9.4 A determination made in accordance with Article 9.3 above may be varied by subsequent determination of the Board of Governors in accordance with that Article.
- 9.5 A technical defect in the appointment of a Governor of which the Governors are unaware at the time does not invalidate decisions taken at a meeting.

## 10. TERMS OF OFFICE OF GOVERNORS

- 10.1 The terms of office of the Governors shall be as follows: -
  - 10.1.1 In the case of a person who is a Governor by virtue of their office or position, until she or he ceases to hold such office;
  - 10.1.2 In the case of Governors appointed under Article 9.1.2 the period of four years;
  - 10.1.3 In the case of a Governor, who is appointed under the provisions of Article 9.2, the period of three years, or the period until she or he ceases to be a member of Staff or a Student (as appropriate), whichever is sooner.
- 10.2 A retiring Governor who is eligible under these Articles may be reappointed. Governors may not normally be appointed for more than two terms of office in total.
- 10.3 A Governor's term of office as such automatically terminates if he/she:
  - 10.3.1 is disqualified under the Charities Act from acting as a Charity Trustee or under the Companies Act from acting as a company director;
  - 10.3.2 is incapable, whether mentally or physically, of managing his/her own affairs;
  - 10.3.3 is absent without permission from consecutive meetings of the Governors for a period of 12 months or more; or



10.3.4 is removed by the Members in accordance with the procedure set out in the Standing Orders.

10.4 Any Governor may at any time by written notice to the Clerk resign her or his office, which will become vacant from the date of receipt of the notice or date of resignation specified in the notice whichever shall be the later.

10.5 Every vacancy in the office of an appointed Governor shall as soon as possible after it occurs be notified by the Clerk to the Board.

## 11. **PROCEEDINGS OF THE BOARD OF GOVERNORS**

11.1 The Board of Governors must hold at least 3 meetings each year.

11.2 A quorum at a meeting of the Board of Governors is at least one third of the membership of the Board of Governors at the time with Independent Governors always being in the majority.

11.3 A meeting of the Governors may be held either in person or by suitable Electronic Means agreed by the Governors in which all participants may communicate with all the other participants.

11.4 The Board of Governors shall make and may amend Standing Orders:-

11.4.1 to set out the composition of the Board of Governors;

11.4.2 for the conduct of meetings of the Board and its committees (including the appointment of officers including a chair and vice-chair);

11.4.3 to prescribe the membership and powers of the Academic Board;

11.4.4 [for the remuneration of Governors (such Standing Orders to made and amended with the approval of the Charity Commission)]; and

11.4.5 to govern the administration of the University.

11.5 A procedural defect of which the Governors are unaware at the time does not invalidate decisions taken at a meeting.

## 12. **BENEFITS**

12.1 The property and funds of the University must be used only for promoting the Objects, or which is conducive or incidental to doing so.

12.2 A Governor must not receive any payment of money or other Material Benefit (whether directly or indirectly) from the University except and subject to Article 13:

12.2.1 Governors or Connected Persons may be paid interest at a reasonable rate on money lent to the University;

12.2.2 Governors or Connected Persons may be paid a reasonable rent or hiring fee for property let or hired to the University;

12.2.3 Governors or Connected Persons may receive charitable benefits on the same terms as any other beneficiaries of the University;

12.2.4 The Chief Executive, Staff Governors or Connected Persons may be employed by the University and receive remuneration;

12.2.5 Governors or Connected Persons may enter into contracts with the University and receive reasonable payment for goods or services supplied, subject to Article 12.3;

- 12.2.6 [Governors may receive remuneration in connection with their office subject to authorisation by the Board of Governors in accordance with the Standing Orders;]
- 12.2.7 Governors may receive the reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the University;
- 12.2.8 Governors may receive the benefit of Indemnity Insurance; or
- 12.2.9 Governors may receive an indemnity in respect of any liabilities properly incurred in running the University (including the costs of a successful defence to criminal proceedings).

12.3 A Governor or Connected Person may enter into a contract with the University to supply goods or services in return for a payment or other Material Benefit if:

12.3.1 the goods or services are actually required by the University, and it is decided that it is in the best interests of the University to enter into such a contract;

12.3.2 the nature and level of the remuneration is no more than is reasonable in relation to the value of the goods or services and is set in accordance with the procedure in Article 13; and

12.3.3 no more than half of the Governors are subject to such a contract in any Financial Year.

### 13. **DECLARATION OF INTERESTS**

13.1 Any Governor who has an interest, direct or indirect, in a proposed transaction or arrangement with the University must declare the nature and extent of his or her interest before discussion begins on the matter.

13.2 The Governors with no conflict may require that the relevant governor:

13.2.1 is not counted in the quorum for that part of the meeting;

13.2.2 has no vote on the matter; and

13.2.3 withdraws from the meeting for that item after providing any information requested by the Governors.

### 14. **SITUATIONAL CONFLICTS**

14.1 If a conflict of interests arises because of a duty of loyalty owed by a Governor to another organisation or person and the conflict is not authorised by virtue of another provision in the Articles, the Governors with no conflict may, subject to compliance with the provisions of Article 13, authorise such a conflict of interest on such terms as they may determine and provided the Governors with no conflict consider it is in the best interests of the University to do so in all the circumstances.

### 15. **STUDENT UNION**

15.1 The University shall comply with its obligations under the Education Acts in relation to any Student Union of the University.

### 16. **EMPLOYEES**

16.1 The Board of Governors may appoint Employees, and prescribe their authority, duties and terms and conditions of service. Provision shall be made in respect of discipline, dismissal, redundancy, and grievances.

17. **ACADEMIC FREEDOM**

17.1 In relation to Article 5.1.5 the Board of Governors shall have regard to the need to ensure that Academic Staff have freedom within the law to question and test received wisdom and to put forward new ideas and controversial or unpopular opinions, without placing themselves in jeopardy of losing their jobs or any privileges they may have at the University.

18. **RECORDS AND ACCOUNTS**

18.1 The Board of Governors shall keep true records of income and expenditure and records relating to the audit of accounts as required by law.

18.2 The University shall also keep records of:

18.2.1 all proceedings at meetings of the Governors;

18.2.2 all resolutions in writing;

18.2.3 all reports of committees; and

18.2.4 all professional advice obtained.

19. **MEMBERSHIP**

19.1 All Governors shall, for the duration of their terms of office as Governors only, be Members of the University.

19.2 The membership and all rights of a Member shall be personal and shall not be transferable.

19.3 The University shall maintain a register of Members.

20. **GENERAL MEETINGS**

20.1 Governors in their capacity as Members are entitled to attend general meetings.

20.2 General meetings are called on at least 14 and not more than 28 Clear Days' written notice indicating the business to be discussed and (if a special resolution is to be proposed) at least 28 Clear Days' written notice setting out the terms of the proposed special resolution.

20.3 There is a quorum at a general meeting if the number of Members present is at least one third of the members at the time with Independent Governors (in their capacity as Members) always being in the majority.

20.4 Every Member present has one vote on each issue.

20.5 A general meeting may be called by the Governors at any time and must be called within 21 days of a written request from Governors (being Members) representing at least 30% of the Membership.

20.6 A technical defect in the appointment of a Member of which the Members are unaware at the time does not invalidate a decision taken at a general meeting or in writing.

21. **LIMITED LIABILITY**

21.1 The liability of Members is limited.

22. **GUARANTEE**

22.1 Every Member promises, if the University is dissolved while he/she remains a Member or within one year after he/she ceases to be a member, to pay up to £1 towards:

22.1.1 payment of those debts and liabilities of the University incurred before he/she ceased to be a Member;

22.1.2 payment of the costs, charges and expenses of winding up; and

22.1.3 the adjustment of rights of contributors among themselves.

23. **AMENDMENT OF ARTICLES**

23.1 No addition, alteration or amendment shall be made to or in the provisions of these Articles, unless approved by the Privy Council.

24. **DISSOLUTION**

24.1 If the University is dissolved, the assets (if any) remaining after providing for all its liabilities must be applied in one or more of the following ways:

24.1.1 by transfer to one or more other bodies established for exclusively charitable purposes within, the same as or similar to the Objects;

24.1.2 directly for the Objects or for charitable purposes which are within or similar to the Objects;

24.1.3 in such other manner consistent with charitable status as the Privy Council approves in writing in advance.

25. **INTERPRETATION**

25.1 The Articles are to be interpreted without reference to the model articles under the Companies Act, which do not apply to the University.

25.2 In the Articles, unless the context indicates another meaning:

"Academic Board" means the Academic Board of the University constituted in accordance with Article 7 as a body or a quorum of the members of the Academic Board at a meeting of the Academic Board

"Academic Staff" means persons employed by the University as members of the teaching or research staff

"Articles" means these Articles of Association of the University and "Article" refers to a particular Article.

"Board of Governors" means the Board of Governors (constituted in accordance with Article 5) as a body or a quorum of the Governors at a meeting of the Board of Governors

"Charities Act"	means the Charities Act 2011 and any statutory modification or amendment thereof for the time being in force
"Charity Trustees"	has the meaning prescribed by the Charities Act
"Chief Executive"	means the executive head of the University (who may have the title of Vice-Chancellor or another title as decided by the Board of Governors)
"Clear Day"	does not include the day on which notice is given or the day of the meeting or other event
"Clerk"	means the clerk and Company Secretary to the Board of Governors from time to time
"Companies Act"	means the Companies Act 2006 and any statutory modification or amendment thereof for the time being in force
"Company Secretary"	shall have the meaning prescribed in the Companies Act
"Connected Person"	means, in relation to a Governor, a person with whom the Governor shares a common interest such that he/she may reasonably be regarded as a benefiting directly or indirectly from any material benefit received by that person, being either a member of the Governor's family or household or a person or body who is a business associate of the Governor, and (for the avoidance of doubt) does not include a company with which the Governor's only connection is an interest consisting of no more than 1% of the voting rights
"Education Acts"	means Education Acts 1944 to 2011 and any subsequent Education Acts.
"Employees"	means all employees of the University
"Financial Year"	means the University's financial year from 1 August to 31 July
"Governor"	means a director of the University and a Charity Trustee and "Governors" means the directors and Charity Trustees
Holders of Senior Posts	Means the Chief Executive, the Clerk and the holders of such other senior posts as the Board of Governors determines
"Indemnity Insurance"	means insurance against personal liability incurred by any Governor for an act or omission which is or is alleged to be a breach of trust or duty, unless the act or omission amounts to a criminal offence or the Governor concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty

"Independent Governor"	means a Governor appointed under Article 9.1.2 who shall not be:-  (i) employed by the University; or  (ii) a full-time Student.
"Material Benefit"	means a benefit, direct or indirect, which may not be financial but has a monetary value
"Members"	means those persons who are members of the University in accordance with Article 19.1
"Memorandum"	means the University's Memorandum of Association
"Month"	means calendar month
"Objects"	means the Objects of the University as defined in Article 1.1
"Secretary of State"	means the Secretary of State in charge of universities from time to time
"Staff Governor"	means a Governor appointed under Article 9.2
"Standing Orders"	means any regulations, bye-laws or rules made in accordance with Article 11.4
"Student"	means a person who is for the time being registered with the University as pursuing a full-time course of not less than one month's duration, subject to any regulation governing the non-payment of tuition fees. For this purpose, sabbatical officers of the Student Union shall be deemed to be students. A person who is not for the time being enrolled as a student at the University shall be treated as such a student during any period when she or he has been granted leave of absence as a student from the University for the purposes of study or travel or for carrying out the duties of any office held by her or him in the Student Union
"Student Governor"	means a Governor appointed under Article 9.2
"University"	means the company known as London South Bank University
"written" or "in writing"	refers to a legible document on paper or a document or communication sent by electronic means which is capable of being printed out on paper
"Year"	means calendar year

25.3 Expressions not otherwise defined which are defined in the Companies Act have the same meaning.

25.4 References to an Act of Parliament are to that Act as amended or re-enacted from time to time and to any subordinate legislation made under it.

## London South Bank University

### Standing Order for the remuneration of Governors

1. For the purposes of Article 12.2.6 of the Articles of Association of the University, an Independent Governor may receive remuneration for acting as a Governor provided that the Governors as charity trustees follow the procedure set out in clause 2 and observe the conditions set out in clause 3 below.
2. An Independent Governor may receive benefits for acting as a Governor provided the Board of Governors has in addition to meeting the requirements of clause 3 below:
  - 2.1 read considered and taken into account the published guidance of the Charity Commission relating to the remuneration of charity trustees for acting as such;
  - 2.2 resolved that the remuneration is clearly in the interests of the charity and that the trustee in question be awarded the remuneration in question; and
  - 2.3 resolved after taking reasonable steps to identify and consider all other reasonably available options for recruiting or retaining a suitable candidate for the role of Governor, that offering the remuneration in question provides a significant and clear advantage over all the other options available.
3. The University and its Board of Governors may only rely upon the authority provided by clause 2 above if each of the following conditions is satisfied:
  - 3.1 The remuneration paid to the Governor does not exceed an amount that is reasonable in all the circumstances.
  - 3.2 Any conflicted members of the Board of Governors are absent from the part of any meeting at which there is discussion of:
    - (a) his or her remuneration; or
    - (b) his or her performance in office.
  - 3.3 The conflicted Governors do not vote on any such matter and are not to be counted when calculating whether a quorum of members of the Board of Governors is present at the meeting.
  - 3.4 The reason for their decision is recorded by the non-conflicted Governors.

**Comment [A1]:** Please note that this Standing Order is limited to Independent Governors

**Comment [A2]:** Charity Commission guidance is that charities should only remunerate "when there is a clear and significant advantage to the charity that will outweigh an disadvantages"

**Comment [A3]:** Remuneration would probably therefore only be for new governors and could be used if there was a difficulty in filling vacancies. Could also be used to recruit a new Chair.

**Comment [A4]:** A limit could be included which is index linked.



- 3.5 A majority of the Governors then in office are non-conflicted Governors.
- 3.6 If a Governor receives remuneration it shall be disclosed in the accounts at least to the extent of any other related party transaction.
- 3.7 a "conflicted Governor" is a Governor who has received, is entitled to receive or is currently receiving remuneration under this Standing Order.
- 3.8 a "non-conflicted Governor" is a Governor who is not a conflicted Governor.
4. This Standing Order may not be amended without the express prior consent of the Charity Commission.

## Standing Orders

### The Board of Governors

1. The Board of Governors is the University's governing body. The core responsibilities of the Board are:
  - (i) the effective stewardship of the University to secure its sustainability over the medium and long term;
  - (ii) safeguarding the mission of the University and the services it provides for the public benefit;
  - (iii) securing the proper and effective use of public funds and accounting to stakeholders and society for institutional performance.
  
2. The Board as a whole is collectively responsible for promoting the success of the University by leading and supervising its affairs. The Board:
  - oversees all activities of the University and ensures it complies with the law;
  - determines the strategic direction of the University;
  - has responsibility for approving the educational character, mission and strategic vision of the University, together with its long-term academic and business plans.
  - fosters an educational environment that enables students to succeed; and
  - sets the values and standards of the University and ensures that its obligations to its stakeholders are understood and met;
  - has overall responsibility for its assets, property and estate, employees and health and safety
  - takes all final decisions on matters of fundamental concern to the University.

## **Standing Orders**

### **Board of Governors – Statement of Primary Responsibilities**

1. To approve the educational character, mission and strategic vision of the institution, together with its long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To delegate authority to the head of the institution, as chief executive, for the academic, corporate, financial, estate and personnel management of the institution, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution.
3. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
4. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
5. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself, and to carry out such reviews at appropriate intervals.
6. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
7. To safeguard and promote the good name and values of the institution.
8. To appoint the head of the institution as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
9. To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
10. To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.

# London South Bank University

11. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the University's assets, property and estate.
12. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name.
13. To make such provision as it thinks fit for the general welfare of students.
14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution or its students.
15. To ensure that the institution's constitution is followed at all times and that appropriate advice to the Board is available to enable this to happen.

*Approved by the Board of Governors on 24 November 2011*

# **London South Bank**

## University

### **Standing Orders**

#### **Chair**

1. There shall be a Chair of the Board of Governors who shall be responsible for the leadership of the Board and its effectiveness.
2. The Chair is appointed by the Board from the Independent Governors.
3. When a governor is appointed as Chair they shall start a new term of office of four years. The Chair should not normally be appointed for more than two terms of four years.

#### **Vice Chair**

4. The Vice Chair is appointed by the Board from the Independent Governors and serves until their term of office on the Board expires or until they resign the position.

## **Standing Orders**

### **Composition of the Board and methods of appointment and termination**

1. Under article **9.2** the Board has determined that, when fully complemented, the membership of the Board shall consist of 18 members, as follows:
  - i. 13 independent governors;
  - ii. the Vice Chancellor (by virtue of office);
  - iii. two students; and
  - iv. two academic staff members of the Academic Board.
2. Under article **9.3** the Board may amend the composition of the Board, ensuring that independent governors are in a majority and that there are not less than eight and not more than eighteen members of the Board.
3. If the Board decides to alter the composition of the Board to exclude student or staff governors it should formally record in its minutes the reasons for doing this and inform the funding council.

### **Independent Governors**

4. Independent Governors are defined in Article **9.1.2** as “persons who are neither Staff nor Students and who are considered by the Appointments Committee to have experience and capability relevant to the University’s requirements”.
5. The Nomination Committee shall consider potential candidates for the position of Independent Governor and shall make recommendations to the Appointments Committee having evaluated the balance of skills, knowledge and experience required for a particular appointment and having due regard to the benefit of equality and diversity in the composition of the Board.
6. Independent Governors shall be appointed by the Appointments Committee, having considered a recommendation from the Nomination Committee.
7. Under Article **10.1.2**, Independent Governors shall be appointed for an initial term of four years. The Appointments Committee may re-appoint an Independent Governor at the end of their term of office on a recommendation from the Nomination Committee, based on effective performance.

8. Under Article 10.2, an Independent Governor may not normally be appointed for more than two terms of office in total. If it recommends that an Independent Governor is to be appointed for a third term, the Nomination Committee shall make a clear justification to the Appointments Committee.

### **Student Governors**

9. A Student is defined in the Articles as “a person who ... is pursuing a full-time course of not less than one month’s duration... . For this purpose, sabbatical officers of the Student Union shall be deemed to be students”.
10. The President of the Student Union shall be a Student Governor and will serve as a governor throughout their period of office.
11. A member of the Student Council shall be elected by Student Council to serve as the additional Student Governor.
- i. The election is normally at the first Student Council meeting of the academic year.
  - ii. The Student Governor elected by the Student Council serves for one academic year or until they are no longer a member of Student Council, whichever shall be sooner.
  - iii. The Student Governor is eligible for re-election if they continue to serve on Student Council.
  - iv. If the Student Governor elected by the Student Council ceases to be a member of the Student Council during their period of office they shall cease to be a Student Governor.

### **Academic Staff Governors**

12. There shall be two governors who shall be members of the Academic Board appointed to the Academic Board as academic or research staff under Article 7.2.3 (Academic Staff Governors).
13. The Academic Board shall nominate the Academic Staff Governors to the Board of Governors for consideration. Where there is more than one candidate for the position the Academic Board shall nominate its preferred candidate by majority vote at a quorate meeting.

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

15. The Academic Staff Governors serve for a period of three years or until they cease to be a member of the Academic Board, whichever is the soonest.

**Termination of Appointment**

16. Under Article 10.3.4 the procedure for removing governors by the Members follows ss.168-169 Companies Act 2006.



**Standing Orders**

**Proceedings of Meetings and Decision Making**

1. This Standing Order complements Article 11. Subject to the provisions of the Articles, the Board of Governors may amend this Standing Order as it shall from time to time think fit.

*Meetings of the Board and its Committees*

2. Subject to Article 11.1, the Board shall decide how many meetings of the Board of Governors and each committee shall be held each year.
3. A special meeting of the Board of Governors may at any time be summoned by the direction of the Board of Governors or the Chair of the Board or at the request in writing of any five Governors. No business shall be transacted at any special meeting other than business the general nature of which has been specified in the notice summoning the meeting and any incidental business.
4. If within half an hour from the time appointed for a meeting a quorum is not present, the meeting shall be adjourned and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the persons present and entitled to attend and vote at the meeting shall constitute a quorum.
5. No business shall be transacted at any meeting unless a quorum is present at the time when the meeting commences.

*Decision Making in Meetings*

6. Decisions of the Board shall usually be taken by consensus at quorate meetings. Where consensus cannot be reached the Chair may cause a vote to be taken.
7. In the case of an equality of votes, the Chair of the meeting shall be entitled to a second or casting vote.
8. Members at any meeting of the Board of Governors shall not be bound in their speaking and voting by instructions given to them by their nominating body or other persons.

*Decision Making outside Meetings*

9. During the course of the university's business, matters may arise between scheduled Board meetings that require urgent Board approval or discussion and cannot be postponed until the next convened Board meeting. Where decisions that would ordinarily be taken at Board meetings have to be made on an urgent basis the following procedure will be followed:
- a. The Secretary will determine if a proposal is urgent and requires Board or Committee approval.
  - b. The Secretary will brief the relevant chair on the proposal and reasons for the urgency.
  - c. The Secretary will try and arrange a quorate telephone conference call. If this is not possible the Secretary will email members of Board or Committee, to seek approval for the proposal. The Secretary will attach the board paper or business case necessary to allow governors to make an informed decision. Governors will be asked to indicate their approval to the Secretary by a particular date.
  - d. Governors should express any concerns or questions they might have about the proposal to the Secretary. The Secretary will then forward these to members of the executive for their response.
  - e. The proposal will be deemed to be approved when a majority of positive responses has been received. The Secretary will communicate the Board decision to the executive who will then be authorised to proceed.
  - f. A decision taken under this procedure will be reported at the next Board or Committee meeting. The decision will be recorded in the minutes of the meeting to which it is reported.
  - g. In the absence of the Secretary, an appropriate member of the governance team will operate this procedure.

*Minutes*

10. The Board of Governors shall cause minutes to be kept of the proceedings at meetings of the Board of Governors and all Committees of the Board of Governors and, when agreed by the next meeting of the Board of Governors or committee and signed by the Chairman of that meeting, shall be conclusive evidence of the matters stated therein.

*Conflicts of Interest*

11. Unless the Board decides otherwise, any Governor who is a member of Staff (other than the Chief Executive) or a Student shall withdraw from that part of any meeting of the Board of Governors, or committee of the Board of Governors, where a named member of staff or student, or prospective member of staff or student is to be considered. The Chief Executive shall withdraw from any meeting or part thereof where her/his position is under discussion.

**Standing Orders**

**Committees**

1. Under article 8 the Board is entitled to delegate aspects of its business to committees. Delegated business is set out in the *Matters Reserved to the Board* (attached). Areas of business the Board may not delegate are set out in article 8.
2. The Board shall establish such committees as it believes are required for the effective governance of the university.
3. A decision to establish or disestablish a sub-committee of the Board shall be taken by the Board of Governors.
4. Terms of reference for each committee shall be approved by the Board and reviewed annually by each committee, with proposed amendments subject to approval by the Board.
5. Chair(man)ship of each committee shall be decided by the Chair of the Board.
6. Appointment of members to committees shall be decided by the Chair of the Board and the Chair of the committee.
7. Under paragraph 29 of Annex B of the Financial Memorandum with HEFCE there shall be an Audit Committee.

**Schedule of Matters Reserved to the Board of Governors**

This Schedule of Matters Reserved to the Board sets out those aspects of University business whose approval is reserved to the Board of Governors. Often the Board delegates certain approvals to one or more of its committees: where this is the case it is listed in the third column. Where the Board is restricted by the Articles, the Financial Memorandum (FM) with HEFCE, legislation or the Financial Regulations (FR) from delegating decisions to a committee it is indicated by \*\*. The relevant committee may make a recommendation to the Board. The Board as a whole takes the final decision.

<b>1.</b>	<b>Mission and strategy</b>	<b>Reference</b>	<b>Delegation to a committee of the Board?</b>
1.1	** The determination of the educational character and mission of the University	Art. 27	<b>no delegation</b> (Educational Character reviews educational character)
1.2	Safeguarding and promoting the good name and values of LSBU		
1.3	Oversight of the University's activities including the exercise of degree awarding powers		
1.4	Review of performance of LSBU in the light of its strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.		(P&R reviews prior to board)
1.5	Approval and periodic review of the Key Performance Indicators.		(P&R reviews prior to board)
1.6	Extension of LSBU's undertaking into new activities or geographic areas.		(P&R reviews business case prior to board)
1.7	Any decision to cease to operate all or any material part of LSBU's undertaking.		(P&R reviews specific proposals prior to board)
<b>2.</b>	<b>Corporate structure</b>		
2.1	Major changes to LSBU's corporate structure.		Sub-committee/s may review prior to board
2.2	Major changes to LSBU's management and control structure.		Sub-committee/s may review prior to board

<b>3.</b>	<b>Financial reporting and controls</b>		
3.1	** Approval of the annual report and accounts, including the corporate governance statement and remuneration report.	CA 2006 s.414(1)	P&R and Audit review draft. P&R reviews corporate governance statement Remco reviews remuneration report
3.2	** Approval of the annual estimates of income and expenditure (i.e. the annual budget and five year forecast) and capital expenditure budgets and any material changes to them.	Art. 27	<b>no delegation</b> (P&R reviews prior to board)
3.3	** Ensuring the solvency of LSBU and the safeguarding of its assets by: <ul style="list-style-type: none"> <li>• competent and prudent management</li> <li>• sound planning</li> <li>• an adequate system of internal control</li> <li>• a formal and structured risk management process</li> <li>• adequate accounting and other records</li> <li>• compliance with statutory and regulatory obligations</li> <li>• sound systems for reporting student data</li> <li>• any other means of assurance as the Board sees fit.</li> </ul>	Art. 27	<b>no delegation</b> (Audit and P&R review aspects as set out in their terms of reference and report to the Board)
3.4	Ensuring that funds provided by the funding body are used in accordance with the terms and conditions of the financial memorandum.		Audit
3.5	Ensuring sound arrangements for: <ul style="list-style-type: none"> <li>• risk management,</li> <li>• control and governance, and</li> <li>• for economy, efficiency and effectiveness (value for money), within the University</li> </ul>	FM Annex A 4	Audit monitors and reports to Board
3.6	Ensuring that the arrangements for the management and quality assurance of data submitted to HESA and HEFCE	FM Annex A 6	Audit monitors and reports to Board
3.7	** Approval of any significant changes in accounting policies or practices.	FR 4.7	<b>no delegation</b> (Audit reviews and recommends to the Board)
3.8	Approval of investment and treasury policies.	FR 12.1	P&R

3.9	Approval of investment policies for charitable funds.		P&R
3.10	Acting as trustee for any property, legacy, endowment, bequest or gift in support of the work of LSBU and the welfare or its students.		
3.11	** Appointment of bankers, opening of accounts, authorisation of signatories and levels of authority.	FR 10.1	<b>no delegation</b> (P&R reviews and recommends to the Board)
3.12	** Approval of capital finance	FR 10.5	<b>no delegation</b> (P&R reviews and recommends to the Board)
3.13	** Approval of borrowing raised on the security of the University's assets	FR 10.5	<b>no delegation</b> (P&R reviews and recommends to the Board)
3.14	** Approval of lease finance arrangements for items with a capital value greater than £250,000	FR 10.5	<b>no delegation</b> (P&R reviews and recommends to the Board)
3.15	Approval of borrowings (by loan facility or overdraft) above £0.5 million.		<b>no delegation</b> (P&R reviews and recommends to the Board)
<b>4.</b>	<b>Internal controls</b>		
4.1	Ensuring maintenance of a sound system of internal control and risk management including: <ul style="list-style-type: none"> <li>receiving reports on, and reviewing the effectiveness of, LSBU's risk and control processes to support its strategy and objectives;</li> <li>undertaking an annual assessment of these processes;</li> <li>approving an appropriate statement for inclusion in the annual report.</li> </ul>		(Audit reviews risk at each meeting and reports concerns to the Board. Its annual report to the Board includes its opinion on the adequacy of risk management)  The Board reviews risk in detail annually.
4.2	Debt write off above £500		Audit
<b>5.</b>	<b>Auditors</b>		
5.1	** Appointment, reappointment or removal of the internal or external auditor, following the recommendation of the audit committee.	FM Annex B 51	<b>no delegation</b> (Audit reviews and makes recommendation to the Board)
<b>6.</b>	<b>Transactions and contracts</b>		

6.1	Investment in capital projects above £1 million.	FR 9.6	(P&R reviews and recommends to the Board)
6.2	Contracts which are material strategically or by reason of size, entered into by LSBU or any subsidiary <u>in the ordinary course of business</u> , and in any event budgeted expenditure above £2 million.	FR 9.6	(P&R reviews and recommends to the Board)
6.3	** Contracts of LSBU or any subsidiary <u>not in the ordinary course of business</u> , and in any event unbudgeted expenditure above £0.5 million.	FR 9.6	<b>no delegation</b> (P&R reviews and recommends to the Board)
6.4	** To authorise use of LSBU's seal	Art. 89. FR 14.1	<b>no delegation</b>
<b>7.</b>	<b>Academic</b>		
7.1	** The determination of the educational character of LSBU	Art. 27	<b>no delegation</b> (Educational Character reviews educational character)
7.2	** Ensuring an effective framework – overseen by the Academic Board – to manage the quality of learning and teaching and to maintain academic standards	FM 18	<b>no delegation</b> (Educational Character reviews and reports to the Board) Board receives an annual report from the Academic Board
7.3	Ensuring that the academic portfolio meets future needs and is sustainable		Educational Character reviews and recommends to the Board
7.4	** Approval of tuition fees	Art. 81 FR 5.2	<b>No delegation</b> (P&R reviews and recommends to the Board)
<b>8.</b>	<b>Human Resources</b>		
8.1	Approval of annual staffing budget	FR 8.1	P&R reviews as part of the annual university budget and recommends to the Board
8.2	Approval of HR framework to support academic strategy		
8.3	** Decision on whether to opt into national pay negotiations and decisions regarding pay awards	FR 8.10	<b>no delegation</b> (HR committee reviews and recommends to the Board)



8.4	Approval of regulations governing the conditions of employment of University staff	FR 8.6	(HR Committee reviews and recommends to the Board)
<b>9.</b>	<b>Estates</b>		
9.1	** Approval of Estates Strategy	FR 9.8	<b>no delegation</b> (Property Committee reviews and recommends to the Board)
9.2	** Disposal of land and buildings	FR 9.14	<b>no delegation</b> (Property Committee reviews in line with Estates Strategy. P&R reviews from a financial perspective)
<b>10.</b>	<b>Students' Union</b>		
10.1	** Approval of amendments to or rescission of the constitution of the LSBU Students' Union	Art. 76	<b>no delegation</b> (P&R reviews and recommends to the Board)
<b>11.</b>	<b>Board membership</b>		
11.1	** Changes to the structure, size and composition of the board	Art. 5.4	<b>no delegation</b>
11.2	Ensuring adequate succession planning for the board and senior post-holders.		Nomination reviews and makes recommendations to the Appointments Committee
11.3	Regulations for appointment of governors to the board.		Nomination reviews and recommends to the Board
11.4	** Selection of the Chairman of the board.	Art. 47	<b>no delegation</b> (Nomination makes recommendation) (Process set out in regulations under 11.3)
11.5	Membership and chairmanship of board committees.		Chairman of the Board recommends
11.6	Re-appointment of Governors at the end of their term of office.		Nominations Committee reviews Appointments Committee re-appoints
11.7	** Removal of a Governor at any time		<b>no delegation</b>

<b>12.</b>	<b>Chancellor</b>		
12.1	** The appointment of a Chancellor and determination of their duties	Art. 14(f)	Chancellor Nomination Committee recommends to the Board
<b>13.</b>	<b>Appointments of Senior Post Holders</b>		
13.1	The appointment, assignment, appraisal, grading, suspension, dismissal and determination of pay and conditions of the Vice Chancellor, the Clerk to the Board and other senior post holders as determined by the Board	Art. 14	For VC and Clerk Board shall delegate appraisal to Chairman
<b>14.</b>	<b>Remuneration</b>		
14.1	Determining the remuneration policy for the senior post holders.		Remuneration Committee
14.2	Determining total individual remuneration packages for senior post holders		Remuneration Committee
14.3	The introduction of new incentive plans or major changes to existing plans.		Remuneration Committee
<b>15.</b>	<b>Corporate Governance</b>		
15.1	** Responsibility for the overall governance of LSBU and for its regular review.		<b>no delegation</b>
15.2	** Regularly, at appropriate intervals, undertaking a formal and rigorous review of its own performance, of its committees and individual governors.	CUC Code 15	<b>no delegation</b>
15.3	** The variation or revocation of LSBU's Memorandum and Articles of Association	Art. 27	<b>no delegation</b> (P&R reviews and recommends to the Board)
15.4	Approval and review of a statement of primary responsibilities of the Board	CUC Code 4	(P&R reviews and recommends to the Board)
15.5	** Authorising situational interests of governors	CA 2006 s.181(2)(b)	<b>no delegation</b>
<b>16.</b>	<b>Delegation of Authority</b>		
16.1	** The division of responsibilities between the chairman and the chief executive, which should be in writing.		<b>no delegation</b>

16.2	** Establishment and deletion of Board committees NB The Board must have an Audit Committee (FM Annex B 29 and Art. 25), HR Committee (Art. 24), Nominations Committee and Appointment Committee (Art. 26)		<b>no delegation</b>
16.3	** Approval of terms of reference of board committees.		<b>no delegation</b> (each committee reviews its own terms of reference before recommending to the Board)
16.4	** Receiving reports from board committees on their activities.		<b>no delegation</b>
16.5	** This schedule of matters reserved for board decisions.		<b>no delegation</b> (P&R reviews and recommends to the Board)
<b>17.</b>	<b>Subsidiary Companies</b>		
17.1	Regulations for appointments of directors and the composition of boards of subsidiaries of LSBU and external bodies.		(P&R reviews and recommends to the Board)
17.2	Investments in subsidiary companies through share purchases.		(P&R reviews and recommends to the Board)
17.3	Schedule of Matters Reserved to subsidiary company boards.		(P&R reviews and recommends to the Board)
<b>18.</b>	<b>Honorary Degrees</b>		
18.1	Authority to decide recipients of awards		Honorary Awards Joint Committee (based on criteria as approved by the Academic Board)
<b>19.</b>	<b>Policies</b>		
19.1	Approval of high level corporate policies. (The University Secretary will decide if a policy needs approval from the Board)		P&R
<b>20.</b>	<b>Litigation</b>		
20.1	Prosecution, defence or settlement of litigation involving above £0.5 million or being otherwise material to the interests of LSBU.		(P&R reviews and recommends course of action to the Board)

<b>21.</b>	<b>Insurance</b>		
21.1	Approval of the overall levels of insurance for LSBU including directors' & officers' liability insurance and indemnification of Governors.		P&R
<b>22.</b>	<b>Pensions</b>		
22.1	** Where subject to the approval of LSBU, major changes to LSBU's pension schemes or changes of trustees or changes in the fund management arrangements.		<b>no delegation</b> (HR reviews and recommends to the Board)
<b>23.</b>	<b>Health and Safety</b>		
23.1	** Safeguarding and promoting the health and safety of students, staff and visitors		<b>no delegation</b> (P&R reviews annual report prior to Board)
<b>24.</b>	<b>Communication</b>		
24.1	Approval of press releases on any matters decided by the board.		Chair and/or VC

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

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

*Approved by the Board of Governors on 3 October 2012*

**Standing Orders**

**The Chief Executive**

1. The broad duties of the Chief Executive are set out in Article 6.
2. If the Chief Executive is not be capable of acting, by reason of illness or otherwise, the duties of the Chief Executive shall be fulfilled by a senior post holder as the Chief Executive nominates or, in default of the Chief Executive's nomination, as the Chairman of the Board of Governors nominates.

## Standing Order

### Academic Board

#### Composition of the Academic Board

1. Under article 7.3, the Board of Governors has determined that membership of the Academic Board shall be made up of the following:

1.1 the Senior post holders (as defined by the Board of Governors):

- 1.1.1 Vice Chancellor
- 1.1.2 Pro Vice Chancellor (Academic)
- 1.1.3 Pro Vice Chancellor (External)
- 1.1.4 Secretary & Clerk to the Board of Governors
- 1.1.5 Executive Director of Finance

1.2 Senior members of the faculties and professors:

- 1.2.1 Executive Deans
- 1.2.2 Academic Heads of Department
- 1.2.3 Non-academic Heads of Department

1.3 Members of staff below the level of staff referred to in 1.2:

- 1.3.1 Academic staff
- 1.3.2 Academic Staff from University as a whole
- 1.3.3 Research staff
- 1.3.4 Non-teaching staff
- 1.3.5 Technicians
- 1.3.6 Students (including the Student Union President)

2. The Chief Executive shall be the Chairman of the Academic Board

#### Responsibilities of the Academic Board

3. Subject to the provisions of the Articles, to the overall responsibility of the Board of Governors, the responsibilities of the Chief Executive, and to the requirements of external validating bodies, the Academic Board is responsible for policy and regulation in respect of the following matters:
  - 3.1 the criteria for the admission of Students;
  - 3.2 the appointment and removal of internal and external examiners;
  - 3.3 policies and procedures for the assessment and examination of the academic performance of Students;
  - 3.4 the content of curricula;

- 3.5 the quality of courses including matters relating to validation or accreditation by external bodies;
  - 3.6 the titles of awards and conferments to be granted to individuals meeting criteria determined by the Academic Board;
  - 3.7 the procedure for granting qualifications and titles, and for annulling such qualifications and titles;
  - 3.8 the procedure for granting distinctions including honorary degrees and academic titles;
  - 3.9 procedures for the exclusion of students for academic reasons;
  - 3.10 such other similar matters as are essentially concerned with pedagogy, research, and scholarship.
4. The Academic Board is responsible to the Board of Governors for:-
- (i) The consideration of the development of the academic activities of the University and the resources needed to support them and for advising the Chief Executive and the Board of Governors;
  - (ii) The fostering and maintenance of the closest possible connections with industry, commerce, the professions, the arts, and other external links including those with educational establishments in the United Kingdom and overseas;
  - (iii) Recommending on the institution of fellowships, scholarships, studentships, prizes and other aids to study and research;
  - (iv) Advising on such other matters as the Board of Governors or the Chief Executive may refer to the Academic Board.
5. The Academic Board may establish such committees as it considers necessary for purposes enabling it to carry out its responsibilities provided that each establishment is first approved by the Chief Executive and the Board of Governors. The number of members of any such committee and the terms on which they are to hold and vacate office shall be determined by the Academic Board. Subject to the approval of the Chief Executive and the Board of Governors, the Academic Board may delegate, by regulations, any of the powers specifically conferred on it by paragraphs 3 and 4 above, to any person or body of persons (including a committee established as above) constituted for the purpose.

## **Standing Orders**

### **Honorary Positions**

1. The University has the following honorary positions:
  - a. Chancellor
  - b. Pro Chancellor

### **Chancellor**

2. Under Article **5.1.6** the Board of Governors is responsible for the appointment of a Chancellor who shall hold office for such term and have such duties and responsibilities as the Board of Governors from time to time shall determine.
3. The Chancellor's role is:
  - a. honorific and does not carry membership of the Board of Governors;
  - b. non-executive with none of the responsibilities reserved for the Board of Governors as set out in the Articles of Association;
  - c. ceremonial – presiding at degree ceremonies and honorary fellow ceremonies;
  - d. assisting in promotion of the University generally – occasionally attending VIP events;
  - e. available to the Vice-Chancellor for advice and consultation.
4. The term of office will be four years with a possible second term of four years but no further extension (apart from exceptional circumstances).
5. The required attributes for the position of Chancellor are:
  - a. a public figure of good standing and well respected;
  - b. well-connected;
  - c. not currently politically active;
  - d. high achiever who is prominent in a profession relevant to the University;
  - e. able to devote a reasonable amount of time to the academic life, mission and work of the University.

### **Pro Chancellor**

6. Pro Chancellors shall be appointed by the Board, from amongst the Independent Governors. The Chairman and Vice Chair shall usually be Pro Chancellors.
7. Individuals shall cease to be Pro Chancellors when they cease to be Independent Governors.



8. The role of Pro Chancellor shall be to assist the Chancellor in presiding at degree ceremonies and to promote the good reputation of the University.

	PAPER NO: PR.26(13)	
Board/Committee:	Policy and Resources	
Date:	3 July 2013	
Paper title:	Insurance renewal 2013/14	
Author:	Penny Green, Head of Procurement	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
<b>Recommendation by the Executive:</b>	<p>The Executive recommends that the Committee approves renewal of insurance cover for 2013/14 on the following terms:</p> <ul style="list-style-type: none"> <li>• LSBU remains a member of the London Universities Purchasing Consortium (LUPC) group insurance scheme.</li> <li>• Appointment of insurer(s) by 1<sup>st</sup> August 2013 as recommended by the LUPC appointed broker, within total target cost before rebate of £417k.</li> </ul> <p>The Executive recommends that P&amp;R further notes that the forecast insurance cost for current year 12/13 is £358,940. This is substantially within the agreed budget of £518k as approved last year by committee (representing a 31% saving) following a competitive tender exercise.</p>	
Aspect of the Corporate Plan to which this will help deliver?	Financial control	
Matter previously considered by:	N/A	
Further approval required?	N/A	
Communications – who should be made aware of the decision?	Procurement and Estates and Facilities	

### **Executive summary**

The Executive recommends that the Committee approves renewal of insurance cover for 2013/14 on the following terms:

- LSBU remains a member of the London Universities Purchasing Consortium (LUPC) group insurance scheme.

- Appointment of insurer(s) by 1<sup>st</sup> August 2013 as recommended by the LUPC appointed broker, within total target cost before rebate of £417k as per appendix 1.

The Executive recommends that P&R further notes that the forecast insurance cost for current year 12/13 is £358,940. This is substantially within the agreed budget of £518k as approved last year by committee (representing a 31% saving) following a competitive tender exercise.

## Background

1. The Executive Director of Finance and the University Secretary are jointly responsible for ensuring that:
  - Appropriate insurance cover is provided for all aspects of the University's activities;
  - The University's insurance portfolio is reviewed annually in consultation with the University's brokers; after the Board of Governors have approved the proposed terms; and shall negotiate all claims with the University's brokers.
  - The contract for brokerage services (or for direct insurance services, if a broker is not used) shall be put out to tender every five years
  - Minimum areas of cover are in place as specified in the regulations, and that Claims and Incident procedures are followed (including the review and notification of material risks relating to areas not covered by insurance).
2. Procurement Services manages the University's insurance budget, and handles queries on insurance cover and policies. Insurance claims are collated and submitted to the insurer via the Governance, Information and Legal Team (GILT). An insurance update is reported to P&R in September each year, which includes an overview of insurance claims. The University GILT team verifies the insurance aspects of all incidents concerned with Employers Liability and Public Liability and where appropriate a full claim is submitted.
3. An annual renewal programme is undertaken with the University's broker to re-evaluate the extent and structure of the insurance programme to deliver a flexible arrangement in order to insure risk cost effectively.
4. The University utilises the LUPC Insurance agreement and is a committed member of the LUPC Insurance Group (IG). Joining the London Universities Purchasing Consortium (LUPC) scheme satisfies the University's requirement to periodically competitively tender its insurance arrangements, and increases leverage for improved premium rates and cover through group negotiation. The LUPC IG has 40+ members with an aggregated spend of c. £120 Million. Its strength is in its numbers and providing the Insurance Group retains and recruits additional members, then it is a very effective vehicle for approaching the market. The Insurance Group is becoming an increasingly intelligent client and lessons learned are formally reported.
5. The procurement of direct insurance services is subject to the EU Procurement Directive. In August 2012 Gallagher Heath completed an OJEU compliant process for the LUPC and awarded the insurance portfolio detailed in the 'Financial Evaluation' section. The awarded agreement commenced on 1st August 2012 and runs until 31st July 2015. There are 2 x 12 month extensions available under the agreement with scope for a full term until 31st July 2017.

6. The competition on behalf of the 40+ members generated year on year premium savings for the majority of the Consortium. Even after a contribution to premium smoothing to those members negatively impacted by the tender result, LSBU were able to report annual cashable savings of £660K over the 4 year period of the Long Term Agreement (LTA).

### **Brokerage**

#### 12/13

7. LUPC appointed Gallagher Heath as the new Insurance broker under arrangement on 1<sup>st</sup> March 2012 (annual broker fees now run from March to March). Broker fees for 12/13 were £4,670, which was within the budgeted amount of £6,180

#### 13/14

8. The budget for brokerage services in 13/14 is set at £5,081. Options relating to the level of support provided by our brokers are outlined in the 'Additional Insurance Cover' section.

### **All Risks policy insurance**

#### 12/13

9. The final Premium for 12/13 paid to Zurich Municipal for all risks cover totalled £284,767 against the forecast £436,261. This included Works in Progress cover for the Enterprise Centre. In addition to these figures, the University benefited from a claims rebate from Zurich of £20,142.

#### 13/14

10. A target renewal premium and total insurance budget for All Risks in 13/14 has been set at £331,005. From this amount, £240,577 is allocated to the Procurement Services budget and £90,428 allocated to Estates and Facilities for Buildings cover.
11. This targeted figure is based on a 5% anticipated uplift to Zurich Municipals renewal figures plus a £30,000 contingency amount to cover potential amendments to our building and content valuations (please see the 'Additional Insurance section' for further details).
12. Final renewal figures for 13/14 will not be known until the August 2013, however targeted budget figures have been based on advice from Zurich Municipal and our broker.

### **Terrorism cover**

13. The University in 2005 changed to a terrorism policy with U.M. Association (Special Risks) Ltd (UMAL). UMAL is a mutual arrangement for universities.

#### 12/13

14. The final premium for 2012/13 was £71,764. The anticipated 3% uplift from UMAL was not realised for the renewal premium.

15. The University's broker advised in April 12 that in light of a limited market for terrorism cover, the UMAL policy continues to offer the best value. This encompasses the scope and flexibility of cover as well as competitive premium rates. On a recent tender for the FE sector, UMAL were significantly more competitive with a better product offering than the two leading market rivals.

16. The University benefited from a contributions rebate of £456 for 2012/13 resulting in actual 12/13 spend of £71,308.

### 13/14

17. 3% uplift of contingency has been provided in the 13/14 budget of £73,917.

### **Additional insurance cover**

18. The University takes advice from the appointed broker and current insurers in procuring cover for changes and new risks. There are a number of other areas that will be reviewed in 13/14 to ensure that appropriate cover is in place. These include:

- Works in progress
- Buildings and Content
- Business Interruption Cover
- Property Loss
- Broker Service Support Models

19. Since 2011 we have seen a transition of the insurance market from 'soft' (low rates) to 'hard' (high rates). This is caused by a significantly high number of natural disasters in the previous years, extreme weather conditions and a lack of commitment from the market to Long Term Agreements with insurers.

20. In a more uncertain market, the key to reducing unnecessarily high premiums with insurers is the transparency and accuracy of data provided at renewal. If the insurers have an unclear picture about the scope and risk of a required cover, then they will naturally build contingency into the insurance rate which impacts on the overall premium. LSBU continue to work with our broker to ensure that the amount of contingency built into our cover arrangements is minimised.

### *Works in Progress*

21. Additional cover was put in place in 12/13 for works in progress cover relating to the Enterprise Centre construction project. This cover will continue to be in place for part of 2013/14 until works are complete.

### *Buildings and Content*

22. Historically, values for Buildings and Contents have been updated on an annual basis with an estimated inflationary uplift. The last full valuation was a number of

years ago and so we decided to take the opportunity to update our baseline figures. We decided to commission a Building and Contents valuation report in April 2013, funded from the tender cost savings.

23. The valuation identified that the University was previously underinsured as follows:

Cover	11/12 Values	April 13 Values	Difference	%
Buildings	£308,458,342	£376,340,000	£67,881,658	18%
Contents	£92,295,075	£96,060,000	£3,764,925	4%
Computer	£2,000,000	£16,255,000	£14,255,000	88%

24. The new values for contents and buildings identified by the surveyor have been included in the renewal to Zurich, and have been included in full. For 13/14, the contents, computer and buildings cover will therefore be greater than in previous years. This will result in an increased premium, we anticipate that the impact will not be significant as Zurich now have a better understanding of the risk, broken down by building and the renewal terms should reflect that. A contingency amount of £30,000 has been incorporated into the 13/14 budget to cover these additional costs. The new values will be looked at in greater detail in 13/14 to ensure that they accurately reflect our portfolio, in particular the basis of the significantly increased computer values will be checked.

#### *Business Interruption Cover*

25. Major Incidents often result in significantly more damage to a business through loss of income, than in terms of direct property damage. A Business Interruption (BI) Policy is intended to provide support to the Insured Business to enable it to resume trading at the end of the indemnity period, in a position no worse off than if the incident had not occurred. The policy generally aims to:

- Recover the business as quickly as possible
- Enable the business to continue to trade through the disruption caused by the loss
- Enable the business to retain its existing customer base

26. This area needs to be looked at in more detail at LSBU to establish the origins of baselines used in current cover, ensure that the baselines are correct and up to date, and that related internal continuity processes are adequate. This review will be undertaken with LSBU's Business Continuity Manager.

#### *Property Loss*

27. Working with our broker, this area of review would establish any additional controls LSBU would need to put in place for protecting against property loss. This will include a full evaluation of risks and will determine potential loss exposures for the University.

### Broker Service Support Models

28. LSBU's current annual fee broker is based upon a mixture of direct servicing and a broker placed insurance programme. Under our current LUPC contract, there are alternative service models that we could procure from Gallagher Heath. These include a full broker placed programme (£6,000), or various other 'lighter touch' support levels as detailed in the table below.

Option	Description	Additional Cost
1.	Review of Zurich Municipal terms to be included in renewal report plus checking all direct Insurers' policy certificates to ensure they have been issued in accordance with the policy requirements.	£850.00 + VAT
2.	To include Option 1, plus review of all insurance queries – including Zurich Municipal queries – to be handled by Gallagher Heath (excluding claims handling).	£1,767.00 + VAT
3.	Additional assistance in the form of an Introduction to Insurance day's training, plus a further 7 hours support at London South Bank University's request in addition to the standard agreed visits. If the Introduction to Insurance training is not required the cost can be reduced or we can provide increase the support hours to a total of 14.	£1,800.00 + VAT
4.	Provision of a report to review Liability Indemnity Limits to calculate the potential worst case scenario and maximum cost of a liability claim. The Report will then make recommendations as to the level of liability limits that London South Bank University should adopt or maintain.	£900.00 + VAT

29. Procurement will review these options in 13/14 to ensure the University's Insurance programme is adequately managed, taking into consideration the level of bought-in expertise required, internal knowledge retention strategies, and capacity planning within the GILT and Procurement teams.

### Financial evaluation

12/13

30. The total 12/13 insurance forecast is £358,940. This represents a 31% saving against budget. Please see breakdown below.

Insurance Cover	2012/13 Budget	2012/13 Forecast	Variance
All Risks	£436,261	£284,767	(34.72%)
Terrorism	£73,917	£71,764	(3.00%)



Brokerage	£6,180	£4,670	(24.43%)
Other	£2,359	£18,336	600%
Total before Rebate	£518,717	£379,537	-
Less Rebate	*£0	£20,598	-
<b>Total</b>	<b>£518,717</b>	<b>£358,940</b>	<b>(31%)</b>

### 13/14

31. The total estimated budget for 13/14 is £417,099 (excluding rebates). Of this total amount, the Procurement Services budget for 13/14 is £326,671 with £90,428 allocated to Estates and Facilities for Buildings cover. The contingency amount for Buildings and Content is held within the Procurement Services budget, and will be reallocated once renewal figures have been confirmed. Please see 13/14 breakdown, against 11/12 forecast below.

Insurance Cover	2013/14 Target	2012/13	
		Forecast	Variance
All Risks	£331,005	£284,767	16.00%
Terrorism	£73,917	£71,764	3.00%
Brokerage	£5,081	£4,670	1%
Other	£6,596	£18,336	(6%)
Total before Rebate	£417,099	£379,537	-
Less Rebate	*£0	£20,598	-
<b>Total</b>	<b>£417,099</b>	<b>£358,940</b>	<b>16%</b>

*\*Rebate for 13/14 not currently known*

Board/Committee:	Policy and Resources committee	
Date:	3 July 2013	
Paper title:	Amendments to Financial Regulations	
Author:	Natalie Ferer, Financial Controller	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
<b>Recommendation by the Executive:</b>	That the Committee recommends approval of the proposed amendments to the Financial Regulations.	
Aspect of the Corporate Plan to which this will help deliver?	Creating an environment in which excellence can thrive by ensuring that our underpinning business processes, systems, policies and investments create an environment that enables success	
Matter previously considered by:	Audit Committee	On: 13 June 2013
Further approval required?	Board	On: 18 July 2013
Communications – who should be made aware of the decision?	All staff	

### Executive summary

1. An annual update of the University's Financial Regulations is brought to the Board each year. This is to ensure that the Financial Regulations remain relevant and reflect the structure and organisation of the University.
2. Changes to the regulations are shown in the table below. A marked up version of the regulations is attached.

Paragraph	Page	Update
Corporate Governance	6 - 7	Update Committee details and responsibilities
Whistleblowing	8	Replace reference to Whistleblowing policy with Speak Up policy

Budgetary control	10	Insert paragraph to give budget authority to the Finance Member of the Emergency Management Team
Capitalisation and Depreciation	11	Amend the Accounting Policy for deprecation of computer equipment from 5 years to 4 years
External and Internal Audit	12 - 13	Update responsibility for appointing auditors from the Audit Committee to the Board on the recommendation of the Audit Committee and update the role of Internal Audit
Fraud and Corruption	13	Clearer wording and reference to the Fraud Response Plan
Income	14	Remove responsibility of Policy and Resources Committee for approving levels of charges as this is covered adequately in section 4.18
Write off of debt	16	Amend authorisation levels for the write off of debt. Currently audit committee must approve all debts to be written off. Amended to allow Director of Finance to approve the annual write off of debts up to a value of £50,000 and to approve the write off of individual debts up to £10,000.
Residences and Catering	17	(and throughout) Replace reference to Residence and Catering with Estates
Staff Expenditure	21	Rewrite of section to remove reference to a 'staffing establishment' and explain the responsibility of holders of Letters of Delegation to ensure that staffing remains within the budget for the year
Employment	22	Amend wording allowing the Board to delegate employment conditions of service to the HR committee or the Executive
Investment Appraisal	26	Update regulations on when an investment bid requires a business case to be prepared
Authorisation Levels	29	Add requirement that where Board approval is needed, that papers go first to Policy and Resources Committee
Purchase orders	30	Addition of contract catering to the list of purchases not requiring a purchase order
Equipment removal	32	Add that the requirement Board approval for the disposal of Land and Buildings be made on the recommendation of the Policy and Resources Committee
Investments	38 - 39	Replace the Board with Policy and Resources Committee as being responsible for establishing and Investment Policy. Replace Vice Chancellor with the Executive Director of Finance as being able to determine long term investments within this policy

		Replace reference to Charitable Funds Sub Committee with Policy and Resources Committee
Insurance	40	Replace the Board with Policy and Resources Committee as being responsible for approving terms of insurance arrangements
Fraud Response Plan	45	Update in line with Anti-Fraud Policy approved by Audit Committee
Anti-Bribery Policy	48	Removal from Financial Regulations and listed as an associated document
Specific procedures relating to SBUEL	52	Added 'Travel, subsistence and expense policy' to list of separate financial procedures for SBUEL
List of Associated Documents	54	Added Letter of Delegated Authority, Speak Up Policy, Risk Policy , Procurement Tendering Policy and Anti-Bribery Policy to list of associated documents

# London South Bank University

## FINANCIAL REGULATIONS

## TABLE OF CONTENTS

1	Introduction .....	5
1.1	<b>Purpose and Scope of the Regulations</b> .....	5
1.2	<b>Compliance with the financial regulations</b> .....	5
1.3	<b>Approval and amendment of the financial regulations</b> .....	5
2	Corporate Governance .....	6
2.1	<b>Board of Governors</b> .....	6
2.2	<b>The Vice Chancellor</b> .....	6
2.3	<b>Committee Structure</b> .....	6
2.4	<b>Policy and Resources Committee</b> .....	6
2.5	<b>Audit Committee</b> .....	7
2.6	<b>Human Resources Committee</b> .....	7
2.7	<b>Appointments Committee</b> .....	7
2.8	<b>Code of conduct</b> .....	7
2.9	<b>Whistleblowing arrangements</b> .....	8
3	Risk Management .....	9
4	Financial Management and Control .....	10
4.1	<b>Financial Planning</b> .....	10
4.2	<b>Budget preparation</b> .....	10
4.3	<b>Budgetary control</b> .....	10
4.4	<b>Forecasting</b> .....	10
4.5	<b>Year end balances</b> .....	10
4.6	<b>Financial year</b> .....	11
4.7	<b>Basis of accounting</b> .....	11
4.8	<b>Capitalisation and depreciation</b> .....	11
4.9	<b>Accounting records</b> .....	11
4.10	<b>Document Retention</b> .....	11
4.11	<b>Taxation</b> .....	11
4.12	<b>Audit requirements</b> .....	12
4.13	<b>External audit</b> .....	12
4.14	<b>Internal audit</b> .....	12
4.15	<b>Fraud and corruption</b> .....	13
4.16	<b>Financial statements approval</b> .....	13
5	Income .....	14
5.1	<b>General</b> .....	14
5.2	<b>Tuition Fee Income</b> .....	14
5.3	<b>HEFCE Recurrent Grant funding</b> .....	14
5.4	<b>HEFCE Specific Grant funding</b> .....	14
5.5	<b>HEFCE Capital Grant funding</b> .....	14
5.6	<b>HEFCE Inherited liabilities reimbursement</b> .....	15
5.7	<b>Receipt of cash, cheques and credit/debit card payments</b> .....	15
5.8	<b>Receipt of BACS payments</b> .....	15
5.9	<b>Collection of tuition fee debt</b> .....	15
5.10	<b>Collection of other debt</b> .....	16
5.11	<b>Access fund income</b> .....	16
5.12	<b>Halls of residence income</b> .....	16
5.13	<b>Catering income</b> .....	17
6	Research grants .....	18
6.1	<b>General</b> .....	18
6.2	<b>Full Economic Costs</b> .....	18
7	Other income-generating activity .....	19
7.1	<b>Types of activity</b> .....	19
7.2	<b>Responsibilities</b> .....	19
7.3	<b>Approval of activities</b> .....	20
7.4	<b>South Bank University Enterprises Ltd</b> .....	20
8	Staff expenditure .....	21
8.1	<b>Introduction</b> .....	21
8.2	<b>Establishment</b> .....	21
8.3	<b>Appointments to established permanent posts</b> .....	22
8.4	<b>Fixed term contracts</b> .....	22
8.5	<b>Temporary Appointments</b> .....	22
8.6	<b>Conditions of employment</b> .....	22

8.7	Payroll .....	23
8.8	Deductions .....	24
8.9	Sickness, Maternity and Other Benefits .....	24
8.10	Pay Awards .....	24
8.11	Bonus payments .....	24
8.12	Promotion .....	24
8.13	Staff Development and Training .....	25
9	Expenditure .....	26
9.1	Scope .....	26
9.2	Purpose .....	26
9.3	Business Cases and Strategic Preparation .....	26
9.4	Use of existing and Mandatory Contract Arrangements .....	26
9.5	Competition requirements for new contracts .....	27
9.6	Authorisation levels .....	29
9.7	Purchase requisitions, Orders and Contracts .....	30
9.8	Estate Specific Expenditure .....	28
9.9	Supplier invoices .....	30
9.10	Authorised signatory list .....	31
9.11	Fixed Asset Register .....	32
9.12	Equipment Removal .....	32
10	Cash management .....	33
10.1	Bank accounts .....	33
10.2	Signatories .....	33
10.3	Signatory limits .....	33
10.4	Records and reconciliation .....	33
10.5	Borrowing .....	34
10.6	HEFCE borrowing limits .....	34
10.7	Short-term Borrowing .....	34
10.8	Late repayment penalties .....	35
10.9	Cash and Cheque Receipts .....	35
10.10	Catering Cash Receipts .....	35
10.11	Cash Collection procedures .....	36
10.12	Cheque Payments .....	36
10.13	Non-University Monies .....	36
11	Petty cash .....	37
11.1	Cash Floats .....	37
11.2	Cash Payments .....	37
11.3	Year end certification of petty cash .....	37
12	Investments .....	38
12.1	Policy .....	38
12.2	Short-Term Deposits .....	38
12.3	Investment Of Surplus and Trust Funds .....	38
12.4	Types of investment permitted .....	38
12.5	Charitable funds investment strategy .....	39
13	Insurance .....	40
13.1	Cover .....	40
13.2	Tendering for insurance contracts .....	40
13.3	Cover required .....	40
13.4	Claims and Incident Reports .....	40
14	Contracts .....	42
14.1	Signature under Seal .....	42
14.2	Signature of Employment Contracts .....	42
14.3	Signature of Other Contracts .....	42
14.4	Disclosure of Beneficial Interest .....	42
14.5	Content of Contracts .....	42
14.6	Copies of Contracts .....	43
14.7	Contract Performance .....	43

## Appendices

Appendix A Fraud response plan

~~Appendix B Anti Bribery Policy~~

Appendix ~~BC~~ The Seven Principles of Public Life from the Report of the Committee for Standards in Public Life (The Nolan Report)

Appendix ~~CD~~ Specific procedures relating to SBUEL

Appendix ~~DE~~ List of Associated documents



## Terminology

The following will apply in the Financial Regulations:

**The University** shall mean 'London South Bank University' [and its subsidiary companies including South Bank University Enterprises Ltd.](#)

**Budget holder** shall mean an individual who has been given delegated authority and responsibility for managing a budget within a department.

**Department** shall mean one of the several Departments in the University and will include, for example, any Unit, Faculty or Support Department which has Departmental status for financial management purposes

## Glossary

HEFCE [\\_\\_\\_\\_\\_](#) Higher Education Funding Council for England

EU European Union

NI National Insurance

PAYE Pay as you Earn

SORP Statement of Recommended Practice

VAT Value Added Tax

# **1 Introduction**

## **1.1 Purpose and Scope of the Regulations**

This document sets out the University's financial regulations. It translates into practical guidance the University's broad policies relating to financial control. It applies to the University and any subsidiary ~~trading~~ companies, including South Bank University Enterprises Limited.

The purpose of the financial regulations is to provide control over the University's resources and provide management with assurances that the resources are being properly applied to ensure delivery of the University's corporate plan and its financial objectives including:

- Future financial viability
- Ensuring value for money
- The provision of effective financial control over the use of public funds
- Compliance with all relevant legislation
- Safeguarding the assets of the institution.

## **1.2 Compliance with the financial regulations**

Compliance with the financial regulations is compulsory for all staff, including those employed by University subsidiary companies. Specific regulations relating to South Bank University Enterprises Limited that override University regulations are detailed in Appendix [CD](#). It is the responsibility of heads of department to ensure that their staff are made aware of the existence and content of the University's financial regulations.

A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the University's disciplinary policy.

## **1.3 Approval and amendment of the financial regulations**

Proposals to amend the regulations shall be considered by the Policy and Resources Committee. The Vice Chancellor shall have the authority to make minor changes to the regulations.

The Finance Department is responsible for continuous review of the Financial Regulations and will advise the Policy and Resources Committee of any changes that are necessary.

Any recommendations for amendment or improvement should be made in the first instance to the Executive Director of Finance.

This version of the regulations was approved by The Policy and Resources Committee on [25<sup>nd</sup> July 2013](#)[2](#).

## 2 Corporate Governance

### 2.1 Board of Governors

The Board of Governors (Board) is responsible for the management and administration of the University. Its financial responsibilities are to:

- ensure the solvency of the University
- safeguard the University's assets
- ensure the effective and efficient use of resources
- approve the annual budget and five year forecast
- approve the annual financial statements
- appoint the University's internal and external auditors
- ensure that financial control systems are in place and are working effectively
- ensure that the institution complies with the funding body's code of practice
- approve the University's strategic plan
- ensure that the funds provided by the funding body are used in accordance with the terms and conditions specified in the University's financial memorandum with the funding body.

### 2.2 The Vice Chancellor

The Vice Chancellor has ultimate executive responsibility for the organisation, direction and management of the University. The Vice Chancellor is the Designated Officer as identified by HEFCE and documented within the Financial Memorandum.

### 2.3 Committee Structure

The Board of Governors has ultimate responsibility for the University's finances, but delegates specific powers and processes to the various committees detailed below. These committees are accountable to the Board of Governors.

### 2.4 Policy and Resources Committee

The Committee's responsibilities include:

advises the Board of Governors on the University's performance, financial reporting and controls, and proposed investments. Its financial responsibilities include (references to sections in these financial regulations is included in the brackets):

- Recommending annually an income and expenditure budget, a capital budget and a five-year financial forecast for approval by the Board of Governors (4.1 and 4.2);
- Recommending the financial statements to the Board (4.16);
- Recommending to the Board the setting of non-regulated fees (5.2);
- Reviewing expenditure prior to Board approval (9.6);
- Recommending disposal of land to Board (9.14);
- Reviewing borrowing before approval by Board (10.5);
- Reviewing Lease finance arrangements for items with a capital value greater than £250, (10.5);
- Approval of investment policy (12.1);
- Approval of investment policies for charitable funds (12.3(b));
- Approval of investment policies for charitable funds (12.5); and
- Approval of levels of insurance (13.1(b))

- ~~To review and advise the Board of Governors any policies consistent with the objectives laid down in the Memorandum and Articles of Association and especially those for the development of the University as laid down by HEFCE;~~
- ~~To review and advise the Board of Governors on any changes to the Articles of Association~~
- ~~to keep under review and to advise the Board of Governors on the general condition, usage and development of the University's buildings and to consider proposals for the acquisition or disposal of buildings and sites;~~

- ~~to advise the Board of Governors on financial strategy and policy within resources available~~
- ~~To receive, consider and present to the Board of Governors the annual rolling five-year forecast that must be submitted to HEFCE~~
- ~~To consider and recommend the Student Union budget to the Board of Governors~~
- ~~To monitor regular reports on University income and expenditure showing a comparison of these against the annual budgets~~
- ~~To review and pass to the Board of Governors for approval annual audited statutory accounts~~
- ~~To monitor regular reports on the Student Union's income and expenditure.~~
- ~~to exercise proper custodianship of the University's charitable funds, including investment strategy in relation to those funds, and to exercise control in the allocation and distribution of those funds~~

## 2.5 Audit Committee

The University ~~has an audit committee in compliance with is required by~~ HEFCE's audit code of practice to ~~appoint an audit committee~~. The committee ~~is consists of~~ independent and reports to the Board of Governors. ~~The audit committee oversees LSBU's audit activities including the audit process for the financial statements, appointing the internal and external auditors, monitoring value for money and advising the Board of Governors on the effectiveness of the internal control system.~~ It has ~~the right of access to obtain all the information it considers necessary and to consult with members of the University and the internal and external auditors.~~

The committee's ~~financial responsibilities include is responsible for~~(references to sections in these financial regulations is included in the brackets):

- ~~Recommending appointment of external auditors to Board (4.13);~~
- ~~Recommending annual reappointment of external auditors to Members. (4.13);~~
- ~~Recommending appointment of internal auditors to Board (4.14);~~
- ~~Recommending financial statements to Board (4.16); and~~
- ~~Approving the write off of individual debts over £50k~~

~~identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that arrangements are in place in the University to promote economy, efficiency and effectiveness.~~

The Audit Committee also monitors the University's Corporate Risk Management Programme. The audit requirements of the University can be found in Accountability and Audit: HEFCE code of practice. Copies of this document are available in the office of the Executive Director of Finance.

## 2.6 Human Resources Committee

~~The responsibilities of the Human Resources Committee include keeping under general review the staffing establishment of the University and to recommend to the Policy and Resources Committee and the Board of Governors the financial limits for salaries and wages within the overall budget plans.~~

## 2.7 Appointments Committee

~~The appointments committee considers nominations for independent Governor vacancies in the Board of Governors' membership. It also determines the annual remuneration of senior post holders.~~

### 2.82.6 Code of conduct

The University is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the

Nolan Committee), which members of staff at all levels are expected to observe. These principles are set out at Appendix [CB](#).

All members of staff who have a beneficial financial or other interest in any contract between the University and a third party must disclose that interest to their Head of Department, the Executive Director of Finance and the Director of Human Resources.

As a result of the Bribery [Act 2010](#), it is illegal for any employee to accept or offer a personal inducement or bribe. It is also a corporate offence to fail to prevent bribery.

**Members of staff should not accept any gifts, rewards or hospitality from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality**The frequency and scale of hospitality accepted should not be significantly greater than the University would be likely to provide in return.

The University itself must not provide levels of hospitality or entertainment for students, external visitors, alumni, external stakeholders or actual/potential business partners that could be deemed to be an attempt to influence decision making

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice should be sought from the relevant head of department or the Executive Director of Finance.

#### **2.92.7 Whistleblowing arrangements**

The University has a separate [whistleblowing-Speak Up Policy under the and](#) Public Interest Disclosure Act [policy1998](#).

### 3 Risk Management

- 3.1 The University acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its objectives. Detailed guidance on the University's underlying approach to risk management and the agreed processes to be followed are set out in a separate risk management strategy.
- 3.2 The Board of Governors has overall responsibility for ensuring that there is a risk management strategy and a common approach to the management of risk throughout the University through the development, implementation and embedding within the organisation of a formal and structured risk management process.
- 3.3 The Executive assumes responsibility for implementing risk policy and for the effective operation of the University's risk management system.
- 3.4 In line with this policy, the [Governors Board](#) requires that the risk management strategy and supporting procedures include:
- The adoption of common terminology in relation to the definition of risk and risk management
  - The establishment of institution wide criteria for the measurement of the likelihood and impact of each risk occurring
  - Development of a 'corporate level' risk framework for all significant risks to include a designated member of the Executive who will be responsible and accountable for managing the risk in question
  - Maintenance and regular review of risk management action plans for all risks above established tolerance levels to ensure that agreed additional controls and management actions are put in place in order to mitigate significant risks
  - Regular risk reports to the Audit Committee and Board of Governors
  - An appropriately risk focussed internal audit service
  - An annual review of the implementation of risk management arrangements.
- 3.5 The [Governors Board](#) requires that all faculties and support departments carry out a detailed regular review to identify the significant risks associated with the achievement of key objectives and other relevant areas. These procedures include:
- A member of the Executive to act as a 'risk champion' for each faculty and support department and to take responsibility for implementing risk policy within the particular faculty/Support Department
  - Development of faculty and departmental operational risk frameworks, to include a designated local 'risk owner' who will be responsible and accountable for managing the risk in question
  - Maintenance and regular review of risk management action plans for all risks above established tolerance levels to ensure that agreed additional controls and management actions are put in place in order to mitigate significant risks
  - Escalation of operational faculty and departmental risks for consideration by the Executive as necessary. ▸

## **4 Financial Management and Control**

### **4.1 Financial Planning**

The Finance Department is responsible for preparing annually an income and expenditure budget, a capital budget and a five-year financial forecast for approval by the Board of Governors on the recommendation of the Policy and Resources Committee.

### **4.2 Budget preparation**

LSBU's annual budget preparation is ~~a collaborative process~~ led by the Executive Director of Finance.

Detailed planning and budgeting guidance is published on the Staff Gateway each year. This includes a budget timetable and information on budget assumptions.

~~The budget is prepared jointly by the Finance Department, Executive Deans, Heads of Support Departments and individual budget holders.~~ The completed budget is presented to the Executive for approval before being submitted to the Policy and Resources Committee for recommendation to the Board of Governors, who confer final approval.

Once the budget is approved, members of the Executive will be issued with a formal letter of delegation which will include details of the budget for which they have responsibility.

### **4.3 Budgetary control**

The Finance Department will prepare monthly management accounts for discussion at Executive meetings and hold monthly meetings with Faculties and Support Departments to discuss performance against the agreed budget.

The control of income and expenditure within the agreed budget is the responsibility of the designated budget holder. This responsibility is formalised in the letter of delegated authority issued to each budget holder at the start of the academic year. Budget holders will be given access to and training in the use of the University's web-based finance system to enable them to monitor income and expenditure on a daily basis. The Finance Department will also provide monthly management information to budget holders in the form of budget monitoring reports

[The Finance Member of the Emergency Management Team \(EMT\) can authorize emergency. In these circumstances the chair or another nominated member of the team will be responsible for ensuring records of expenditure are kept to report expenditure during and after the incident takes place.](#)

The Head of Department must report significant departures from agreed budgetary targets immediately to the Executive Director of Finance.

### **4.4 Forecasting**

Budget holders, in collaboration with their Finance Business Support Managers, will be responsible for ~~in year a formal quarterly~~ budget re-forecast. The output of this process will be the latest expected position on income, expenditure and surplus compared to original budget. Budget holders are expected to incorporate all relevant information they have into these forecasts.

### **4.5 Year end balances**

Budget holders will not be permitted to carry forward any unspent amounts at year end.

#### 4.6 Financial year

The University's financial year runs from 1 August until 31 July.

#### 4.7 Basis of accounting

The consolidated financial statements are prepared on a historical cost basis and in accordance with the Companies Act, the Higher Education SORP and other applicable accounting standards.

#### 4.8 Capitalisation and depreciation

New land and buildings will be recorded in the balance sheet at actual build or acquisition costs, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal installments over their estimated remaining useful life. Land will not be depreciated.

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

Expenditure on equipment, software and motor vehicles will be recorded in the balance sheet where the acquisition cost per item or group of items making up one asset is £10,000 or more. Depreciation will be charged on a straight line basis commencing in the month of acquisition at rates of:

- Equipment, ~~Computer hardware/software,~~ fixtures and fittings and motor vehicles – 5 years
- [Computer hardware and software – 4 years](#)
- Refurbishment expenditure – 15 years
- Freehold buildings – 50 years
- Leasehold buildings – lower of 50 years and life of the lease.

#### 4.9 Accounting records

In accordance with the Companies Act 2006, the Executive Director of Finance is responsible for the completeness and accuracy of accounting records.

#### 4.10 Document Retention

The Finance Department is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.

The University is required by law to retain prime documents for 6 years. These include:

- Official purchase orders
- Paid invoices
- Accounts raised
- Bank statements
- Copies of receipts
- Paid cheques
- Payroll records, including part-time lecturers' contracts.

Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as regional development agencies and the EU.

#### 4.11 Taxation

The Executive Director of Finance is responsible for advising Executive Deans/Heads of Support Departments on taxation matters, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the University. The Executive Director of Finance is responsible for maintaining the University's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date.



The University is an exempt charity and as such is exempt from corporation tax in respect of income or capital gains to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax (VAT), except in the case of medical equipment and advertising.

To preserve corporation tax exemption, all commercial activities must be channeled through the University's trading subsidiary South Bank University Enterprises Limited (SBUEL). SBUEL is subject to corporation tax and VAT in the same way as any commercial organisation.

The Executive Director of Finance should be notified of any activities that are thought to be commercial in nature before they are undertaken.

#### 4.12 Audit requirements

The university shall appoint both external and internal auditors. In accordance with the HEFCE Audit Code of Practice the same firm shall not under any circumstances be appointed as both external and internal auditors.

Both the external and internal auditors shall have authority to:

- Access University premises at reasonable times
- Access all records, documents and correspondence relating to any financial and other transactions of the institution
- Require and receive from any member of staff such explanations as are necessary concerning any matter under examination promptly.

#### 4.13 External audit

The appointment of external auditors will take place every five years following a competitive tendering process. Appointment of the external auditors is the responsibility [of the Board of Governors following recommendation](#) of the Audit Committee.

During their period of office, the external auditors will be re-appointed annually [at the Annual General Meeting by the Board in accordance with the Companies Act on the recommendation of the Audit Committee.](#)

The primary role of external audit is to report on the University's consolidated financial statements. This will involve carrying out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the consolidated financial statements.

The Financial [Accountant-Controller](#) is responsible for drawing up a timetable for year-end accounts purposes and will advise staff and the external auditors accordingly.

Separate auditors may, at the discretion of the Audit Committee, be appointed to carry out audits of grant claims as and when required by the relevant funding bodies.

#### 4.14 Internal audit

The appointment of internal auditors will take place every five years following a competitive tendering process. Appointment of the internal auditors is the responsibility of the [Board of Governors following recommendation by the](#) Audit Committee.

The primary role of internal audit is to [provide-deliver](#) a risk based internal audit service which provides the Board of Governors with assurances on:

- [The adequacy and effectiveness of the system of internal control and governance](#)

- [Risk management](#)
- [Data quality, and](#)
- [Value for money both the adequacy of the internal control system and value for money.](#)

The University's financial memorandum with HEFCE requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in Accountability and Audit: HEFCE Code of Practice.

#### 4.15 Fraud and corruption

~~The Anti Fraud Policy outlines the University's position on fraud and sets out responsibilities for its prevention and detection. The policy is intended to ensure that all cases of suspected fraud are promptly reported, investigated and dealt with as necessary, thereby safeguarding the finances and resources of the University and its subsidiaries. This policy applies to all staff and students.~~

~~It is the duty of all members of staff, management and the Board of Governors to notify the Executive Director of Finance immediately whenever any matter arises which involves, or potentially involves any irregularity, including fraud, corruption, giving or accepting of bribes or any other impropriety.~~

~~When an incident of fraud is identified, The Executive Director of Finance shall immediately invoke the fraud response plan appropriate action should be taken in accordance with the fraud response plan (see Appendix A for fuller details).~~

#### 4.16 Financial statements approval

The consolidated financial statements and those of SBUEL are prepared by the finance department in line with the agreed external audit timetable.

The financial statements must be reviewed and approved by both the Policy & Resources Committee and the Audit Committee.

~~Once approval has been obtained from both Committees, the financial statements of the University will be recommended to the Board of Governors. Once the Board of Governors have given their approval, the financial statements will be signed by the Chair of the Board of Governors, the Vice Chancellor and the external audit partner, at the Annual General Meeting, held on the same date as the meeting of the Board of Governors. The Accounts of SBUEL will be signed by a member of the SBUEL Board.~~

Income

#### **4.17 General**

The Executive Director of Finance is responsible for ensuring that appropriate procedures are in place to enable the University to receive all income to which it is entitled.

~~The Policy and Resources Committee approves levels of charges for non-regulated tuition fees, contract research, commercial courses and rents and lettings.~~

The cash office in the Finance Department, together with credit control, is responsible for the prompt collection, security and banking of all income received.

The Finance Department is responsible for ensuring that all grants notified by HEFCE and other funding bodies are received and recorded appropriately in the University's accounts.

The Finance Department is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

#### **4.18 Tuition Fee Income**

##### **Setting of fees**

The Board of Governors on recommendation of the Policy & Resources Committee is responsible for the setting of ~~non-regulated tuition~~ fees.

##### **Inputting of student data**

A fees matrix within the QLS Student Records System (SRS) calculates the tuition fee for each student. To ensure the correct fee is calculated, student information must be input completely and correctly into QLS.

##### **Invoicing of fees**

The Finance Department is responsible for raising tuition fee invoices.

#### **4.19 HEFCE Recurrent Grant funding**

~~The main element of recurrent funding is the funding per student place.~~ An agreement between HEFCE and the University sets out the minimum number of funded places which the University will provide in each academic program and mode, and the funding per student place. HEFCE makes payments in monthly installments. The profile over the financial year takes account of the timetable for the payment of tuition fees by the Student Loan Company and local education authorities.

#### **4.20 HEFCE Specific Grant funding**

The Executive Director of Finance shall ensure that all specific grants are applied in accordance with their terms, and that income from such grants is only recognised to the extent that it has been spent. The Finance Department will provide a unique source of funds code to ensure that expenditure can be accurately monitored.

#### **4.21 HEFCE Capital Grant funding**

These funds are allocated to the University for technical equipment and improvements to buildings. HEFCE recommends that each institution has a proper scheme for the planned replacement of equipment, and that it monitors expenditure on equipment and replacement plans.

The Vice Chancellor shall approve the allocation of funding to faculties and support departments.

The Executive Director of Finance shall:

- ensure that equipment purchased is within the terms of the grant
- monitor allocations to avoid overspending;
- ensure that funds are claimed from HEFCE on a timely basis.

#### **4.22 HEFCE Inherited liabilities reimbursement**

HEFCE reimburses in full expenditure on capital and staff-related liabilities inherited by the University from the former ILEA where these liabilities were previously met from the former Advanced Further Education pool for capital-related payments. The liabilities eligible for reimbursement are:

- Debt charges on land and buildings;
- Pension increase payments in respect of pre 1989 retirants.

The Finance Department must ensure that:

- claims for reimbursement are submitted promptly at the end of each financial year;
- a record is kept, updated annually, with details of the amount and date when claimed, and the amount and date when paid.

#### **4.23 Receipt of cash, cheques and credit/debit card payments**

The cash office of the Finance Department deals with all monies received in payment of tuition fees. Faculties must instruct all students that payments are to be made direct to the cash office and all students wishing to make a payment must be directed to the cash office.

The current single cash transaction limit for the University is the sterling equivalent of €15,000, translated at the most recent rate published by the Financial Times. This is to comply with the Money Laundering Regulations 2003. The cash office must not accept cash over this limit.

The Finance Department must be notified immediately of all cash received. Failure to do so could result in disciplinary proceedings.

All monies received must be recorded promptly and posted to the relevant student account in the University's Student Record System (SRS).

The University's contractor, Loomis, must carry out all banking. The amount banked must be confirmed.

All cash awaiting banking should be stored in a locked safe, and staff should ensure that insurance limits for the level of cash holding are not breached.

#### **4.24 Receipt of BACS payments**

All BACS and electronic receipts must be recorded and posted to the finance system on the day, or closest working day, to receipt.

#### **4.25 Collection of tuition fee debt**

Any student who has not paid an account for tuition fees or any other item owing to the University shall not receive their certificate for any degree, diploma or other qualification until all outstanding debts have been cleared. The name of such students shall not be included on pass lists. In addition such students shall be prevented from re-enrolling at the University and from using any of the facilities.

## 4.26 Collection of other debt

The Finance Department should ensure that:

- Debtor invoices are raised promptly on official invoices;
- Invoices are prepared accurately and are credited to the appropriate income account;
- Any credits granted are valid and properly authorised;
- VAT is charged at the correct rate where appropriate and accounted for;
- Outstanding debts are monitored and chased in a systematic manner

~~Debt write off can only be made by the Financial Controller. Write offs in excess of £500 must be referred to the Executive Director of Finance for submission to the Audit Committee for approval.~~

4.27 All debts (tuition fee and sales ledger) over 6 years old will be written off on an annual basis unless there is a reasonable expectation that the money can still be recovered. If the total value of the annual write off is less than £50k it can be approved by the Executive Director of Finance. Audit Committee approval is required where the total value of the annual write off exceeds £50k.

In exceptional circumstances debts may be required to be written off during the year (eg in the event of company liquidation). This will require the approval of only the Executive Director of Finance. The maximum limit for write off on any individual debt is £10k. Above this limit, approval of Audit Committee is required.

## 4.274.28 Access fund income

### Eligibility

These funds are used to provide financial help to students in the following three areas whose access to higher or further education might be inhibited by financial hardship:

- Postgraduate home students studying at levels above first degree;
- Undergraduate home students;
- Further education home students aged 19 or over.

### Administration

Student Services, under the direction of an Access Funds Panel shall administer these funds. The membership of this panel should be drawn from Student Services, the Student Union and the Finance Department. A nominee of the Head of Student Services should chair the panel. The nominee is responsible for:

- Advising on the criteria for the allocation of funds, this will be approved by the Vice Chancellor
- Authorising payments to students on the basis of evidence of need.

### Reporting

The Head of Student Services shall be responsible to the Vice Chancellor for:

- Preparing regular reports for the Vice Chancellor on the payment of funds;
- Providing annual monitoring information to HEFCE in the form required showing the number of students in receipt of payments

## 4.284.29 Halls of residence income

The Executive shall determine the level of term time fees for student halls of residence, taking account of the implications for:

- (a) Student welfare;

- (b) The financial position of the University and the surplus or deficit on halls of residence operations.

The Executive will determine the level of fees for vacation lettings at halls of residence. In doing so they must take account of the need to maximise the income to the University from these activities.

The ~~Head of Residential and Catering Services~~ [Director of Estates](#) shall be responsible for invoicing students and other users and ensuring payment, with the assistance of the Finance Department. Every effort shall be made to recover amounts owed, including the use of debt collection agencies and the withholding of academic qualifications.

All students in halls of residence shall be required to sign a formal accommodation agreement. The agreed period of tenancy covers the full academic year.

#### **4.294.30 Catering income**

The parts of the University authorised to provide food and drink for sale to staff students and visitors are:

- (a) The Department of ~~Residential and Catering Services~~ [Estates or its contracted catering provider](#);
- (b) The National Bakery School
- (c) Rockwells Café (located in Technopark)

No other Faculty, Support Department or individual member of staff shall provide food and beverages for sale on the University's premises.

~~It is acknowledged that the Students' Union operate a catering outlet on University premises, dedicated to the Students' Union.~~

The Heads of ~~Residential and Catering Services~~ [Estates](#) and of The National Bakery School shall determine the prices charged in the refectories and other catering outlets, taking account of:

- (a) the welfare of students and staff;
- (b) the financial position of the University and the surplus or deficit on catering operations.

Arrangements for dealing with catering cash receipts are set out in Section [9.1040-40](#).

## **5 Research grants**

### **5.1 General**

Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. It can use existing knowledge in experimental development to produce new or substantially improved materials, devices, products and processes including design and construction. It excludes routine testing and analysis of materials, components and processes.

The term 'Research Grant' is restricted to research projects funded by the UK and EU Research Councils, Charities and HEFCE. All other externally funded research projects are classified as 'Commercial Research Contracts'. These are managed by University Enterprise and dealt with in section 7 of these regulations.

Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken, it is the responsibility of the Executive Dean to ensure that the financial implications have been appraised by the Central Research Support Office. This will include obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance.

The Central Research Support Office is responsible for examining every application for research funding. The Central Research Support Office should ensure that the full cost of research contracts is established.

The Finance Department shall maintain all financial records relating to research grants and contracts and shall initiate all claims for reimbursement from sponsoring bodies by the due date.

Where services or supplies need to be bought as part of a research agreement or grant, procurement support must be requested if this is required in the research grant terms and conditions.

Each grant or contract will have a named supervisor and will be assigned to a specific faculty.

### **5.2 Full Economic Costs**

All UK universities are now obliged to identify the Full Economic Cost (FEC) of research activities and recover the best price possible for the work taking into account the funder's own regulations.

Therefore all projects must be costed using LSBU Full Economic Costing & Pricing Form available on the Central Research Support Office website.

Where possible, full economic costs should be recovered from the funder.

## **6 Other income-generating activity**

### **6.1 Types of activity**

Income generating activities are coordinated via University Enterprise. These include:

- Knowledge Transfer Partnerships;
- Commercial research contracts;
- Consultancy;
- Commercial exploitation of intellectual property;
- Sales of materials;
- [Hire of facilities;](#)
- [Full cost courses and events](#)

[Full cost courses and events](#)

### **6.2 Responsibilities**

#### **Executive Deans**

- Encourage staff to undertake these activities where appropriate academically and financially;
- Manage the activities in accordance with these regulations and exercise proper control over the use of staff and facilities;
- Ensure that no work is undertaken before a contract has been signed by the University or, in the case of courses, payment or an employer's authorisation has been received;
- Attempt to ensure that no losses are incurred on these activities. If losses are incurred they shall be underwritten by a surplus from other income generating activities.

#### **Academic staff members**

- Inform their Executive Dean before entering into an obligation to undertake external work. The Executive Dean or nominated deputy shall consider whether that work will interfere with the performance of the individual's normal duties or compete of conflict with the interests of the University

#### **University Enterprise**

- Provide the procedural guidelines for income generating activities
- Ensure that all proposals for income generating activities to employers, funding bodies and offers of courses to individuals have been properly costed in line with Full Economic Costing (FEC);
- Deal with all contractual matters in consultation with the University Secretary & the Corporate Procurement Manager as appropriate;

#### **Finance Department**

- Provide a unique source of funds reference code to be used for each activity;
- Issue invoices based on invoice request forms;



- Authorise claims for grants and other payments which are due and are not covered by an invoice;
- Pursue customers where payment is not received by the due date.
- Provide the Faculty or Support Department and University Enterprise with the information needed for financial control and monitoring purposes

### 6.3 Approval of activities

Proposals must be discussed at an early stage with University Enterprise. University Enterprise will involve the Executive Director of Finance if such a proposal has a significant impact on resources.

University Enterprise ~~The RBDO~~ shall negotiate with the client the service to be provided and the price to be charged, on the advice of the faculty concerned. The price charged shall take account of staffing costs and risks involved, the University overhead and planned faculty surplus required.

Approval shall be sought for each project on the appropriate Full Economic Costing (FEC) form available on the University Enterprise website. All FEC forms should be signed by the proposer and the appropriate Executive Dean/Pro Dean.

### 6.4 South Bank University Enterprises Ltd

All activities commercial in nature and carried out with the intention of making a profit should be handled through the University's trading company SBUEL. VAT must be charged on all standard rated activities carried out by SBUEL.

## 7 Staff expenditure

### 7.1 Staffing budget

The Board of Governors approves the annual staffing budget which forms part of the overall budget.

staffing shall be at a level that ensures that staff expenditure remains within budget for the financial year.

No permanent or temporary appointments in excess of the annual staffing budget shall be made without approval of the Director of Finance.

The Director of Human Resources must maintain staffing statistics and report to the University at regular intervals staff in post and vacancies.

#### **Appointments to permanent posts**

The Vice Chancellor is responsible for the appointment of staff. The Board of Governors is responsible for the appointment of senior post holders.

Permanent appointments should be made within the University's recruitment and selection procedures. The Human Resources Department shall seek confirmation from the hiring department that sufficient funds are available within the departmental budget in the current financial year to pay for the post before beginning the recruitment process. Holders of letters of delegated authority are responsible for ensuring that staffing levels remain within budget.

The Head of Human Resources must notify promptly the Payroll Department of all appointments and terminations of employment, and any changes during employment, in sufficient time to enable the appropriate changes to be made to the payroll.

### **7.2 Temporary Appointments**

Holders of Letters of delegated authority may authorize Temporary appointments, including the use of Agency Staff to vacant posts or to meet business need where expenditure is within staffing budgets for the year, including grant funded staffing budgets.

Temporary appointments shall be made within the University's recruitment and selection procedures or through the University's approved supplier of agency staff.

#### **7.1—Introduction**

~~The Board of Governors approves the annual staffing budget on the recommendation of the Human Resources Committee.~~

#### **7.2—Establishment**

~~—The Vice Chancellor shall determine the staff establishment of the University, having regard to the academic and financial objectives of the University. The staff establishment shall be fixed at a level that ensures that staff expenditure remains within budget for the financial year.~~

~~—The Policy and Resources Committee shall consider proposed changes to the establishment in the early spring of each year as part of the budget preparation process, and in the autumn in the light of student recruitment. The proposals will concern increases in the number of posts, regrading of existing posts and recruitment to unfilled existing posts.~~

~~—The proposals must identify the reason for the proposed change, the subsequent improvements in service and the total cost to the University of the new positions.~~

~~No permanent or temporary appointments shall be made outside the staffing establishment without approval of the Vice Chancellor.~~

~~The Head of Human Resources must maintain staffing statistics and report to the Vice Chancellor at regular intervals the number of staff in post compared to the establishment.~~

### **7.3 Appointments to established permanent posts**

~~The Vice Chancellor is responsible for the appointment staff. The Board of Governors is responsible for the appointment of senior post holders.~~

~~Permanent appointments to established posts should be made within the University's recruitment and selection procedures. The Human Resources Department shall seek confirmation from the Finance Department that sufficient funds are available within the Faculty or Support Departmental budget in the current financial year to pay for the post before recommending the appointment.~~

~~The Head of Human Resources must notify promptly the Executive Director of Finance of all appointments and terminations of employment, and any changes during employment, in sufficient time to enable the appropriate changes to be made to the payroll.~~

### **7.4 Fixed term contracts**

~~Fixed term appointments outside the establishment may be made provided non-HEFCE funding is available, for example research projects and other IGAs. Form HR/Appoints1 available at <http://www.lsbu.ac.uk/humanres/internal/smt-procs-docs.htm> must be completed.~~

~~In addition to the normal approval process detailed on the form, the form must be sent to the Finance Department for approval. Please send the form to the PA to the Executive Director of Finance. It is the duty of the Finance Department to ensure that sufficient funds are available before approval is given to the appointment.~~

### **7.5 Temporary Appointments**

~~Temporary appointments to established vacant posts may be made by the Human Resources Department provided the Vice Chancellor is in agreement and the appointment is funded from the vacant element of the establishment budget.~~

~~Temporary appointments to non-established posts may only be made if external funds are available to cover the costs of the post, and must only be for the duration those funds are available. The agreement of the Vice Chancellor is required.~~

~~Temporary appointments shall be made within the appointments procedures approved by the Board of Governors.~~

~~Temporary staff shall be included in the reports made by the Head of Human Resources.~~

### **7.67.3 Conditions of employment**

~~The Board is responsible for setting the framework for the employment of university staff (which it may delegate to the HR Committee or the Executive). The regulations governing the conditions of employment of University staff shall be determined by the Board of Governors. The regulations shall take account of:~~

- ~~• the welfare of staff;~~
- ~~• the financial implications for the University;~~

- ~~• the recommendations from the national negotiating bodies.~~

~~The Vice Chancellor shall determine any variations on the conditions of employment of an individual from those laid down in the regulations.~~

#### **7.77.4 Payroll**

The Executive Director of Finance shall ensure that appropriate arrangements are in place to make proper payments. These shall include:

- the information shall be transcribed into the form required to process payments;
- the Financial Controller shall make validation checks of the proposed payment schedule before authority is given for payment to either the payments bureau or for manual payments.
- pay slips shall be released to staff;
- a check shall be made of the payroll transactions which shall be copied to the Human Resources Department to be checked against personnel records.

#### **7.87.5 Deductions**

The Executive Director of Finance shall arrange for deductions of income tax, national insurance, pension contributions and other deductions, and ensure that proper records are kept.

#### **7.97.6 Sickness, Maternity and Other Benefits**

The Director of Human Resources shall verify the entitlements and notify ~~the Executive Director of Finance~~ Financial Controller of payments to be made.

#### **7.107.7 Pay Awards**

The Board of Governors shall determine the annual pay level of senior post holders.

~~The Board of Governors shall decide annually whether the University should opt in or out of national pay negotiations. The Executive shall then make a recommendation to the Board based on budgetary consideration from year to year. The pay of all other staff shall be determined by the Vice Chancellor within the budget agreed by the Board of Governors. Agreement at national level has the status of recommendations; the University has discretion to decide the pay award to be put to the University's trades unions as the basis for negotiation.~~

The Vice Chancellor shall after consultation with the Human Resources Committee approve the offer made to the trades unions. When agreement on the size of the pay award and the date of implementation has been reached, the Vice Chancellor shall approve the pay award having regard to the financial implications for the University.

The Director of Human Resources shall notify the Executive Director of Finance of:

- (a) the nature of the pay award and the groups of staff to whom it applies;
- (b) any other arrangements for other groups of staff.
- (c) Increases in pay due as a result of pay awards

#### **7.117.8 Bonus payments**

The Vice Chancellor shall determine:

- (a) the principles each year underlying the performance bonus payments to eligible staff;
- (b) the amount of the annual performance bonus to be paid to each of these staff.

#### **7.127.9 Promotion**

The permanent promotion of staff shall operate through:

- (a) the normal recruitment procedure for vacant posts;
- (b) upgrading for staffing in re-graded posts.

All proposals for temporary promotion shall be approved by the Vice Chancellor.

**7.137.10 Staff Development and Training**

- (a) the Staff Development and Training Unit will act as a central focus for the co-ordinated planning and provision of a range of staff training and development activities;
- (b) the annual training programme will comprise internal and external courses and seminars and sponsored study at the University or any other institution. It will be agreed by the Staff Development and Training Manager from plans submitted by, and discussions held with, Faculties and Support Departments.
- (c) the annual budget will be the responsibility of the Staff Development and Training Manager and commitment must not be made by Faculties and Support Departments without his/her prior allocation of the funding.
- (d) applications for attendance of staff on external courses and seminars and in respect of sponsored study at the University or at any other institution must be made to the Staff Development and Training Unit on the appropriate forms which are available from the Unit.
- (e) conference attendance and associated travel cost will be treated separately and the Staff Development and Training Manager will allocate an annual budget to each Faculty and Support Department.

## 8 Expenditure

### 8.1 Scope

These regulations apply to all expenditure, including spending of grant monies and leasing arrangements, but exclude salaried payroll.

Further guidance explaining the regulations and examples of how they apply are available on the Corporate Procurement website.

### 8.2 Purpose

The purpose of these regulations is to:

- Ensure that the University's expenditure represents Value For Money including 'economy' ('doing things at best price'), 'effectiveness' (doing the right things) and 'efficiency' (doing things the right way);
- Comply with European and UK legislation and statutory requirements;
- Manage and minimise risks, including commercial protection in all contractual arrangements and mitigation against fraud and corruption.

### 8.3 Investment Appraisal Process Business Cases and Strategic Preparation

The Investment Appraisal process applies to all activities with a significant impact on current business activities or activities with significant resource requirements, including:

- Capital expenditure bids
- Operating expenditure outside existing budgets

Where the value of the bid is no more than £250k, a short business case can be submitted.

The Finance department will maintain guidance on the investment approval process.

Authorisation for all expenditure must be sought in accordance approval limits set out in section 8.6 below.

~~Business cases should be prepared for new areas of expenditure, and expenditure requiring Executive or Board approval (see section 9.6). It is best practice to strategically review other expenditure areas on a regular basis, to ensure best value continues to be achieved.~~

~~Business case templates are available on the Corporate Procurement website, and reports are to include:~~

- ~~Objectives~~
- ~~Relationship with Corporate Strategy~~
- ~~Benefits~~
- ~~Resource requirements~~
- ~~Total Whole Life Costs and Phasing~~
- ~~Timing~~
- ~~Dependency~~
- ~~Risks~~
- ~~Procurement Strategy including aggregation.~~

### 8.4 Use of existing and Mandatory Contract Arrangements

The University has a number of contracts that must be used for specified services, supplies or works. A list of mandatory contracts can be found on the Procurement website.

Where approved contracts are available, these must be used for all purchases. These contracts cover a wide range of goods and services and have been selected through a competitive process. These contracts should be used by either directly calling off from the existing contract, or where a framework agreement is in place with multiple suppliers, through requesting quotes from the specified list of suppliers in that category.

Call-off methods are detailed for each mandatory contract and are listed on the Procurement website.

The University has a number of expenditure categories where specific support departments lead and manage any orders that need to be made. The relevant support departments must be used to advise and process expenditure in these areas. Mandatory usage of departments by category are listed on the Procurement website.

## 8.5 Competition requirements for new contracts

### Obtaining Value for Money

Value for money is the over-riding principle on procurement, ordering and tendering. The University requires all budget holders to obtain supplies, services and works at the most economically advantageous cost, consistent with quality, delivery requirements, whole life cost and always in accordance with sound business practice.

It is in contravention of the Financial Regulations to procure from suppliers for reasons other than value for money, as defined above. Procurement decisions need to be justified and 'audit trail' records must therefore be completed.

Table 1: Competition and Audit Trail Requirements:

Total Contract Value (Including VAT)	Level of Competition Required	Supporting 'Audit Trail' Documents Required
Over £50,000	Competitive Tender *	<ul style="list-style-type: none"> <li>• Business Case Approval Form (where Board/Exec approval required)</li> <li>+ <ul style="list-style-type: none"> <li>• Full Evaluation Matrix</li> </ul> </li> <li>Or <ul style="list-style-type: none"> <li>1. Single Quotation/Tender Form**</li> </ul> </li> <li>+ <ul style="list-style-type: none"> <li>• Authority to Award Report</li> </ul> </li> </ul>
Over £10,000 and up to £50,000	3 Competitive Proposals	Competitive Quotes Form Or Single Quotation/Tender Form**
Up to and including £10,000	Department's Discretion ***	None

\* *Procurements exceeding £50,000 over the total contract term must be discussed with the Corporate Procurement Unit at the beginning of the planning stage, to agree the procurement strategy and route and professional Procurement input required. Procurement will instruct on minimum tenderer numbers, EU compliance requirements and use of e-tendering.*

\*\* *Where there are no sources of competition, quotations must still be obtained and a Single Quotation/Tender Form completed.*

\*\*\* *Heads of Dept/Faculty will have the discretion to decide whether or not to obtain quotations, however value for money must always be obtained. It is advised that at least one written quotation is obtained for items with a value of £10,000 or under.*

Table 1 above sets out minimum competition and audit trail requirements when obtaining supplies, services or works. Thresholds relate to the value over the total contract term including any potential extensions – not to per annum values. If items are bought on a rolling contract basis, the estimated per annum value should be multiplied by 4 to determine the level of competition required.

Where there is a need for a single requirement that can be divided into a number of stages, or a number of similar or identical requirements, the total value must be used when assessing the level of competition required. Contracts must not be disaggregated



and split into separate contracts with smaller values to avoid having to comply with the competition requirements listed below.

Where the total committed volume cannot be determined, usage and values should be estimated to determine the level of competition required. Where more than one area of the University is likely to use the contract, competition should be based on estimated University-wide demand and total contract values.

The best value tender or quote shall be accepted (following appropriate evaluation of price and quality criteria). Approval by the Head of Procurement shall be required in all cases when award is not recommended to the most economically advantageous tender / quote.

Head of Departments and Faculties must ensure that competitive processes are undertaken by staff with appropriate skills and expertise. The Executive Dean or Head of Department shall be responsible for ensuring the goods or services are adequately specified.

'Supporting Audit Trail Documents' templates and guidance are available on the Corporate Procurement website.

The University's e-tender system must be used to run competitive tenders, unless otherwise agreed with Corporate Procurement. Tender opening ceremonies for competitive tenders must be witnessed by either Corporate Procurement Unit or University Secretary representatives.

#### External Funding with Specific Procurement Requirements

Where the University is receiving external funding (for example from HEFCE) towards the purchase of goods or services there may be specific procurement requirements which must be followed (for example the limit for carrying out competitive tenders may be lower). These may differ from the procedures set out within the Financial Regulations. If these requirements are not adhered to the University may not receive the funding. In order to ensure that these procurement requirements are fully understood and adhered to, the Corporate Procurement Unit must be consulted before purchasing any goods or services for which the University is receiving external funding with specific procurement requirements.

Capital grants allocated by external organizations, such as HEFCE, must be spent solely for the purposes specified. The Finance Department shall maintain records of expenditure of HEFCE grants in the form required by the funding body.

#### Terms and Conditions

Appropriate terms must be clearly established at the outset of all competitive procurements. Corporate Procurement must be consulted in all instances where the University's standard terms and conditions are not used, in advance of committing the University.

#### Conflict of Interest

Any potential conflict of interest which a member of staff making or influencing a procurement may have with a supplier, must be notified to Procurement as soon as the conflict is known.

All staff involved in a competitive tender are required to complete a Declaration of Interest form, at the start of their involvement.

## 8.6 Authorisation levels

Authorisation for all expenditure must be sought in accordance with the threshold requirements detailed in Table 2. Thresholds relate to the value over the total contract term including any potential extensions – not to per annum values.

Table 2: Approval Requirements by Value Threshold for requisitions/orders and authorisations to award contracts

Total Contract Value (Including VAT)	Capital	Revenue	
		In Budget	Outside Budget
Over £2 million	Board of Governors	Board of Governors	Board of Governors
Over £1 million and up to £2 million	Board of Governors	Delegated Levels of Authority and Regulations	Board of Governors
Over £500,000 and up to £1 million	Executive	Delegated Levels of Authority and Regulations	Board of Governors
Over £250,000 and up to £500,000	Executive	Delegated Levels of Authority and Regulations	Executive
Over £50,000 and up to £250,000	VC & FD	Delegated Levels of Authority and Regulations	VC & FD
Up to and including £50,000	VC & FD	Delegated Levels of Authority and Regulations	Executive member *

\* Requirement still remains to deliver against agreed budget

Capital and Revenue budgets are as defined in the department and faculty budgeting process. Board of Governor approval is to be sought through submission of a Strategic Outline Business Case at initial project stages prior to tendering. Where Board of Governor [requirement approval](#) is needed, papers should be submitted in advance to Executive [and the Policy and Resources Committee](#).

Executive approval is to be sought through submission of a Strategic Outline, or Options Appraisal Business Case prior to tendering.

### Threshold Application for Framework Agreements

For some categories, the University puts in place overarching framework agreements, which are 'umbrella agreements' with either one or several suppliers. Framework agreements set out the terms, mainly relating to scope of service/supply, price, quality and potential quantity, under which individual contracts (call-offs) can be made. The University becomes committed to expenditure when a call off is made, and a discreet contract is entered into.

Framework agreements are to be authorised according to the approval levels in Table 2, based on expenditure levels estimated over the term of the framework. Subsequent call offs are also subject to the approval requirements indicated in Table

2, with Executive approval replacing any Board of Governor approval requirement indicated.

#### Board of Governor/Executive Delegation

When approving, the Board of Governors and Executive shall specify any future delegations that may apply during the remaining stages of the competitive procurement process.

#### Delegated Budget Authority

Holders of letters of delegated authority are responsible for the approval of expenditure within the budget set out in their letter of delegated authority subject to the limits stated in table 2. Holders of letters of delegated authority are responsible for agreeing with the Financial Controller a scheme of delegation within their departments. Where authority has been formally delegated to Heads of Department (HoD'S) and other staff, these staff will be responsible for the approval of expenditure within their departmental budget up to the limit set out in the appendix to their letter of delegated authority. Changes to agreed authorization levels must be recorded on the Authorised Signatory list, maintained by the Financial Controller.

These arrangements are also to be applied to employees of subsidiary companies who are given delegated authority in respect of budgets.

#### Corporate Procurement Approvals

In addition to budgetary approval, each requisition may be subject to procurement approval to ensure that requisitions, and related procurement exercises, comply with procurement and tendering policy.

Corporate Procurement approve all Purchase Orders converted from requisitions approved by budget holders and other supporting authorisations as required in Table 2.

### **8.7 Purchase requisitions, Orders and Contracts**

Purchase requisitions, and subsequent official University orders must be placed to commit all expenditure, using the web requisition process. Purchase requisitions and orders are not required when items are ordered and paid for via a University Procurement Card or for a specific exempt categories as listed in the University's Financial Regulations below.

University Procurement Cards are to be used for low value, high volume transactions and separate guidelines applicable to these cards must be followed [link to policy]. Requirements to use approved contracts and to follow competition requirements apply to Purchase Card orders. The misuse or non-compliance of the purchasing card procedures will result in the card being withdrawn and in certain cases may result in disciplinary action being taken. The following categories of spend require appropriate contracts to be put in place in accordance with competition requirements, however they do not require a purchase requisition/order to be raised:

- Accreditation Costs
- Bursary and Scholarship Costs
- [Childcare Vouchers](#)
- [Contract Catering \(Elior only\)](#)
- [Contract Printing \(CannonM2 only\)](#)
- Legal Fees Associated with Compromise Agreements
- Leased Computer Hardware
- Courier Charges
- CRB Checks (via HR)
- Credit Card Charges
- Franchise Costs
- Student recruitment agent's fees
- Funding Distribution (LSBU as Agency)
- Mobile Phone Rental (via ICT)
- Pension Costs paid to the LPFA
- Postage (via EAF)
- Rates
- Registrations on Behalf of Students
- Rent and Service Agreements
- Student Placements
- Telephone Call Charges
- Utilities
- Taxation

#### New Suppliers

Where a supplier is new to the University, a New Supplier Form must be completed. Corporate Procurement and Finance may review the level of risk relating to suppliers at supplier set up stage and on an ongoing basis, and alternative procurement solutions may be required.

### Terms and Conditions

Purchase Orders fulfil the role of acceptance of a supplier's offer and bind a contract on the University's terms and conditions. The University's standard terms and conditions are automatically applied to University orders. Where a contract already exists, contract terms must be specified by requisitioners on requisitions and orders, to ensure that they take precedence.

### Segregation of Duties

There must be adequate segregation of duties in place, as specified in the Procurement procedures and guidance, in particular requisitions must be raised and authorised by different individuals where staff make a commitment on behalf of the University. The University operates an electronic requisition system and the authorization hierarchy within the system must be maintained in such a way that requisitions have to be raised and authorized by different individuals. Authorization of requisitions must be within a budget holder's delegated budget authority

## **8.8 Estate Specific Expenditure**

In addition to the above regulations, there are specific requirements regarding expenditure on the University estate.

### Estates Strategy

The Estates & Facilities Department should only carry out work approved as part of the Estates Strategy, and that approved by Executive in order to maintain existing estate through planned and reactive maintenance and project works.

The Board of Governors shall approve an Estates Strategy and consider amendments to it where updating is required at regular intervals. The strategy shall take account of:

- (a) The quantity, quality, configuration and legal interests in the current estate;
- (b) Planned student numbers and course provision and teaching methods;
- (c) Consequential anticipated growth in staff numbers, both academic and non-academic;
- (a) The efficiency of management of existing accommodation and space utilisation;
- (a) The financial implications, with investment appraisals where appropriate, in consultation with the Executive Director of Finance.

All recommendations to the Board of Governors for property acquisitions and disposals shall be supported by ~~Surveyor's and Financial reports~~ as laid down in the Charities Act 1993. ~~These reports may be compiled by University staff provided the eligibility of such staff is confirmed to the Board by the University Secretary and Clerk to the Board of Governors.~~

All proposed building projects shall be considered by the Executive and they should meet the overall objectives of the Estates strategy and approved financial limits.

## **8.9 EU Directives**

Higher Education Institutions (HEI's) are required by law to comply with the EU Directives if they intend to let a contract (or series of contracts) above or equal to the thresholds for goods, services or works contracts prescribed by EU Directives.

Estates & Facilities is responsible for consulting with Corporate Procurement at the planning stage of any works or project to ensure that EU Directive and UK statutory procurement obligations will be met.

#### **9.9.2 Progress and Completion Reports**

The Director of Estates & Facilities shall make regular reports to the Vice Chancellor on the progress of building projects with an estimated cost of over £50,000, indicating:

- (a) Expenditure to date against budget;
- (b) Remaining expenditure;
- (c) Emerging problems;
- (d) Changes to risk profile

Reports shall be made to ~~each~~ meetings of the Property ~~Sub~~ Committee on the progress of all projects approved by the Board of Governors.

#### **9.9.3 The Director of Estates & Facilities shall conduct a formal post completion review after all major capital projects to identify strengths and weaknesses and to feed these into the procedure for managing future projects.**

#### **9.9.4 Procedures for disposals of Exchequer Funded Assets**

Where the University sells any land and buildings, including any interest in land and buildings, which was acquired or developed in whole or in part using Exchequer funds, the following conditions must be satisfied:

- a) The University must take independent professional advice on the terms and conditions of the sale.
- b) If, having considered that advice, the University is satisfied that the terms and conditions under which the sale is proposed are the best that can reasonably be obtained for the University at that time.
- c). The University must notify HEFCE in writing of the sale within 15 working days of the exchange of contracts for that sale.

#### **9.9.5 Retention of proceeds from sale of exchequer funded assets**

The University may retain the proceeds of sale provided that all the following conditions are satisfied:

- a) They are used for capital expenditure on assets, with a life of more than 12 months, that are used for activities eligible for funding as specified in sub-section 65(2)(a) and (b) of the Further and Higher Education Act 1992, but excluding capital expenditure on assets that are used primarily for activities listed in paragraph 60 of the Financial Memorandum with HEFCE.
- b) Where the expenditure is on an estates project, it conforms with the University's current estate strategy.
- c) Where the expenditure is on an estates project, the University has regard to HEFCE guidance, issued from time to time, on appraising property options.

- d) The sale proceeds are reinvested in full within 3 years.
- e) The University notifies HEFCE in writing within 15 working days of the date the sale proceeds are first reinvested; if the reinvestment is done in stages, the University must notify HEFCE in writing within 15 working days of each stage of the reinvestment.

#### **9.9.6 Procedures when proceeds cannot be entirely retained**

If the above conditions in paragraph 9.9.5 are not satisfied, the University shall pay to HEFCE:

- a) Where the Exchequer funds were provided before 1 August 1975, an amount equal to the original value of the Exchequer funds.
- b) In cases where the interest in the land and buildings was acquired or developed, since 1 August 1975, wholly with the aid of Exchequer funds, all the sale proceeds (including any element in respect of intangible assets sold as part of the transaction) after deduction of the expenses of the transaction.
- c) In cases where neither sub-paragraphs a or b apply, that proportion of the sale proceeds, after deduction of the expenses of the transaction, which corresponds to the value of the Exchequer funds as a percentage of the costs of acquisition or development of the land and buildings at the date of acquisition or development.
- d) Where only part of the sale proceeds is reinvested in accordance with sub-paragraph 9.9.5(a), but all other conditions in paragraph 9.9.5 are satisfied, the University shall repay that part of the sale proceeds that is not reinvested in accordance with sub-paragraph 9.9.5(a), subject to sub-paragraphs 9.9.5 a-c above.
- e) Where the sale proceeds are only partly reinvested within three years, but all other conditions in paragraph 9.9.5 are satisfied, the University shall repay that part of the sale proceeds that is not reinvested within three years, subject to sub-paragraph 9.9.5 a-c above.

### **8.10 Supplier invoices**

#### Receipt of invoices

All supplier invoices should be sent by the supplier to the Accounts Payable (AP) team within the Finance Department. On receipt, invoices should be registered on the finance system

#### Approval of invoices

Invoices that relate to goods or services for which a purchase requisition was raised are known as 'committed' invoices. Committed invoices will quote a purchase order number. Invoices that relate to goods and services for which no purchase requisition was raised are known as 'uncommitted' invoices. Uncommitted invoices will not contain a purchase order number.

Committed invoices should be receipted on the finance system by the person who raised the original requisition as evidence that the invoice has been checked, the goods or service has been received and the department wishes the supplier to be paid. Where an invoice exceeds the original purchase order, the invoice will be referred forward to the budget holder to approve payment of the invoice.

Uncommitted invoices should be approved only by the relevant budget holder or Executive Dean/Director if the invoice exceeds the budget holder's delegated authority. This is because the approval of an uncommitted invoice is giving authority for a budget to be spent. In the case of committed invoices, this authority has already been given by the raising and approval of a purchase requisition.

For both committed and uncommitted invoices, receipting or invoice approval confirms that:

- (a) Goods or services have been received or undertaken in accordance with specification and are satisfactory;
- (b) The prices or charges are in accordance with the contract or order;
- (c) The invoice is arithmetically accurate and VAT has been applied at the correct rate;
- (d) Where inventories or stores records are required proper entries have been made.

#### Payment of invoices

Once approved, Finance Staff should arrange payment within the University's Standard terms of business or any bespoke terms of business agreed with particular suppliers.

Note that if there is a delay in approving invoices, Finance Staff will be unable to meet these terms of business. Departments should therefore ensure that their suppliers send invoices directly to the Finance Department quoting the purchase order number.

### **8.11 Purchasing cards**

Purchasing cards are issued to named staff to make low value purchases. Before issuing a purchasing card, staff should read the purchasing card guide and sign the staff declaration.

All cards are preset with a single transaction limit and a monthly limit to prevent card holders spending more than an agreed amount per month. Limits may be increased subject to the authorisation of the Executive Dean/Head of Support Department and the Corporate Procurement Manager or Senior Procurement Officer/Contracts Officer.

The Corporate Procurement Manager and the Financial Controller will;

- control the issue of the cards,
- update procedures and check compliance therewith;
- ensure monthly logs are correct and completed in due time.

Cards should be used for items costing under £1,000. They can also be used for travel, accommodation and subsistence costs in accordance with the Travel, subsistence and expenses policy.

They cannot be used;

- for personal purchases
- by anyone other than the person to whom the card was issued
- to withdraw cash

The misuse or non-compliance of the procedures will result in the card being withdrawn and in certain cases may result in disciplinary action being taken.

### **8.12 Authorised signatory list and authorisation hierarchy**

The Authorised signatory list is kept and maintained by the Financial Controller. It is the responsibility of the Faculty or Support Department to ensure that an up to date set of authorised signatory sheets are given to the Financial Controller. The University's

electronic Procurement to Pay system is set up with hierarchies for the raising and approval of requisition and approval of non committed invoices. The Financial Controller is responsible for ensuring electronic authorisations are in line with the authorised signatory list.

### 8.13 Fixed Asset Register

The Executive Director of Finance shall:

- (a) Ensure there is a central register of all items of capital expenditure with a purchase value of £10,000 or over including VAT within the finance system Agresso

;

Executive Deans and Heads of Support Departments shall:

- a) Ensure the safekeeping of all equipment held in the Faculty or Support Department;
- b) Ensure that the equipment is marked as the property of London South Bank University.
- c) Report all losses of equipment through theft or damage on the prescribed forms to the Director of Estates & Facilities with copies to the Vice Chancellor and Executive Director of Finance.

### 8.14 Equipment Removal

Land and Buildings may only be disposed of with the authorization of the Board of Governors [on the recommendation of the Policy and Resources Committee](#).

Equipment, vehicles, fixtures and fittings shall not be removed from the University without the written approval of the Executive Dean or Head of Support Department. In all such cases, the Executive Director of Finance shall be informed at least two working days in advance so that, appropriate insurance arrangements can be made.

Faculties and Support Departments shall notify the appropriate Support Department of any item of standard equipment or other goods which are no longer required, who shall advise if the item can be redeployed elsewhere in the University. .

Where an item cannot be redeployed, Executive Deans or Heads of Support Departments shall make arrangements to dispose of obsolete items. The Executive Dean or Head of Support Department is responsible for disposing of the item in a way that maximizes the proceeds and value for money to the University. This includes obtaining valuations where appropriate and quotes for costs of disposal. In exceptional circumstances, the Director of Finance may authorize the item to be donated or offered at reduced cost to students, other educational establishments, charities or local community groups.

The Faculty or Support Department shall advise the Executive Director of Finance of any proposed disposal of equipment or other goods so that, if appropriate, she or he may arrange for an invoice to be raised for payment to be obtained by the University and for accounting entries to be made in the University Accounts.



## **9 Cash management**

### **9.1 Bank accounts**

The Board of Governors shall approve:

- (a) the appointment and terms of engagement of the University's bankers;
- (b) the bank mandate which determines the terms on which cheques may be drawn on the University's bankers;
- (c) the bank account signatories and levels of authority;
- (d) overdraft and loan facilities.

All bank accounts for the University's transactions shall be held in the name of the University, and may be opened only on the authority of the Board of Governors. No bank account other than one authorised by the Board of Governors shall be operated for University's purposes. No member of staff shall open an account bearing the name of the University, or any abbreviation of it.

### **9.2 Signatories**

The University's bank accounts shall be operated in accordance with the mandates given to the bankers under the authority of the Board of Governors. The Board of Governors has determined that the holders of the following posts shall be signatories to the University's bank accounts;

Vice Chancellor  
Executive Director of Finance  
Pro Vice Chancellors  
University Secretary and Clerk to the Board of Governors  
Financial Controller  
Financial Planning Manager

### **9.3 Signatory limits**

Signatory limits apply for both cheque limits and electronic payments such as Bacs

- (a) For Payments of less than £10,000 - one signature and may be signed in holograph by cheque writing machine;
- (b) For payments of £10,000 and above - but less than £20,000 - one signature but may not be signed in holograph by cheque writing machine;
- (d) For payments of £20,000 and over - two signatures only one of which can be a member of the Finance Department.

### **9.4 Records and reconciliation**

The Executive Director of Finance shall

- (a) maintain a record of all bank accounts, signatories and levels of authority;
- (b) ensure adequate procedures are in place to control the issue and use of cheque stationery and for the control of electronic payment authorization
- (c) maintain proper records of all bank payments;

- (d) ensure that all bank accounts are reconciled at monthly or more frequent intervals, independently of the staff involved in making payments and banking cash.

The following accounting controls shall apply:

- (e) there shall be a monthly bank reconciliation for each bank account;

The reconciliation shall be verified by the Financial Accountant;

- (f) Unresolved discrepancies shall be reported to the Financial Controller and if still unresolved to the Executive Director of Finance.

Cashbook records shall be maintained as part of the integrated accounting system.

## **9.5 Borrowing**

All raising of capital finance must be approved, in advance, by the Policy and Resources Committee and the Board of Governors. The Board of Governors may, at its discretion, authorise an ad-hoc committee of its members to agree final documentation and execute documents within certain parameters set by the Board of Governors.

All borrowing raised on the security of any of the University's assets must be approved, in advance, by the Policy and Resources Committee and the Board of Governors. The Board of Governors may, at its discretion, authorise an ad-hoc committee of its members to agree final documentation and execute documents within certain parameters set by the Board of Governors.

Unsecured, overdraft borrowing must be within limits set by the Executive Director of Finance. Authorisation by the Executive Director of Finance must be given for unsecured, overdraft borrowings within such limits.

Lease finance arrangements for items with a capital value greater than £250,000 must be approved, in advance, by the Policy and Resources Committee.

The University has no pre-determined restrictions on sources of funding with any consideration of suitability of potential lenders being carried out at the time of approval.

The University has no pre-determined requirements on the mix between fixed and variable rates of interest. The suitability of the mix will be reviewed at the time of approval and should bear in mind market expectations and future cash requirements; the costs of doing so should be related to the need to spread the risk through a balanced portfolio.

## **9.6 HEFCE borrowing limits**

The University shall obtain prior written HEFCE consent before it undertakes such a level of borrowing that the Annualised Servicing Cost (ASC) of all long-term borrowing exceeds a threshold of 4 per cent (or such higher level permitted by HEFCE) of total income as reported in the latest audited financial statements, or the estimated amount for the current year if that is lower. The ASC is the capital repayments and total interest costs spread evenly over the period of the borrowing. In assessing total long-term borrowing and total income, all inherited debt that is fully reimbursed by HEFCE, and all such reimbursements shall be ignored.

## **9.7 Short-term bBorrowing**

The University shall obtain prior written consent from HEFCE before its negative net cash or cash equivalents, as determined on a cash book basis and as defined in FRS 1: Cash Flow Statements, exceeds the lower of 5 per cent of total income or £2M.

### 9.8 Late repayment penalties

The Executive Director of Finance shall confirm in writing with the University's bankers that arrangements are in place to ensure the prompt repayment of loans to avoid any penalties that form part of the loan agreement.

### 9.9 Cash and ~~c~~Cheque and electronic rReceipts

The current single cash transaction limit for the University is the sterling equivalent of €15,000, translated at the most recent rate published by the Financial Times. This is to comply with the Money Laundering Regulations 2003.

All cheques or cash received shall be paid to the cashier with the minimum of delay.

The Executive Director of Finance shall agree with an Executive Dean or Head of Support Department the arrangements under which the Faculty or Support Department may receive cash ~~and~~ cheques and other receipts. These arrangements shall ensure that:

- (a) The cash and cheques shall be paid to the cashier at the earliest possible opportunity in their entirety.
- (b) They shall not be used to cash any cheques or pay any item of expenditure:
- (b) no monies other than petty cash floats shall be held in Faculties/Support Departments except as authorised by the Executive Director of Finance;
- (c) Faculties and Support Departments which are authorised to receive cash and cheques shall keep proper records in the form specified by the Executive Director of Finance.

The Executive Director of Finance shall make arrangements for receiving cash and cheques. They shall ensure that:

- (a) every sum of cash received shall be immediately acknowledged by the issue of an official receipt with the exception of cheques, where receipts should only be issued for cheques from students;

The Executive Director of Finance shall determine the form and serial numbering of all official orders, receipts, books and tickets of value etc., and shall:

- (a) control their issue to Faculties and Support Departments;
- (b) ensure that all receipts and issues are properly recorded.

### 9.10 Catering Cash Receipts

All catering and residence cash takings received by the Department of Residential and Catering Services ~~Estates~~ and the National Bakery School shall be:

- (a) recorded through Faculty and Departmental tills and verified by appropriate till readings. In the case of University controlled vending machines, the readings shall be supported by sales control sheets;

- (b) paid directly to the Finance Department or an officially nominated collection agent. All takings shall be controlled and received in the manner prescribed by the Executive Director of Finance.

#### **9.11 Cash Collection procedures**

The Executive Director of Finance shall arrange for independent checks to be carried out at annual intervals of the cash collection procedures at each of the catering sites. The arrangements shall ensure that:

- (a) the checks are carried out by a designated member of the Finance Department;
- (b) a diary is kept with details of checks and the results;
- (c) a senior member of staff of the Finance Department reviews the checks and discusses any action to be taken with the Head of Residential and Catering Services and the Head of National Bakery School.

#### **9.12 Cheque Payments**

Cheque payment controls shall be maintained by the Purchase Ledger Supervisor.

- (a) The control shall be performed before each cheque run.
- (b) The cheque pre-list shall be authorised by the Executive Director of Finance or a nominated deputy.
- (c) The cheque stationery shall be kept in a secure place at all times, and proper controls maintained on the use of cheque stationery.
- (d) The number of cheques signed shall be checked against the meter reading on the cheque signing machine, and verified by a designated member of staff within the Finance Department. The cheque signing machine shall be kept locked when not in use and in a secure place at all times.

At the discretion of the Executive Director of Finance payments may be made in advance to members of staff and students of the University in case of need.

#### **9.13 Non-University Monies**

The Executive Director of Finance may make arrangements from time to time, with the agreement of the Vice Chancellor or Pro Vice Chancellor (Academic) and Director of the Student Services, to handle monies that do not belong to the University. Examples are extra-departmental funds, and prize or scholarship funds.

In such cases, the Executive Director of Finance shall:

- (a) set up proper accounting arrangements;
- (b) make appropriate charges.

## **10 Petty cash**

### **10.1 Cash Floats**

The Finance Department shall make advances for defraying petty cash expenses to Faculty Administrative Officers or an authorised person in a Faculty/Support Department.

They shall:

- (a) sign a receipt for cash advance from the Finance Department;
- (b) be responsible for keeping the cash in a secure place;
- (c) keep an account of payments in the form required by the Executive Director of Finance;
- (d) be required to account for payments made and cash remaining at regular intervals.

### **10.2 Cash Payments**

The rules on payments are:

- (a) they are limited to minor items of expenditure up to a value of £50 per payee on one occasion;
- (b) requests for payments shall be supported by vouchers (with accompanying receipts) certified as correct by the Faculty Administrator Officer or authorised person in a Support Department/Faculty;
- (c) personal cheques shall not be cashed;
- (d) all vouchers shall be sent to the Finance Department with a claim for reimbursement at monthly intervals.

Because of the trading nature of catering and residences, reimbursement of petty cash may on occasions be required more often.

Petty cash accounts shall record:

- (a) advances and reimbursements from the Executive Director of Finance;
- (b) payments.

No cash received other than advances and reimbursements shall be paid into these accounts.

### **10.3 Year end certification of petty cash**

All petty cash holders are required to certify the balance on their respective floats at the financial year end of 31 July. The cash office of the finance department may carry out spot checks to ensure the amounts certified are correct.

## 11 Investments

### 11.1 Policy

The ~~Board of Governors~~[Policy and Resources Committee](#) shall be responsible for establishing an investment policy for the University.

The Executive Director of Finance shall be responsible for:

- (a) implementing the policy;
- (b) deciding how to allocate funds between short-term deposits and longer term investments, in the light of cash flow forecasts.

### 11.2 Short-Term Deposits

The Executive Director of Finance shall be authorised to place cash on deposit for periods not exceeding six months. He/she shall:

- (a) seek to maximise the return from deposits to the University, consistent with the avoidance of risk to the principal;
- (b) review the investment on a daily basis in the light of interest rate changes;
- (c) maintain a record of such deposit;
- (d) present a monthly report to the Vice Chancellor on the state of deposits and the income earned/accrued;
- (e) prepare longer term cash flow forecasts to assist the management of the University's cash assets.

### 11.3 Investment Of Surplus and Trust Funds

The long-term investments of the University shall be determined by the ~~Vice Chancellor~~[Executive Director of Finance](#) in accordance with the policies determined by the ~~Board~~[Policy and Resources Committee](#) on the basis of professional advice. The following rules shall apply:

- (a) all investments shall be in the name of the University or its nominees;
- (b) trust funds shall be invested in a manner authorised by the ~~Charitable Funds Sub-Committee~~[Policy and Resources Committee](#).
- (c) all investments shall be reviewed on a monthly basis;
- (d) the Executive Director of Finance shall maintain a register of all investments.

### 11.4 Types of investment permitted

The investments may be made in:

- (a) UK stocks listed on the London Stock Exchange and debentures;
- (b) Government securities;
- (b) unit trusts;
- (d) major UK Banks;

- (e) major UK Building Societies;
- (f) UK Local Authorities;
- (f) other institutions rated as triple A.

### 11.5 Charitable funds investment strategy

The ~~current charitable funds~~ investment strategy ~~was shall be~~ approved by the ~~Board of Governors~~Policy and Resources Committee in 2007. The current strategy is that

- ~~That~~ the target income should be expressed in monetary terms and should be set at £20,000. This target to be achieved to within a 10% margin.
- ~~That~~ the Fund Manager should be permitted to invest up to 7 – 8% of the portfolio in overseas equities. It is expected that this would be in multinational European or North American securities.
- The capital growth target to exceed the Wood MacKenzie index by 1%.

## 12 Insurance

### 12.1 Cover

The University Secretary and Clerk to the Board of Governors and the Executive Director of Finance shall ensure that:

- (a) Appropriate insurance cover is provided for all aspects of the University's activities;
- (b) The University's insurance portfolio is reviewed annually in consultation with the University's brokers; after the [Board of Governors Policy and Resources Committee](#) have approved the proposed terms; and shall negotiate all claims with the University's brokers.

### 12.2 Tendering for insurance contracts

The contract for brokerage services (or for direct insurance services, if a broker is not used) shall be put out to open tender every five years.

### 12.3 Cover required

The insurance cover shall include:

Buildings (all risks)  
Contents of buildings (all risks)  
Public liability  
Employer's liability  
Fidelity guarantee  
Professional indemnity  
Cheque signing indemnity  
Personal accident (assault)  
Travel / personal accident (UK and overseas)  
Engineering equipment  
Computers  
Deterioration of stock  
Motor fleet  
All risks of radioisotopes  
Governors' liability  
Playgroup activity  
Directors and Officers Liability  
and any other that, in the opinion of the [Board of Governors Policy and Resources Committee](#), is appropriate.

Heads of Faculties and Support Departments shall review the Faculty's or Support Department's activities and advise the Secretary and Executive Director of Finance if in their opinion a material risk not covered by insurance is being incurred.

### 12.4 Claims and Incident Reports

Heads of Faculties and Support Departments shall, as a matter of urgency, notify fires, accidents or other incidents which might give rise to an insurance claim to:

The Vice-Chancellor  
The University Secretary  
~~and The~~ Executive Director of Finance

The report should give as much information as possible to include in particular:

- (a) a detailed description of the incident, its time and cause (if known);



- (b) practical consequences - particularly details of any interim measures required to cope with affect of the incident;
- (c) financial consequences, if assessable in advance of insurance appraisal.

The University Secretary and Executive Director of Finance shall:

- (a) verify the insurance of any incidents which may give rise to a claim;
- (b) submit a full claim where appropriate.

In instances where members of staff may incur loss of or damage to personal possessions and where the University has no insurance cover or responsibility, claims may be considered in very exceptional circumstances provided that full details, in writing, to the University Secretary and Executive Director of Finance and support is given by the member of staff's Senior Line Manager.

## **13 Contracts**

### **13.1 Signature under Seal**

The Common Seal shall only be used on the authority of the Board of Governors. Every instrument to which the seal shall be affixed shall be signed by a Governor and shall be countersigned by either the University Secretary & Clerk to the Board, a second governor or by some other person appointed by the Board of Governors for that purpose - see below. A register shall be maintained and the use of the Common Seal reported to the Board of Governors.

Other persons who have been authorised by the Board of Governors to sign contracts under Seal are:

| – [Vice Chancellor](#)  
Pro Vice Chancellors  
Executive Director of Finance  
| ~~Vice Chancellor~~

### **13.2 Signature of Employment Contracts**

| The signatories authorised by the Board of Governors to sign contracts of employment are as in ~~164.1~~ plus the Director of Human Resources and Deputy Head of Human Resources.

### **13.3 Signature of Other Contracts**

The following persons are authorised to sign other contracts on behalf of the University:

Vice Chancellor  
Pro Vice Chancellors  
| [Executive Director of Finance.](#)  
University Secretary & Clerk to the Board of Governors  
| ~~Executive Director of Finance.~~  
Head of Procurement (£50,000 and under)

### **13.4 Disclosure of Beneficial Interest**

A member of staff who has a beneficial financial or any other interest, whether direct or indirect, in any contract between the University and a third party shall disclose that interest to the Head of Faculty/Support Department and to the Executive Director of Finance. A record of the interest will be entered in the Register of Interests held by the Secretary.

### **13.5 Content of Contracts**

Every contract issued by the University shall use the appropriate standard contract documentation. Copies of all standard contract documentation are available from the Corporate Procurement Manager. The advice of the Corporate Procurement Manager should be sought if any amendments are required to the standard documentation.

The Contracts (Rights of Third parties) Act 1999 came into force on 11 May 2000. It applies to all contracts made on or after this date in England, Wales and Northern Ireland. The Act gives third parties named in contracts, or expressed to benefit from them, the right to sue under those contracts. The majority of contracts entered into by the University will exclude this right as far as possible. This exclusion is incorporated into the University's standard contract documentation. Where, in a particular case, the parties to a contract are considering conferring a benefit on one or more third parties, advice must be sought from the University Secretary/Corporate Procurement Manager as to the implications of any such arrangement, before entering into negotiations with any of the other parties that may be involved in the proposed contractual arrangements.

All contract documentation must be approved by the Corporate Procurement Manager prior to signature.

### **13.6 Copies of Contracts**

The University Secretary shall hold:

- (a) copies of all contracts with a value of over £50,000;
- (b) all titles, deeds and lease agreements.

### **13.7 Contract Performance**

Holders of letters of delegated authority must ensure that all expenditure contracts within their budget area have a contract owner responsible for monitoring performance through regular meetings with the contractor. Reports of any discrepancy or failure must be completed. Corporate Procurement advice should be sought in order to assist in the management of poor contract performance and emerging risks.

## Appendices

Appendix A      Fraud response plan

|      ~~Appendix B: Anti Bribery Policy~~

|      Appendix BC:      The Seven Principles of Public Life

|      Appendix CD:      Specific regulations relating to (SBUEL)

|      Appendix DE:      List of Associated Documents

## Appendix A

### 1. Fraud Response plan

When an incidence of fraud is identified, there is an immediate need to safeguard assets, recover losses and secure evidence for legal and disciplinary processes. In order to meet these objectives, the University has a fraud response plan. Staff and students are required to act in accordance with the fraud response plan.

If a member of staff discovers or suspects a fraud, theft, corruption or other financial irregularity, they must immediately inform their Executive Dean or Head of Support Department and the Executive Director of Finance. Failure to do so will result in disciplinary action. The Executive Director of Finance will instigate the following response:

- Take action to mitigate the potential loss to the University
- Immediately inform the Vice Chancellor, the University Secretary, the Internal Audit manager and The University's Employee and Officers insurers.
- Initiate an investigation. The scope of this investigation should be agreed with the Vice Chancellor and the University Secretary. The Internal Auditors should undertake the investigation.
- Decide immediately whether or not to treat this incident as a criminal investigation and involve the police and/or accredited fraud investigators
- Take steps to prevent a recurrence of such an irregularity or breach of internal controls.

#### If a fraud is significant:

- The chair of the Audit Committee, the Chair of the Board of Governors and the University's HEFCE accounting officer should also be informed (The Accountability and Audit: HEFCE Code of Practice, which flows from the HEFCE Financial Memorandum, contains a mandatory requirement that any significant fraud must be reported to the HEFCE Accounting Officer)
- The Chair of Audit Committee will decide if he wants to convene and extraordinary meeting of Audit Committee to consider action already taken, or proposed to be taken.

#### A significant fraud is one where:

- The sums of money involved are significant
- The fraud involves senior officers of the University
- The particulars of the fraud or irregularity are novel, unusual or complex
- There is likely to be public interest because of the nature of the fraud or irregularity, or the people involved.

In the event of a suspected fraud involving the Finance Department, the Vice Chancellor will initiate action. The Executive Director of Finance will not be involved in the subsequent investigations.

In the event of a suspected fraud involving the Vice Chancellor, the Executive Director of Finance will inform the Chair of the Board of Governors directly.

#### Investigation of a suspected fraud

The Executive Director of Finance, the University Secretary and the Internal Auditors must conduct an investigation on a timely basis, observing the principles of natural justice and preserving confidentiality.

All staff must cooperate in an investigation or action to mitigate loss and must observe reasonable expectations of confidentiality.

The Vice Chancellor may take action during the investigation against any member of staff who is potentially implicated in the suspected fraud. This action may include:

- Temporary suspension from duty
- Denial of access to University buildings and computer networks

### **Result of investigation**

In the event that an allegation is substantiated, the action taken by the Vice Chancellor as a consequence will be recorded in writing. Such action should be proportionate to the allegation but may include:

- Temporary suspension from duty
- Denial of access to University buildings and computer networks
- Summary dismissal or dismissal under notice
- Notification of the police
- Notification of other parties likely to be affected
- Restitution by the perpetrator
- Other disciplinary procedures

### **Appendix A**

#### **Fraud Response Plan**

#### **Reporting of a suspected fraud, theft, corruption or other financial irregularity**

~~If a member of staff discovers or suspects a fraud, theft, corruption or other financial irregularity, they must immediately inform their Executive Dean or Head of Support Department and the Executive Director of Finance. Failure to do so will result in disciplinary action. The Executive Director of Finance will instigate the following response:~~

~~Take action to mitigate the potential loss to the University~~

~~Immediately inform the Vice Chancellor, the University Secretary, the Internal Audit manager and The University's Employee and Officers insurers. If the fraud is significant (see below for definition), the Chair of the Audit Committee, the Chair of the Board of Governors and The University's HEFCE accounting officer should also be informed.~~

~~Initiate an investigation. The scope of this investigation should be agreed with the Vice Chancellor and the University Secretary. The Internal Auditors should undertake the investigation.~~

~~Decide immediately whether or not to treat this incident as a criminal investigation and involve the police and/or accredited fraud investigators~~

~~Take steps to prevent a recurrence of such an irregularity or breach of internal controls.~~

~~A significant fraud is one where:~~

~~The sums of money involved are significant~~

~~The particulars of the fraud or irregularity are novel, unusual or complex~~

~~There is likely to be public interest because of the nature of the fraud or irregularity, or the people involved.~~

~~In the event of a suspected fraud involving the Finance Department, the Vice Chancellor will initiate action. The Executive Director of Finance will not be involved in the subsequent investigations.~~

~~In the event of a suspected fraud involving the Vice Chancellor, the Executive Director of Finance will inform the Chair of the Board of Governors directly.~~

## **Investigation of a suspected fraud, theft, corruption or other financial irregularity**

The Executive Director of Finance, the University Secretary and the Internal Auditors must conduct an investigation on a timely basis, observing the principles of natural justice and preserving confidentiality.

All staff must cooperate in an investigation or action to mitigate loss and must observe reasonable expectations of confidentiality.

The Vice Chancellor may take action during the investigation against any member of staff who is potentially implicated in the suspected fraud. This action may include:

Temporary suspension from duty

Denial of access to University buildings and computer networks.**Result of the investigation**

In the event that an allegation is **substantiated**, the action taken by the Vice Chancellor as a consequence will be recorded in writing. Such action should be proportionate to the allegation but may include: —

- temporary suspension from duty
- denying access to the University and its facilities
- summary dismissal or dismissal under notice
- notification to police
- notification to other parties likely to be affected
- restitution by the perpetrator
- other disciplinary procedures.

(It is *not* intended that this list shall be construed as exhaustive).

— Under normal circumstances, all reports of fraud will be reported to the next scheduled meeting of the Audit Committee. In instances of sufficient import (involving senior officers of the University or sums of £10k or more), the Audit Committee will be informed and an extraordinary meeting of Audit Committee may be convened to consider action already taken, or proposed to be taken. The form of report to be made to Audit Committee will normally be written, but in the event that it is not it will be recorded in the written form in due course.

The Accountability and Audit: HEFCE Code of Practice, which flows from the HEFCE Financial Memorandum, contains a mandatory requirement that any significant fraud must be reported to the HEFCE Accounting Officer.

## **Appendix B:**

### **1. Anti-bribery policy**

~~London South Bank University is committed to acting in accordance with the highest ethical and legal standards. The integrity of our staff, and those with whom we do business, is critical to our success. The Board of Governors must ensure that LSBU observes high standards of openness and transparency and exercise rigorous stewardship of public money.~~

~~LSBU has zero-tolerance to bribery and corruption. LSBU is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates.~~

~~LSBU's Anti-bribery code of conduct (see below) reflects our commitment to uphold all laws to counter bribery and corruption in all the countries in which we operate. In particular, we are committed to compliance with the Bribery Act 2010, in respect of our conduct both at home and abroad.~~

### **2. What is bribery?**

~~2.1. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.~~

### **3. Who the policy applies to**

~~3.1 — Under the Bribery Act, LSBU may be prosecuted for an offence if a person associated with it bribes another person, intending to obtain or retain business or a business advantage for LSBU. It is a defence for LSBU to show that it has "adequate procedures" in place to prevent persons associated with the university from bribing. A person is associated with LSBU if they perform services for or on behalf of LSBU and includes employees, subsidiaries, agents or sub-contractors.~~

~~3.2 This policy applies to all people or companies working for LSBU at all levels, including all employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, casual staff and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as "staff" in this policy).~~

## **Code of Conduct**

### **4. Gifts and hospitality**

~~4.1 The LSBU gifts and hospitality policy should be read in conjunction with this policy as in some circumstances unreasonable or disproportionate gifts or hospitality may be used as bribes.~~

### **5. Facilitation payments**

~~5.1 Facilitation payments are typically small, unofficial payments made to secure or expedite a routine or necessary government action by a government official, when we have already paid for, or are entitled to, that action. Under Sections 1 and 6 of the Bribery Act 2010, bribes and facilitation payments are illegal and the offer of any of these forms of payments in any of the countries in which we operate is against LSBU policy.~~

~~5.2 If you are asked to make a payment on LSBU's behalf, you should immediately discuss this with your line manager or the University Solicitor or the Head of Procurement.~~

### **6. Donations**



~~6.1 LSBU does not make contributions to political parties. LSBU will only make charitable donations if approved by the executive or the board of governors (depending on the amount) and if the donation is in line with LSBU's own charitable objects.~~

### ~~7. Fundraising~~

~~7.1 Bona fide fundraising is a legitimate and appropriate activity for LSBU. The gifts acceptance policy must be observed by any staff or volunteers involved in fundraising. (N.B. the gifts acceptance policy is under review and due for approval by executive in spring 2012 then P&R and board).~~

### ~~8. Your responsibilities~~

~~8.1 You must ensure that you read, understand and comply with this Policy.~~

~~8.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All staff are required to avoid any activity that might lead to, or suggest, a breach of this Policy.~~

~~8.3 You must notify your line manager, University Solicitor or LSBU Speak up contact as soon as possible if you believe or suspect that a conflict with this Policy has occurred, or may occur in the future.~~

~~8.4 Any employee who breaches this policy may face disciplinary action, which could result in dismissal for gross misconduct.~~

### ~~7. Record-keeping~~

~~7.1 In accordance with the Financial Regulations and the Gifts & Hospitality Policy, financial records must be kept and appropriate internal controls must be put in place which will evidence the business reason for making payments to third parties.~~

### ~~8. What to do if you have a specific concern about bribery~~

~~8.1 All staff are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery, or if you have any other queries, these should be raised with your line manager OR the University Solicitor. Concerns should be reported by following the procedure set out in LSBU speak up policy.~~

### ~~9. What to do if you discover that bribery has taken place~~

~~Under the Financial Regulations, you should report anything that you believe to be a bribe immediately to the Executive Director of Finance.~~

### ~~10. Training and communication~~

~~10.1 Anti-Bribery Training on this policy is available via the LSBU staff gateway.~~

~~10.2 LSBU's zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and continuing.~~

~~Approved by the Executive on 8th November 2011~~

~~Approved by the Policy & Resources Committee on 10th November 2011~~

~~Approved by the Board of Governors on 24th November 2011~~

## **Potential risk scenarios: "red flags"**

The following is a list of possible red flags that may arise during the course of your work and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive.

If you encounter any of these red flags while working for us, you must report them promptly to your line manager OR to the University Solicitor OR under the LSBU speak up policy:

you become aware that a third party engages in, or has been accused of engaging in, improper business practices;

you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;

a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;

(d) — a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;

(e) — a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;

(f) — a third party requests an unexpected additional fee or commission to "facilitate" a service;

(g) — a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;

(h) — a third party requests that a payment is made to "overlook" potential legal violations;

(i) — a third party requests that you provide employment or some other advantage to a friend or relative;

(j) — you receive an invoice from a third party that appears to be non-standard or customised;

(k) a third party insists on the use of side letters or refuses to put terms agreed in writing;

(l) — you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;

(m) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;

(n) — you are offered an unusually generous gift or offered lavish hospitality by a third party.

## | Appendix [BC](#)

The seven principles of public life from the report of the committee for standards in public life (The Nolan report).

### **Selflessness**

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

### **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### **Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

Holders of public office should promote and support these principles by leadership and example.

## Appendix CD – Specific procedures relating to SBUEL

University Regulations apply to the subsidiary company, SBUEL, with separate financial procedures covering the following areas:

Area	Section in these regulations
1. Expenditure	Paragraph 9.1 - 9.6
<a href="#">2. Travel, subsistence and Expenses Policy</a>	<a href="#">University Travel, Subsistence and Expenses Policy</a>
<del>2.3.</del> Delegated authorities	Letters of delegated authority
<del>3.4.</del> HR policies	Paragraphs 8.1-8.13

Changes to these financial procedures relating to SBUEL will be approved by the SBUEL board. A Statement of Governance was approved by the LSBU board on 19<sup>th</sup> July 2012.

The board of SBUEL will consider an annual budget for the Company, which will be approved by the LSBU board as part of the overall University budget approval process. Performance against budget will be reviewed by Policy and Resources Committee and the main board as part of the monthly management accounts

The Director of Enterprise is responsible for maintaining a risk register and the SBUEL board should consider this at its board meetings. Any Significant risks should be escalated to the LSBU Executive for future consideration and inclusion in the LSBU corporate risk register.

## Appendix [DE](#)

### Associated documents:

**The following documents and procedures support these Financial Regulations and are available on the Staff Intranet or from the Finance Department:**

Letter of delegated authority [2013](#)  
Travel and Expense policy  
VAT Guidance  
VAT exemption form for medical research expenditure  
VAT exemption form for Advertising expenditure  
Purchasing card guide  
Code of ethics relating to procurement  
Capitalization guidance notes  
Faculty/Department managers guide to contract management  
Tuition fee regulations  
Manual payment procedures  
Gifts and Hospitality Policy  
Anti Fraud Policy  
[Speak Up Policy](#)  
[Risk Policy](#)  
[Procurement Tendering Policy](#)  
SBUEL Governance statement  
SBUEL Letter of delegated authority  
SBUEL Expenditure procedures  
SBUEL HR procedures  
[Anti Bribery Policy](#)

	PAPER NO: PR.28(13)	
Board/Committee:	Policy & Resources Committee	
Date:	3 July 2013	
Paper title:	Corporate Key Performance Indicators (KPI) report	
Author:	John Baker, Corporate & Business Planning Manager	
Executive sponsor:	Martin Earwicker, Vice Chancellor & Chief Executive	
<b>Recommendation by the Executive:</b>	The Executive recommends that the Policy and Resources Committee note the report.	
Aspect of Corporate Plan this will help deliver?	The corporate KPIs are directly aligned with the Corporate Plan and allow for the monitoring of targets for the university that have been set in the Corporate Plan.	
Matter previously considered by:	P&R Committee	On: 7 <sup>th</sup> May 2013
Further approval required?	n/a	On:
Communications – who should be made aware of the decision?	n/a	

### **Executive summary**

Since the May P&R Committee meeting, the report has been updated to reflect the latest KPI information in the 12/13 reporting cycle.

The Finance section has been updated with forecast figures from the management accounts.

The Guardian league table has been published in two iterations, and #s 22 & 25-7 have been updated according to the later version. These show a decrease relative to the 2011/12 results.

P&R is requested to please note the Key Performance Indicator report.

### **Attachments:**

1. Corporate Key Performance Indicators report

## LSBU Corporate Key Performance Indicators (2010/11 - 2012/13)

Report date: 12/06/2013

### Financial Sustainability (Check all targets with RF)

KPI	2010/11 Actual	2011/12 Actual	2012/13 (Target)	Current Performance (RAG)	YoY up down
<b>Student Numbers &amp; Contracts</b>					
1 Recruitment against HEFCE contract	Within tolerance band	Within tolerance <i>(prediction)</i>	Within tolerance band	Within tolerance <i>(prediction)</i>	➔
2 Recruitment against NHS contract	Within 5%	On target	+/-5%	On target	➔
3 International student income	£10.2m	£9.6m <i>(year end result)</i>	£9.2m	£8.6m <i>(may forecast)</i>	⬇
<b>Income</b>					
4 Total Income (£)	£144.0m	£138.7m <i>(year end result)</i>	£136.4m	£136.5 <i>(may forecast)</i>	⬇
5 Research (non-HEFCE) income (£)	£3.4m	£2.3m <i>(year end result)</i>	£2.0m	£2.1m <i>(may forecast)</i>	⬇
6 Enterprise income (£)	£8.5m	£9.2m <i>(year end result)</i>	£8.3m	£7.6m <i>(may forecast)</i>	⬇
<b>Surplus</b>					
7 Total Surplus (% of income)	7.0%	4.7% <i>(year end result)</i>	1.8%	3.06% <i>(may forecast)</i>	⬇
<b>Other Financial Indicators</b>					
8 Cash Balance (£)	£62.6m	£69.1m <i>(Year end result)</i>	£59.1m	£69.7 m	⬆
9 Gearing Ratio	0.34	0.31 <i>(Year end result)</i>	0.37	*due at year end	
10 Days liquidity	179	203 <i>(Year end result)</i>	137	*due at year end	

### The Student Experience

KPI	2010/11 (Actual)	2011/12 (Actual)	2012/13 (Target)	Current Performance (RAG)	
<b>Student Satisfaction</b>					
11 Overall Student Satisfaction - UG (NSS) *	77%	80% <i>(2011/12)</i>	90%	*due Nov	
12 Overall Student Satisfaction - PG	75%	78% <i>(2011/12)</i>	90%	*due Nov	
<b>Student Retention &amp; Progression</b>					
13 FTUG Year 1 Progression (%)	60%	63% <i>(2011/12)</i>	70%	*due Nov	
14 Graduating in intended period (FTUG 3/4yrs) (%)	53%	52% <i>(2011/12)</i>	65%	*due Nov	
<b>Value Added</b>					
15 Employment of graduates (DLHE return)* (Employed, or studying, or both)	82.4%	78.1% <i>(2010/11 cohort)</i>	90%	*due July	
16 No. of first degree students obtaining 1st or Upper 2nd class degrees *	52%	56% <i>(2011/12)</i>	60%	*due Nov	
17 No. of first degree students obtaining 1st or 2nd class degrees	89%	90% <i>(2011/12)</i>	80%	*due Nov	
<b>Resource Measures</b>					
18 Spend per student (£) * (Academic Services)	£841	£940 <i>(Complete UG 2013)</i>	£1,000	£900 <i>(CUG 2014)</i>	⬇
19 Spend per student (£) * (Services & Facilities)	£1,021	£1062 <i>(Times GUG 2012/13)</i>	£1,000	*due Sep	
20 Staff:student ratio *	23.3:1	22.4:1 <i>(2011 HESA)</i>	21:1	*due Sep	

### Brand Profile

KPI	2010/11 (Actual)	2011/12 (Actual)	2012/13 (Target)	Current Performance (RAG)	
<b>League Table Ranking</b>					
21 The Sunday Times	120 (of 121)	118 (of 122) <i>(2012 Table)</i>	Out of bottom 5	114 (of 122) <i>(2013 Table)</i>	⬆
22 The Guardian	100 (of 119)	104 (of 120) <i>(2013 Table)</i>	Out of bottom 5	113 (of 119) <i>(2014 Guide - June 13)</i>	⬇
23 The Complete University Guide	116 (of 116)	109 (of 116) <i>(2013 Table)</i>	Out of bottom 5	119 (of 124) <i>(2014 Table - April 13)</i>	⬇
24 The Times	113 (of 116)	111 (of 116) <i>(2012/13 Table)</i>	Out of bottom 5	*due Sep	
<b>Subject League Tables (The Guardian)</b>					
25 No. of subjects in top 75% nationally	5 (of 18)	5 (of 17) <i>(2012/13 Tables)</i>	5 (of 15)	3 (of 21)	⬇
26 No. of subjects in top 50% of post-1992	4 (of 18)	3 (of 17) <i>(2012/13 Tables)</i>	5 (of 15)	2 (of 21)	⬇
27 No. of subjects in top 50% of post-1992, London	6 (of 18)	3 (of 17) <i>(2012/13 Tables)</i>	5 (of 15)	4 (of 21)	⬆
<b>Student Perceptions</b>					
28 Early : late applications (% of FTUG enrolments arising from early/late applications)	75:25	74:26 (2011/12)	80:20	*due Nov	
29 Financial support from donors (cash received, £)	£2.5m	£1.5m (2011/12)	£1.6m	£1.35m <i>(2012/13 forecast)</i>	⬇
<b>Staff Perceptions</b>					
30 Staff Satisfaction survey participation	NEW	62%	70%	52%	⬇

\* Key league table measure

<b>KPI Notes: Measure Overview</b>	<b>Data date &amp; Source</b>	<b>Notes</b>
1-10 Financial performance	Nov to Sep: LSBU Management Accounts	Forecast data updated after each month end period Final figure provided after audit & year end in Sep.
<b>Student Satisfaction</b>		
11 Overall Student Satisfaction - UG (NSS)	Oct/Nov: Ipsos Mori National Student Survey	
12 Overall Student Satisfaction - PG	Oct/Nov: LSBU PG Taught Survey	
13 FTUG Year 1 Progression (%)	Oct/Nov: LSBU Cognos PAT Reports	
14 % Graduating in intended period (FTUG 3/4yrs)	Oct/Nov: LSBU Registry Analysis	
<b>Value Added</b>		
15 Employment of graduates (% Employed, Studying, or both)	June/July: Hefce DLHE survey	
16 No. of first degree students obtaining 1st or Upper 2nd class degrees *	Oct/Nov: LSBU Registry Analysis	
17 No. of first degree students obtaining 1st or 2nd class degrees	Oct/Nov: LSBU Registry Analysis	
<b>Resource Measures</b>		
18 Spend per student (£) * (Academic Services)	April/May: 'Complete University Guide'	
19 Spend per student (£) * (Services & Facilities)	June/July: Times 'Good University Guide'	
20 Staff:student ratio *	June/July: HESA data publication	
<b>League Table Ranking</b>		
21 The Sunday Times	September: The Sunday Times Newspaper	
22 The Guardian	June: The Guardian Newspaper	LSBU has moved down to 113 in the 2014 table & the total number of universities is now back to 119. Released 4 June 2013.
23 The Complete University Guide (formerly <i>The Independent</i> )	April: Complete University Guide website	LSBU is still outside the bottom 5, but # of institutions included has increased to 124 in the 2014 guide, released in April 13.
24 The Times	Sep: The Times Newspaper	
<b>Subject League Tables (The Guardian)</b>		
25 No. of subjects in top 75% nationally	June: The Guardian Newspaper	Top 75% in 'Nursing & Paramedical Studies', 'Social Work' and 'Sports Science'
26 No. of subjects in top 50% of post-1992	June: The Guardian Newspaper	Top 50% of post-1992 in 'Nursing & Paramedical Studies' & 'Sports Science'
27 No. of subjects in top 50% of post-1992, London	June: The Guardian Newspaper	Top 50% of post-1992, London in 'Architecture' 'Social Work' & 'Sports Science' & 'Nursing & Paramedical Studies'
<b>Student Perceptions</b>		
28 Early : late applications (% of FTUG enrolments arising from early/late applications)	Oct/Nov, Registry Analysis	
29 Financial support from donors (cash received, £)	Oct/Nov, Development Office	
<b>Staff Perceptions</b>		
30 Staff Satisfaction	Survey: May 2013 3rd Party	Result indicates the percentage of staff that took part in the survey



	PAPER NO: PR.29(13)	
Board/Committee:	Policy & Resources	
Date:	3 July 2013	
Paper title:	Management Accounts to 31 May 2013	
Author:	Ralph Sanders: Financial Planning Manager	
Executive sponsor:	Richard Flatman: Executive Director of Finance	
<b>Recommendation by the Executive:</b>	The Committee is requested to note the current financial position and full year outlook	
Aspect of the Corporate Plan to which this will help deliver?	Financial Performance	
Matter previously considered by:	Policy & Resources Committee	On: May 2013
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?		

### **Executive summary**

This paper provides an update on both the Management Accounts for the period ending 31 May 2013 and the forecast financial outlook for full year 2012/13.

As a result of changes in both the Undergraduate funding regime and the introduction of a new visa regime for overseas students, this year has been challenging in terms of recruitment for both this University and the wider sector. This was not unexpected and as previously reported, in addition to the baseline budget, the University reported 2 scenarios to the Board, 'Possible' and 'Pessimistic'. In terms of surplus the University is currently trending ahead of Scenario A with a forecast surplus of £4.2m.

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

## 2012 / 13 Budget

1. The original 2012/13 budget as presented to the P&R Committee assumed as a baseline that the University would achieve its student recruitment targets. It was however recognised that there was a high level of recruitment risk this year due to the introduction of a new funding regime for Home & EU Undergraduate students and the introduction of a new Tier 4 visa regime by the UK Border Agency during 2011/12.
2. The University recognised the risk in this year's recruitment cycle by outlining 2 potential alternative recruitment scenarios as follows:

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

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

## Revised Income Forecast

4. After the mid-year review, our forecast income from academic fees, after adjusting for fee waivers, had reduced by a net £6.7M compared with baseline budget. As previously indicated there was still an element of risk in our forecast due to assumptions about the number of students starting in the second semester.
5. In March 2013 we received notification from HEFCE in terms of our block grant settlement for 2012/13. This was £0.5M favourable compared to the expected position due to additional funding for better than expected level's of progression from 'old regime' undergraduate students. The faculty of Health has generated additional income particularly from CPPD contracts and the faculty of Business had some success particularly with additional Overseas Postgraduate recruitment and so our income forecast is now £136.9 for the year which places us ahead of scenario B.

6. There continues to be an element of risk in our income forecast particularly with regard to students withdrawing and we are active in our management of credit control to ensure that this due income is received. We are now fully provided with regard to fee waivers and are confident that our average fee for new regime undergraduate students will be just below £7,500

### Revised Surplus Forecast

7. Our income is £5.6M behind budget and that has a direct impact on the surplus that the University is now forecasting. Our surplus however is now trending towards £4.2M which is £3.0 M below target.
8. This represents a saving of £2.6M in expenditure compared to budget.
9. Given the risk still inherent within our income streams the University will continue to look for actions to improve our financial outturn but without impacting our long term gains in student retention and NSS scores.
10. These have included:
  - reducing the in year Investment fund from £3M to £2M (in previous years the investment fund was set at £1m for the year although it was increased this year to £3m. The level of funds committed YTD in 2012/13 is approximately £1.5m)
  - identifying immediate actions to capture savings in excess of £2M that will not impact the student experience.

Forecast Changes		£ 'M
Original Budgeted Surplus		£7.2
Reduction In Fee income	(£7.5)	
Increase in other income	£1.9	
Reduced investment fund	£1.0	
Other savings to date	£1.6	
Reforecast Surplus		£4.2

11. In terms of short term viability we are in a surplus position overall but recognise that this year's forecast level of surplus at 3.1% of income will not be enough to finance future capital investment and maintain our long term sustainability. As a result, our continuing focus is to identify actions that can be taken to generate savings or revenues that will not impact the student experience.
  
12. In the longer term, our focus will continue to be on other areas of income generation and on ensuring that our portfolio of programmes and courses is suitable for the emerging marketplace.

## May 2013 Executive Summary

This Executive Summary reports on the Financial position of London South Bank University as at May 2013 and summarises the changes since the April Forecast

1

The Full Year Forecast as of May 2013 continues to trend towards a contribution of £4.2M. This is broadly in line with the April Forecast and keeps us just ahead of the December 2012 Full Year Forecast which had a forecast surplus of £4M. The key drivers for the change in surplus this month are the release of additional funds from HEFCE for the National Scholarship Programme, an increase in Forecast income from the Faculty of Health & Social Care relating to CPPD income and an increase in forecasted Post Graduate income following a review within the faculty of Business. In terms of expenditure, we have increased our Bursary provision to ensure that Graduation Bursaries are fully provided for.

2 In terms of income, the University is £5.6M short of budget and this shortfall is driven by under recruitment particularly with regard to undergraduates. As per Appx 3B the shortfall against budget is £4.6M for Home / EU and £0.5M for Overseas undergraduates. There is also a significant shortfall against Home / EU Postgraduate income of £2.1M against budget. Overseas Postgraduate Income is ahead of budget after a review led by the Faculty of Business. Our Income forecast is now fairly robust since we have passed the final trigger point for SLC moneys for new regime students. The key potential impact on income will be the level of additional Fee Waivers required to keep our average UG Fee income below £7,500

3 The forecast reflects the commitment to the Board that we would look for opportunities across the organisation for increased revenue and potential savings, without reducing capability or NSS scores. The University is still trending towards savings against budget of £3.0M primarily driven by staff savings against budget and a reduction of £1M in our investment pot. The Staffing forecast in May represents an increase of just 0.5% against our 2011 /12 out turn. The monthly movement of £0.2M from exceptional represents investments from the investment pot that now appear in other budget lines

In order to ensure comparability with previous years, we are currently moving the fee waivers from the centre to the faculties. This will not impact the overall levels of profitability but may depress the % contribution. We are currently hold a remaining provision of £875k for new regime Fees. We have now confirmed with HEFCE the appropriate methodology for calculating the average fee and are confident that this provision will be adequate.

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

Financial Summary in £'m					Monthly Move	11 / 12			12 / 13			variance to YTD Budget
	11 / 12 Actual	12/13 Budget	Apr 12 / 13 FYF	variance to Budget		Actual YTD	Budget YTD	Actual YTD	variance to Budget			
Funding Council Grant	45.4	33.2	34.2	1.0	0.4	36.3	27.7	28.7	1.0			
Academic Fees & Support Grants	74.7	92.3	85.0	-7.3	-0.1	70.2	87.5	81.1	-6.4			
Research Grants & Contracts	4.1	3.9	3.0	-0.9	0.0	3.5	3.3	2.6	-0.7			
Other Operating	13.9	12.7	13.9	1.1	0.1	11.0	11.1	12.3	1.3			
Endowments & Interest	0.7	0.3	0.4	0.1	0.0	0.4	0.3	0.4	0.1			
<b>Income</b>	<b>138.7</b>	<b>142.5</b>	<b>136.5</b>	<b>-6.0</b>	<b>0.4</b>	<b>121.4</b>	<b>129.7</b>	<b>125.1</b>	<b>-4.6</b>			
in £'m												
Staff Costs	74.9	77.4	75.4	2.0	-0.1	61.6	64.5	62.0	2.5			
Depreciation	8.0	8.7	8.0	0.7	-0.0	6.8	7.3	6.5	0.7			
Operating Expenses	42.3	40.9	41.5	-0.6	0.8	28.7	31.2	29.7	1.4			
Interest Payable	4.0	4.9	5.0	-0.0	0.0	3.4	4.1	3.0	1.1			
Exceptional Items	2.9	3.2	2.4	0.8	-0.2	0.0	2.6	0.0	2.6			
<b>Expenditure</b>	<b>132.2</b>	<b>135.3</b>	<b>132.3</b>	<b>3.0</b>	<b>0.4</b>	<b>100.4</b>	<b>109.7</b>	<b>101.3</b>	<b>8.4</b>			
<b>Surplus for the year</b>	<b>6.5</b>	<b>7.2</b>	<b>4.2</b>		<b>0.0</b>							
<b>Surplus as % of income</b>	<b>4.7%</b>	<b>5.1%</b>	<b>3.1%</b>			<b>82.2%</b>	<b>83.4%</b>	<b>82.4%</b>	<b>YTD % Staff Costs</b>			
<b>Staff cost as % of income</b>	<b>54.0%</b>	<b>54.3%</b>	<b>55.3%</b>			<b>67.7%</b>	<b>76.1%</b>	<b>70.4%</b>	<b>YTD % Opex</b>			

## 5 Risks and Contingencies

The Full Year Forecast contains a number of risks particularly with regard to old regime bursaries. We have made a provision of £2.7M for old regime bursaries and are confident that this amount will be adequate. In terms of additional contingencies, we are still holding a £0.5M Opex contingency, a restructuring provision of £1.5M and an FRS 17 contingency of £1M. In terms of the investment pot we have currently made revenue awards totalling £1.5M and have £500K remaining. This month, we have also taken a provision of £480K for bad

In terms of staff costs, these are currently running at 82.4% of forecast which is better than the position at the end of April 2012. In terms of operating expenses however, we have spent 70.4% of our full year forecast, this is significantly ahead of the same position last year where we had spent just 66.6% of our final year out turn at this point. We are currently monitoring expenditure to ensure that departments do not overspend against budget.

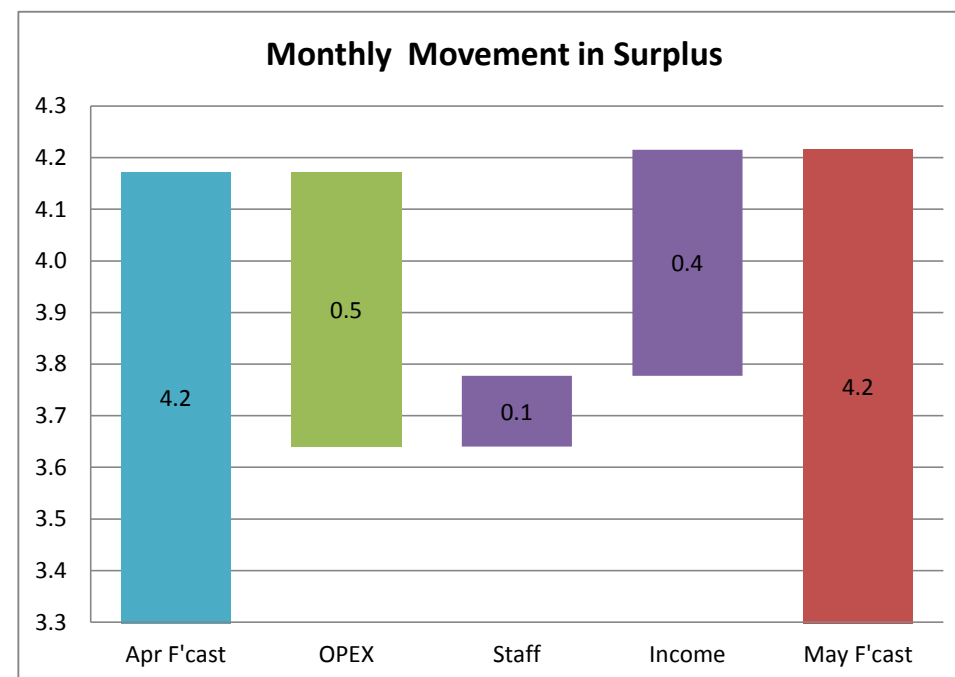
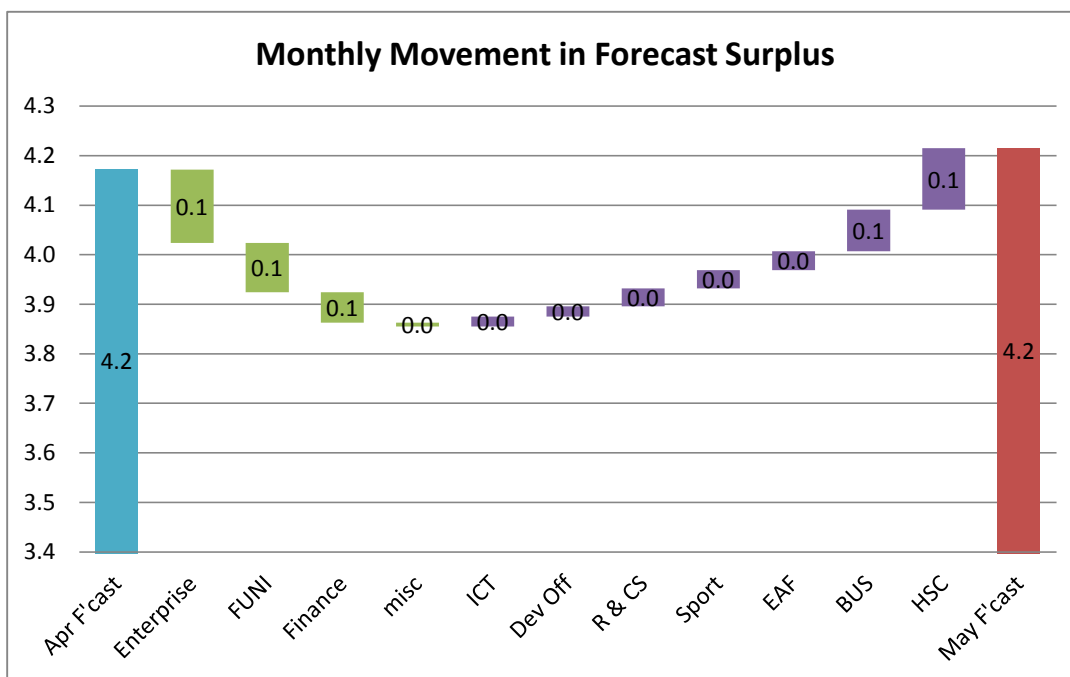
## 6 Academic Fees analysis

in £'m	11 / 12 Actual	12/13 Budget	Apr 12 / 13 FYF	Monthly Move	May 12 / 13 FYF	variance to Budget	in £'m	11 / 12 Actual	12/13 Budget	Apr 12 / 13 FYF	Monthly Move	May 12 / 13 FYF	variance to Budget
Home & EU Fees - UG	26.8	41.6	37.6	-0.5	37.0	-4.6	Overseas Fees - UG	6.4	5.8	5.4	0.0	5.4	-0.5
Home & EU Fees - PG	4.9	9.4	7.1	0.2	7.3	-2.1	Overseas Fees - PG	3.2	3.4	3.2	0.2	3.4	0.1
<b>Total Home &amp; EU Fees</b>	<b>31.8</b>	<b>51.0</b>	<b>44.7</b>	<b>-0.4</b>	<b>44.3</b>	<b>-6.7</b>	<b>Total Overseas Fees</b>	<b>9.6</b>	<b>9.2</b>	<b>8.6</b>	<b>0.2</b>	<b>8.8</b>	<b>-0.4</b>

Student numbers are included in Appendix 1. The University continues to decline in terms of student headcount, however in terms of Full Time Equivalents the numbers are broadly comparable with the 2011 / 12 out turn. This potentially represents a decline in the number of students studying on a part time basis and a switch towards a more full time mode of study.

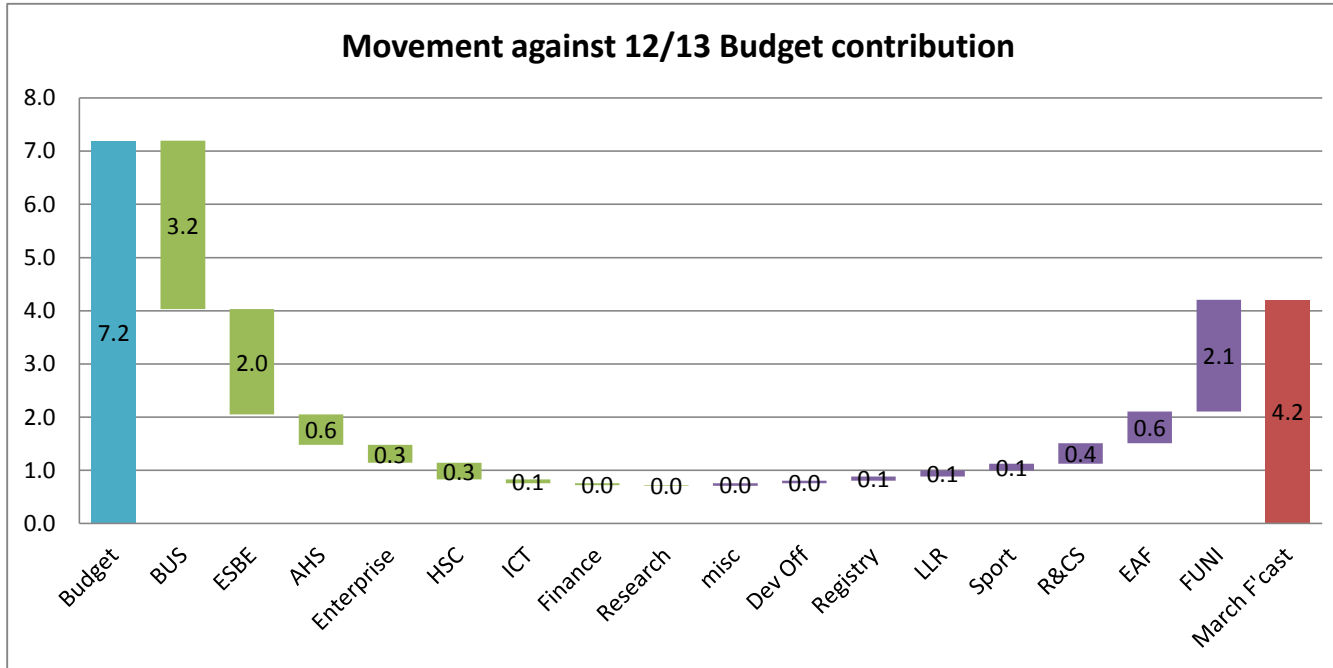
In terms of fees, the level of undergraduate income is skewed by the move to the new fee regime, in terms of postgraduates we are forecasting a 48% increase in the level of fees from Home and EU students as compared to the 2011 / 12 out turn. There is a slight increase in the level of post graduate fees from Overseas students and our overall level of Overseas income is approximately 8% down on our 2011 / 12 out turn. This decline is particularly marked in the faculty of Business.

## 7 Variance Analysis on surplus



With regard to the movement in this months surplus and with reference to Appx 4b the key driver for this months move is increasing income from the Faculties of Business and HSC, increased NSP income, reduced Enterprise Income and an increase in the provision of Bursary expenses within FUNI.

## 8 Contribution Analysis



Once we include the Fee Waivers held centrally, which should be charged to the faculties, the average Faculty contribution has remained steady year on year at 39% of income but has decreased by £800K compared to the 2011 / 12 outturn.

## Contribution by Faculty

	10 / 11 Actual	11 / 12 Actual	Jan 12 / 13 FYF
<b>AHS</b>			
Income	26.9	27.6	28.1
Expenditure	16.2	16.1	15.6
Contribution	10.7	11.5	12.6
	40%	42%	45%
<b>BUS</b>			
Income	24.5	22.3	21.8
Expenditure	15.8	14.2	13.6
Contribution	8.7	8.1	8.2
	36%	36%	37%
<b>ESBE</b>			
Income	35.5	33.5	34.4
Expenditure	23.1	21.9	22.1
Contribution	12.4	11.7	12.3
	35%	35%	36%
<b>HSC</b>			
Income	37.2	37.3	35.6
Expenditure	22.5	21.4	21.5
Contribution	14.7	15.9	14.1
	40%	43%	40%
<b>Total Income</b>	124.1	120.8	119.1
<b>Total Expenditure</b>	77.7	73.6	72.8
<b>Total Contribution</b>	46.5	47.2	46.4
	37%	39%	39%

LONDON SOUTH BANK UNIVERSITY / ENTERPRISES

Management Summary Report from August 2012 To The End Of May 2013

SMT Area: All

Cost Centre: %

REF MANSUM

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
			2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£) %		Note	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£) %		Note	
(138,741,166)	(121,365,970)	<b>Total Income</b>	(136,904,085)	(142,464,491)	(5,560,406)	(4%)		(125,086,473)	(129,720,096)	(4,633,623)	(4%)		(11,817,612)
74,910,667	61,564,679	<b>Total Staff Costs</b>	75,265,727	77,425,430	2,159,702	3%		62,038,575	64,537,179	2,498,604	4%		13,227,152
8,031,256	6,791,184	<b>Total Depreciation</b>	7,992,079	8,741,574	749,495	9%		6,530,564	7,268,141	737,577	10%		1,461,515
42,317,662	28,664,467	<b>Total Other Operating Expenses</b>	42,256,295	40,934,425	(1,321,870)	(3%)		29,747,827	31,169,522	1,421,694	5%		12,508,468
4,018,795	3,426,875	<b>Total Interest Payable</b>	4,953,157	4,942,262	(10,895)	(%)		3,015,285	4,118,552	1,103,266	27%		1,937,872
2,943,807	9	<b>Total Exceptional Items</b>	2,221,226	3,221,226	1,000,000	31%			2,591,414	2,591,414	100%		2,221,226
		<b>Total Internal Allocations</b>	228	635	407	64%		(3)	531	533	100%		231
(6,518,980)	(20,918,756)	<b>Contribution</b>	(4,215,373)	(7,198,940)	(2,983,567)	(41%)		(23,754,224)	(20,034,758)	3,719,466	19%		19,538,851
		Staff costs as % of income	55.0%	54.3%				49.6%	49.8%				
		Contribution %	3.1%	5.1%				19.0%	15.4%				



Management Summary Report from August 2012 To The End Of May 2013

SMT Area: All

Cost Centre %

REF MANSUM

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
			2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	%	Note	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£)		%	Note
(45,433,613)	(36,334,543)	Funding Grants	(34,574,502)	(33,196,788)	1,377,713	4%		(28,667,331)	(27,669,413)	997,918	4%		(5,907,171)
(27,714,759)	(23,156,480)	Health Contract	(27,490,124)	(28,009,016)	(518,892)	(2%)		(22,676,754)	(23,394,180)	(717,426)	(3%)		(4,813,370)
(26,838,677)	(26,927,314)	Home & EU Fees - UG	(37,037,369)	(41,615,952)	(4,578,583)	(11%)		(38,246,628)	(41,583,028)	(3,336,399)	(8%)		1,209,259
(4,935,801)	(4,952,051)	Home & EU Fees - PG	(7,296,293)	(9,412,300)	(2,116,007)	(22%)		(7,248,427)	(9,408,828)	(2,160,400)	(23%)		(47,866)
(5,607,536)	(5,633,769)	Other Fees	(4,179,114)	(4,049,052)	130,062	3%		(4,075,411)	(3,864,603)	210,808	5%		(103,703)
(6,371,577)	(6,378,042)	Overseas Fees - UG	(5,385,840)	(5,842,258)	(456,418)	(8%)		(5,397,037)	(5,842,258)	(445,221)	(8%)		11,197
(3,202,576)	(3,188,063)	Overseas Fees - PG	(3,435,436)	(3,368,079)	67,357	2%		(3,442,424)	(3,367,159)	75,264	2%		6,988
(4,067,302)	(3,456,590)	Research Grants & Contracts	(3,046,995)	(3,911,110)	(864,114)	(22%)		(2,608,771)	(3,259,091)	(650,320)	(20%)		(438,224)
(8,873,998)	(7,961,296)	Other Income - student related	(8,811,993)	(8,883,750)	(71,757)	(1%)		(8,143,596)	(8,097,675)	45,921	1%		(668,397)
(5,006,817)	(3,005,515)	Other Operating Income	(5,183,487)	(3,852,886)	1,330,601	35%		(4,170,290)	(2,965,061)	1,205,229	41%		(1,013,197)
(688,509)	(372,306)	Endowment Income & Interest Receivable	(462,931)	(323,300)	139,631	43%		(409,803)	(268,800)	141,003	52%		(53,128)
(138,741,166)	(121,365,970)	<b>Total Income</b>	(136,904,085)	(142,464,491)	(5,560,406)	(4%)		(125,086,473)	(129,720,096)	(4,633,623)	(4%)		(11,817,612)
39,230,655	32,104,244	Academic - Permanent staff	38,095,998	40,047,872	1,951,873	5%		31,505,106	33,434,247	1,929,140	6%		6,590,892
3,647,963	2,668,870	Academic - Temporary staff	3,586,355	3,267,138	(319,217)	(10%)		2,788,061	2,597,962	(190,099)	(7%)		798,294
		Interdepartmental Delivery staff	1	0	(1)	(833%)			0	0	(100%)		1
2,837,741	2,374,222	Technicians staff	2,740,207	2,823,940	83,733	3%		2,284,504	2,353,814	69,310	3%		455,703
25,931,564	21,755,276	Support - Permanent staff	27,086,197	28,839,103	1,752,905	6%		22,410,490	24,060,956	1,650,466	7%		4,675,707
523,883	381,384	Support - Temporary staff	500,482	574,685	74,203	13%		374,781	442,505	67,724	15%		125,701
2,738,862	2,280,683	Third party staff	3,256,486	1,872,692	(1,383,794)	(74%)		2,675,633	1,647,696	(1,027,937)	(62%)		580,853
74,910,667	61,564,679	<b>Total Staff Costs</b>	75,265,727	77,425,430	2,159,702	3%		62,038,575	64,537,179	2,498,604	4%		13,227,152
8,031,256	6,791,184	Depreciation	7,992,079	8,741,574	749,495	9%		6,530,564	7,268,141	737,577	10%		1,461,515
8,031,256	6,791,184	<b>Total Depreciation</b>	7,992,079	8,741,574	749,495	9%		6,530,564	7,268,141	737,577	10%		1,461,515
1,614,567	1,170,300	Staff Related	2,107,883	1,754,113	(353,770)	(20%)		1,848,507	1,494,684	(353,823)	(24%)		259,377
2,268,935	1,502,219	Marketing and PR	2,480,024	2,520,607	40,583	2%		1,947,232	2,138,847	191,615	9%		532,792
1,332,647	648,908	Student Recruitment	1,182,367	1,426,496	244,129	17%		545,811	1,154,406	608,595	53%		636,556
4,357,183	2,275,789	Bursaries and Scholarships	3,596,814	2,530,401	(1,066,413)	(42%)		1,881,688	1,357,535	(524,153)	(39%)		1,715,127
5,293,073	3,875,497	Student Related	5,956,586	5,822,870	(133,717)	(2%)		4,246,944	4,341,369	94,425	2%		1,709,643
713,974	545,743	Equipment	795,117	683,431	(111,687)	(16%)		616,410	574,223	(42,187)	(7%)		178,708
2,402,445	1,777,163	Computing	2,331,466	2,066,346	(265,121)	(13%)		1,875,330	1,736,547	(138,782)	(8%)		456,137
3,921,021	3,603,620	Utilities	3,543,693	3,612,161	68,468	2%		2,892,543	2,946,900	54,357	2%		651,151
7,825,502	4,009,605	Maintenance & Other Estate	7,329,323	7,211,798	(117,525)	(2%)		4,740,473	4,625,372	(115,101)	(2%)		2,588,850
4,439,259	3,666,644	Cleaning & Security	4,508,634	4,459,398	(49,236)	(1%)		3,696,994	3,658,882	(38,112)	(1%)		811,640
1,169,596	308,753	Financial	236,333	203,000	(33,333)	(16%)		(505,157)	173,500	678,657	391%		741,490
815,371	611,147	Communications	832,997	853,021	20,025	2%		739,866	709,420	(30,446)	(4%)		93,131
2,876,010	2,140,609	Legal & Professional	2,805,371	2,824,764	19,393	1%		2,234,809	2,081,931	(152,878)	(7%)		570,561
611,194	509,857	Subscriptions and Membership Fees	718,080	682,636	(35,444)	(5%)		548,114	555,929	7,814	1%		169,966
1,027,421	739,015	Photocopying and Stationery	1,026,648	979,196	(47,452)	(5%)		844,661	774,043	(70,618)	(9%)		181,987
1,649,464	1,224,772	Other	2,724,031	3,238,541	514,510	16%		1,593,997	2,733,703	1,139,706	42%		1,130,035
	54,825	Internal recharges	80,926	65,646	(15,280)	(23%)		(393)	112,233	112,626	100%		81,319
42,317,662	28,664,467	<b>Total Other Operating Expenses</b>	42,256,295	40,934,425	(1,321,870)	(3%)		29,747,827	31,169,522	1,421,694	5%		12,508,468
4,018,795	3,426,875	Interest Payable	4,953,157	4,942,262	(10,895)	(%)		3,015,285	4,118,552	1,103,266	27%		1,937,872
4,018,795	3,426,875	<b>Total Interest Payable</b>	4,953,157	4,942,262	(10,895)	(%)		3,015,285	4,118,552	1,103,266	27%		1,937,872
2,943,807	9	Exceptional Items	2,221,226	3,221,226	1,000,000	31%			2,591,414	2,591,414	100%		2,221,226
2,943,807	9	<b>Total Exceptional Items</b>	2,221,226	3,221,226	1,000,000	31%			2,591,414	2,591,414	100%		2,221,226
		Internal Allocations	228	635	407	64%		(3)	531	533	100%		231
		<b>Total Internal Allocations</b>	228	635	407	64%		(3)	531	533	100%		231
(6,518,980)	(20,918,756)	Contribution	(4,215,373)	(7,198,940)	(2,983,567)	(41%)		(23,754,224)	(20,034,758)	3,719,466	19%		19,538,851
		Staff costs as % of income	55.0%	54.3%				49.6%	49.8%				
		Contribution %	3.1%	5.1%				19.0%	15.4%				

## Student Numbers and Income Analysis (as at 31/05/2013)

### Student Head Count

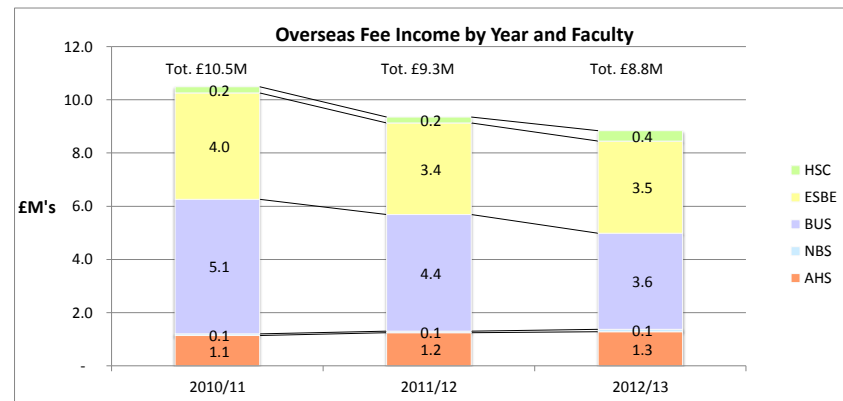
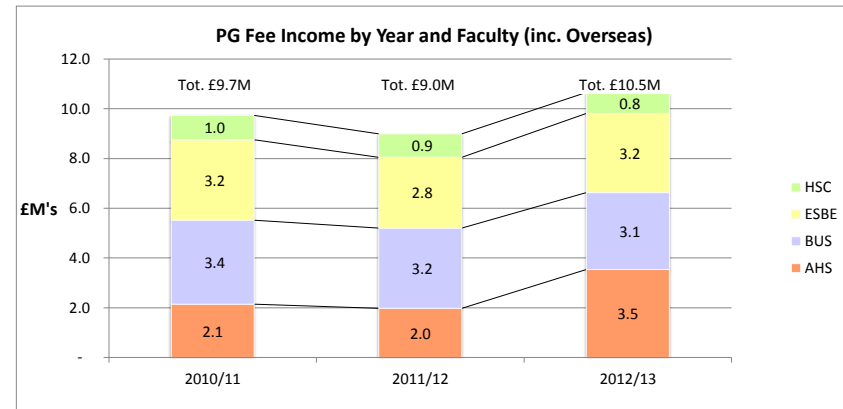
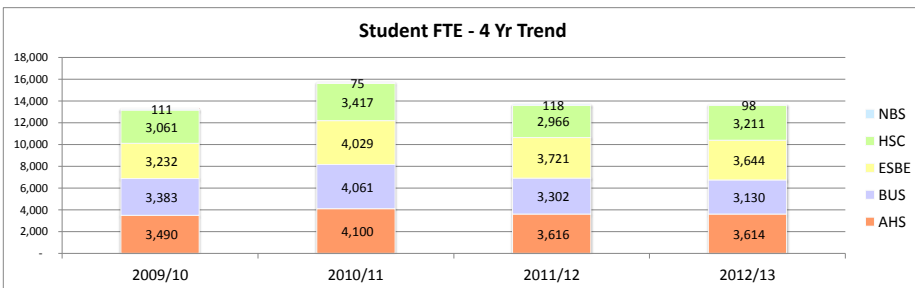
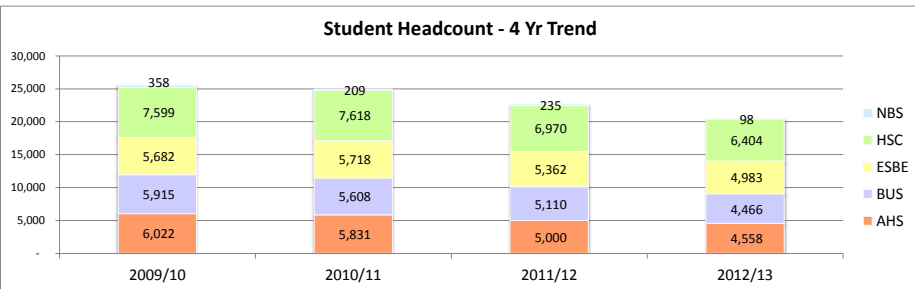
Status	Level/Mode	AHS	BNBS	BUS	ESBE	HSC	Total
Home/EU	UGFT	2,998	89	2,449	2,305	2,690	10,531
	UGPT	161	-	253	1,378	2,480	4,272
	PGFT	472	-	285	326	335	1,418
	PGPT	581	-	626	515	767	2,489
	<b>Total Home/EU</b>	<b>4,212</b>	<b>89</b>	<b>3,613</b>	<b>4,524</b>	<b>6,272</b>	<b>18,710</b>
Oseas	UGFT	149	9	425	271	20	874
	UGPT	3	-	8	9	83	103
	PGFT	106	-	380	154	16	656
	PGPT	88	-	40	25	13	166
	<b>Total Oseas</b>	<b>346</b>	<b>9</b>	<b>853</b>	<b>459</b>	<b>132</b>	<b>1,799</b>
<b>Total Student HCT</b>		<b>4,558</b>	<b>98</b>	<b>4,466</b>	<b>4,983</b>	<b>6,404</b>	<b>20,509</b>

### Student FTE

Status	Level/Mode	AHS	BNBS	BUS	ESBE	HSC	Total
Home/EU	UGFT	2,844	89	2,191	2,114	2,080	9,318
	UGPT	88	-	129	729	541	1,486
	PGFT	280	-	132	220	296	927
	PGPT	173	-	232	216	252	874
	<b>Total Home/EU</b>	<b>3,385</b>	<b>89</b>	<b>2,684</b>	<b>3,279</b>	<b>3,168</b>	<b>12,606</b>
Oseas	UGFT	106	9	236	248	18	616
	UGPT	1	-	3	3	7	13
	PGFT	92	-	196	105	14	407
	PGPT	30	-	11	9	5	55
	<b>Total Oseas</b>	<b>229</b>	<b>9</b>	<b>446</b>	<b>364</b>	<b>43</b>	<b>1,092</b>
<b>Total Student FTE</b>		<b>3,614</b>	<b>98</b>	<b>3,130</b>	<b>3,644</b>	<b>3,211</b>	<b>13,698</b>

### Student Income

Status	Level/Mode	AHS	BNBS	BUS	ESBE	HSC	Total
Home/EU	UGFT	£13.1	£0.5	£10.1	£10.1	£16.0	£49.7
	UGPT	£0.2	£0.0	£0.5	£2.5	£4.5	£7.7
	PGFT	£2.4	£0.0	£0.6	£1.1	£2.7	£6.8
	PGPT	£0.6	£0.0	£0.9	£0.9	£4.5	£6.9
	<b>Total Home/EU</b>	<b>£16.3</b>	<b>£0.5</b>	<b>£12.0</b>	<b>£14.6</b>	<b>£27.8</b>	<b>£71.2</b>
<b>NHS Contracts</b>						<b>£27.4</b>	<b>£27.4</b>
Oseas	UGFT	£0.8	£0.1	£2.0	£2.3	£0.0	£5.2
	UGPT	£0.0	£0.0	£0.0	£0.0	£0.1	£0.2
	PGFT	£0.5	£0.0	£1.6	£1.1	£0.1	£3.2
	PGPT	£0.0	£0.0	£0.0	£0.1	£0.0	£0.2
	<b>Total Oseas</b>	<b>£1.4</b>	<b>£0.1</b>	<b>£3.6</b>	<b>£3.4</b>	<b>£0.3</b>	<b>£8.8</b>
<b>income (£m)</b>		<b>£17.7</b>	<b>£0.6</b>	<b>£15.6</b>	<b>£18.1</b>	<b>£28.0</b>	<b>£80.0</b>



Sources: QLS report SNV09 dd 31 May 2013 & QLS Report SNV09 for full years 2010/11 & 2011/12

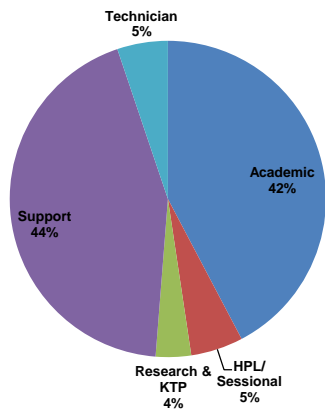
\*Including NHS contract income. CPD Split based on Student FTE's Data

Appdx 2 - Staff info

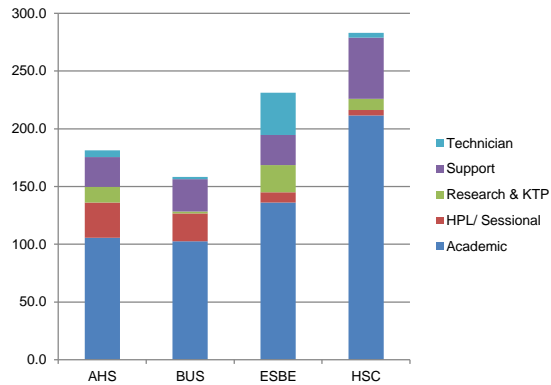
HR STAFF INFORMATION

Oracle Parent Organisation Name	Academic	HPL/ Sessional	Research & KTP	Support	Technician	TOTAL FTE by Staff Assignment/Contract										YonY Change	Prior Year May 2012
						May 2013	Apr 2013	Mar 2013	Feb-2013	Jan-2013	Dec-2012	Nov-2012	Oct-2012	Sep-2012			
Academic Quality and Development Office Department			0.1		6.4		6.5	6.4	8.4	8.4	8.4	8.5	8.5	8.4	8.4	- 1.9	8.4
Academy of Sport					15.1		15.1	15.1	16.1	17.0	17.9	17.9	18.9	18.2	18.2	- 2.9	17.9
Central Research Support Department					4.2		4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.3	- 0.1	4.3
Confucius Institute Department					3.0		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-	3.0
Development Office Department	1.0				6.8		7.8	7.8	7.8	6.8	6.8	6.8	6.8	6.8	5.8	0.8	7.0
Estates and Facilities					49.0		49.0	50.0	50.0	49.0	50.0	51.0	52.0	52.0	51.0	- 1.6	50.6
AHS	105.5	30.7	13.3	26.0	5.7	181.3	179.0	181.3	178.5	180.6	185.8	185.5	185.2	179.0	- 4.9	186.2	
BUS	102.6	24.2	1.6	28.0	2.0	158.3	157.5	158.3	158.8	165.2	163.8	163.3	166.5	170.5	- 17.7	176.0	
ESBE	136.0	9.1	23.4	26.2	36.6	231.3	231.1	229.7	230.6	229.1	230.3	229.5	227.7	224.1	- 2.4	233.6	
HSC	211.7	4.7	9.7	52.9	4.0	283.0	282.9	284.0	283.7	280.8	280.2	280.1	277.0	277.3	0.5	282.4	
Finance						49.3	50.1	50.7	51.2	46.2	46.2	46.2	46.2	48.2	- 1.9	51.2	
Human Resources						25.3	25.3	27.3	25.3	26.3	26.3	25.3	25.3	25.3	25.3	1.6	23.7
Information Communication Technology					43.8	20.6	64.4	65.4	66.4	67.0	65.7	66.3	66.3	63.3	61.7	- 1.3	65.7
International Office Department					15.0		15.0	15.0	15.0	14.0	14.0	14.0	14.0	14.0	14.0	2.0	13.0
Library & Learning Resources					69.9		69.9	69.2	66.7	66.2	66.7	66.3	65.9	65.3	63.9	4.4	65.5
Marketing and UK Recruitment					46.4		46.4	46.0	44.8	44.8	45.8	42.8	41.8	41.2	41.2	7.4	39.0
Registry					30.7		30.7	31.1	30.1	31.1	32.1	31.1	32.1	32.1	33.1	1.6	29.1
Residential and Catering Services					36.5		36.5	35.8	35.8	35.4	36.4	35.4	36.1	35.4	40.5	- 1.4	37.9
Student Services	2.5	2.4			27.1		32.0	32.2	31.9	32.7	34.4	33.7	34.7	33.7	35.7	2.0	30.0
University Enterprise					4.0		4.0	4.6	4.6	5.6	5.6	5.6	5.6	7.6	6.6	- 6.6	10.6
University Executive Department	2.0				6.0		8.0	7.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	0.5	8.5
University Secretary's Office Department					6.0		6.0	6.0	7.0	8.0	7.0	7.0	7.0	7.0	7.0	- 1.0	7.0
Academic Staff Development Unit Department	1.0				2.0		3.0	3.0									
<b>TOTAL LSBU STAFF FTE FOR ALL ABOVE:</b>	<b>562.3</b>	<b>71.2</b>	<b>48.0</b>	<b>579.5</b>	<b>68.9</b>	<b>1,329.9</b>	<b>1,328.1</b>	<b>1,331.5</b>	<b>1,330.7</b>	<b>1334.7</b>	<b>1334.7</b>	<b>1335.1</b>	<b>1328.6</b>	<b>1,327.2</b>	<b>-23.8</b>	<b>1,350.7</b>	
<b>YTD staff costs</b>	<b>31.5</b>	<b>2.8</b>	<b>2.4</b>	<b>22.8</b>	<b>2.3</b>												
<b>YTD staff costs</b>																	
<b>Annualised YTD staff costs in £m</b>	37.8	3.4	2.9	27.3	2.7	61.9	55.8	49.6	43.6	37.4	30.4	24.2	18.0	12.3			
<b>Average staff cost in £</b>	67,237	47,293	59,950	47,181	39,796	£55,872	£56,016	£55,869	£56,231	£55,985	£54,660	£54,425	£54,218	£55,504			
Data Source HR Establishment Reports																	

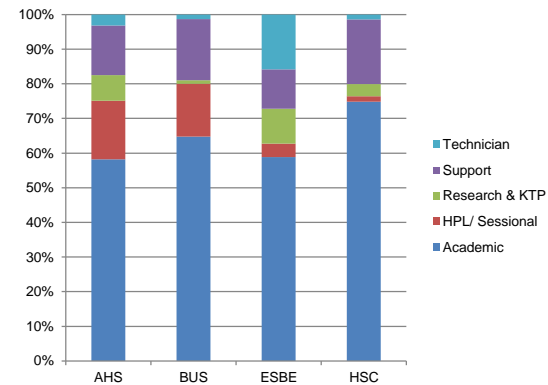
TOTAL LSBU STAFF FTE



Staff FTEs by Faculty



Staff FTEs by Faculty -%



<b>Aged debt by Academic Year</b>	<b>12/13</b>	<b>11/12</b>	<b>10/11</b>	<b>09/10</b>	<b>08/09</b>	<b>07/08</b>	<b>06/07</b>	<b>05/06</b>	<b>04/05</b>	<b>03/04</b>	<b>Total</b>
Self Pay	3,204,032	430,475	672,548	737,222	543,267	527,780	503,023	265,397	167,025	122,641	<b>7,173,409</b>
SLC	16,899,411	34,190	-64,587	-123,093	-194,215	-168,169	-142,471	-52,673	-71,749	-19,373	<b>16,097,270</b>
USLC	0	0	0	0	0	0	0	1,175	10,350	0	<b>11,525</b>
Sponsors	176,120	-174,294	-79,232	-102,488	-96,052	-139,504	-83,643	-20,497	-24,652	-16,614	<b>-560,856</b>
<b>Closing Balance at 31/04/13</b>	<b>20,279,563</b>	<b>290,371</b>	<b>528,728</b>	<b>511,641</b>	<b>253,000</b>	<b>220,107</b>	<b>276,908</b>	<b>193,403</b>	<b>80,974</b>	<b>86,653</b>	<b>22,721,349</b>
%	89.25%	1.28%	2.33%	2.25%	1.11%	0.97%	1.22%	0.85%	0.36%	0.38%	100.00%
Self Pay	2,636,398	436,649	677,086	733,457	541,400	527,223	502,110	265,248	166,767	122,621	<b>6,608,958</b>
SLC	1,277,892	27,115	-64,082	-119,996	-194,215	-168,169	-141,911	-52,673	-71,749	-19,373	<b>472,839</b>
USLC	0	0	0	0	0	0	0	1,175	10,350	0	<b>11,525</b>
Sponsors	47,532	-175,457	-81,626	-102,488	-96,052	-139,504	-83,643	-20,497	-24,652	-16,614	<b>-693,001</b>
<b>Closing Balance at 31/05/13</b>	<b>3,961,821</b>	<b>288,306</b>	<b>531,377</b>	<b>510,973</b>	<b>251,133</b>	<b>219,550</b>	<b>276,555</b>	<b>193,253</b>	<b>80,717</b>	<b>86,633</b>	<b>6,400,320</b>
%	61.90%	4.50%	8.30%	7.98%	3.92%	3.43%	4.32%	3.02%	1.26%	1.35%	100.00%
								<b>To be written off</b>			
<b>Overall Debtor Movement in Month</b>	<b>-16,317,742</b>	<b>-2,065</b>	<b>2,649</b>	<b>-668</b>	<b>-1,867</b>	<b>-557</b>	<b>-353</b>	<b>-150</b>	<b>-258</b>	<b>-20</b>	<b>-16,321,029</b>
%	-80.46%	-0.71%	0.50%	-0.13%	-0.74%	-0.25%	-0.13%	-0.08%	-0.32%	-0.02%	100%

The University is currently owed £2.4M in debts relating to 2003 - 2012. Over the last month we have collected £3.3K of this aged debt. It is expected that debts that are older than 2006 will be written off this year. This is a total of £361K

For the current year the University is owed £3.96M. We have collected £27.5M over the last 4 months.

**Monthly Summary of Closing Bank Balances & Deposits  
as at 31-May-13**

Bank / Title	Type of Account	Agresso Account	Previous Mouth Balance	31 May 2013			31 May 2013	
				Balance Currency	Balance Sterling		Interest	
				€	£		Earned	Rates
			£	£		£	%	
NatWest [LSBU's Main Trading Account]	Business Current Account	7160	17,855		11,251.00	✓		
	Special Interest Bearing Account	7160	5,397,105		18,491,508.45	✓	9,144	0.55
	Euro Currency Account	7163	1,235,095	<b>€ 1,585,166.89</b>	1,357,363.00	✓		
NatWest [Charitable Funds]	Business Current Account	7161	0		40.00	✓		Nil
	Special Interest Bearing Account	7161	2,389,002		2,426,687.76	✓	1,118	0.55
HSBC	Business Current Account	7100	6,582		6,581.94	✓		0.05
	Euro Currency Account	7111	289,850	<b>€ 801,296.14</b>	686,142.00	✓		0.20
	Euro Liquidity Fund Class A	7115	65	<b>€ 76.93</b>	66.00	✓		0.02
Lloyds TSB	Corporate Special Account Treasury Deposit [3Mth Fixed Dep.]	7166	238 10,357,711		238.15 <b>10,373,874.96</b>	✓ ✓	<b>16,164</b>	0.50 <b>0.64</b>
Bank of Scotland	Corporate Deposit Account		5,516,607		5,518,421.12	✓	<b>1,814</b>	<b>0.40</b>
	<b>3 Month Fixed Term Dep.</b>	7165	5,196,252		<b>5,205,967.88</b>	✓	<b>9,716</b>	<b>0.75</b>
	<b>3 Month Fixed Term Dep.</b>							
	<b>3 Month Fixed Term Dep.</b>							
Corporate Instant Access	7164	196,410		196,491.21	✓	81	0.50	
Prime Rate Capital Management	Sterling Liquidity Fund 3	7105	1,818		1,818.30	✓	1	0.82
	Sterling Cash Plus GBP		5,127,374		5,130,393.36	✓	3,019	1.01
Barclays	Business Account	7116	18,312		18,258.01	✓		Nil
	Platinum Account	7116	8,220,183		<b>8,220,182.71</b>	✓	<b>0</b>	<b>0.65</b>
Scottish Widows Bank Plc	Deposito Account	7104	5,049,117		5,049,117.10	✓	0	<b>1.00</b>
		7114	5,186,277		<b>5,191,996.60</b>	✓	<b>5,719</b>	<b>1.35</b>
<b>Total LSBU Funds at Bank</b>			<b>54,205,853</b>		<b>67,886,399.55</b>		<b>46,776</b>	
NatWest [Access Fund Account]	Business Current Account	7162	0.00		0.00	✓		Nil
	Special Interest Bearing Account		594,237.73		504,814.33	✓	254	0.55
NatWest [SBU Enterprises Ltd]	Business Current Account	#	0.00		0.00	✓		Nil
	Special Interest Bearing Account		1,237,727.20		1,307,457.82	✓	598	0.55
<b>Total Access &amp; Enterprises Funds</b>			<b>1,831,965</b>		<b>1,812,272.15</b>		<b>852</b>	
<b>Total of all Fund at Bank</b>			<b>56,037,818</b>		<b>69,698,671.70</b>		<b>47,628</b>	
<b>Difference between Financial Periods</b>			<b>13,660,853.38</b>					

Best Fixed Deposit Rate

Best Instant Access Rate

Faculty/Department	Full Year														
	INCOME			STAFF COSTS			OTHER COSTS			SPACE CHARGE			Contribution		
	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)
Company Secretary	0	0	0	522,023	537,069	15,046	450,151	445,151	-5,000	68,564	68,564	0	1,040,738	1,050,784	10,046
Arts & Human Sciences	-28,145,319	-28,531,658	-386,339	10,411,530	10,452,515	40,985	2,784,493	2,560,191	-224,302	2,390,632	2,390,632	0	-12,558,664	-13,128,320	-569,656
LLU Plus	0	0	0	0	27	27	0	0	0	0	0	0	0	27	27
Bakery School	-925,605	-808,820	116,785	355,004	323,028	-31,976	141,580	63,480	-78,100	151,440	151,440	0	-277,581	-270,872	6,709
Faculty of Business	-21,792,398	-24,702,639	-2,910,241	9,078,922	9,035,319	-43,603	2,305,150	2,090,874	-214,276	2,238,502	2,238,501	-1	-8,169,824	-11,337,945	-3,168,121
Confucius Institute	-527,333	-550,322	-22,989	233,645	264,926	31,281	237,000	237,000	0	46,725	46,725	0	-9,963	-1,671	8,292
Engineering Science & the Built Environm	-34,385,014	-36,842,806	-2,457,792	13,173,678	13,668,438	494,760	3,600,014	3,580,879	-19,135	5,286,491	5,286,899	408	-12,324,831	-14,306,590	-1,981,759
Health & Social Care	-35,606,253	-36,360,570	-754,317	16,221,321	16,704,676	483,355	2,705,703	2,664,120	-41,583	2,560,499	2,560,499	0	-14,118,730	-14,431,275	-312,545
Enterprise	-1,087,952	-2,278,455	-1,190,503	793,480	1,756,217	962,737	621,819	514,755	-107,064	118,588	118,588	0	445,935	111,105	-334,830
Finance	-612,544	-487,386	125,158	2,867,333	2,677,444	-189,889	1,198,947	1,227,363	28,416	213,238	213,238	0	3,666,974	3,630,659	-36,315
Unallocated Infrastructure	362,650	1,760,200	1,397,550	234,600	234,600	0	6,328,550	7,028,550	700,000	0	0	0	6,925,800	9,023,350	2,097,550
Human Resources	0	0	0	1,413,463	1,443,463	30,000	652,924	622,924	-30,000	169,114	169,114	0	2,235,501	2,235,501	0
Information Communication Technology D	-108,104	-60,495	47,609	3,325,322	3,288,765	-36,557	3,206,150	3,120,342	-85,808	411,841	411,841	0	6,835,209	6,760,453	-74,756
Library and Learning	-243,036	-241,150	1,886	2,714,489	2,826,284	111,795	2,185,006	2,185,184	178	2,046,515	2,046,515	0	6,702,974	6,816,833	113,859
Nat Puri Institute	-250,000	-250,000	0	200,668	200,668	0	50,000	50,000	0	0	0	0	668	668	0
Estates & Facilities	-1,752,280	-1,758,801	-6,521	2,589,113	2,611,181	22,068	21,708,169	22,292,777	584,608	-20,602,299	-20,602,299	0	1,942,703	2,542,858	600,155
R & CS	-9,031,200	-8,793,900	237,300	1,544,877	1,553,003	8,126	2,846,950	2,985,350	138,400	3,294,772	3,294,772	0	-1,344,601	-960,775	383,826
Marketing & UK Student Recruitment	-980,934	-1,021,784	-40,850	2,284,399	2,266,056	-18,343	2,107,843	2,169,054	61,211	105,784	105,784	0	3,517,092	3,519,110	2,018
International Office	-22,560	-7,200	15,360	828,786	853,121	24,335	637,583	604,704	-32,879	213,599	213,599	0	1,657,408	1,664,224	6,816
Academic Quality & Development Office	-23,000	-6,000	17,000	509,928	518,516	8,588	348,201	347,501	-700	38,085	38,085	0	873,214	898,102	24,888
Research	-99,816	-98,541	1,275	266,484	243,640	-22,844	241,166	254,056	12,890	13,435	13,435	0	421,269	412,590	-8,679
Development Office & Alumni Relations	-130,101	-18,800	111,301	390,919	418,914	27,995	361,803	267,900	-93,903	29,920	29,920	0	652,541	697,934	45,393
Registry	-12,000	-12,000	0	1,676,355	1,757,021	80,666	372,424	372,424	0	130,580	130,580	0	2,167,359	2,248,025	80,666
Academy of Sport	-1,312,462	-1,184,192	128,270	775,274	845,980	70,706	744,250	668,849	-75,401	472,489	472,489	0	679,551	803,126	123,575
Student Support	-218,822	-209,172	9,650	1,993,141	2,090,415	97,274	467,024	360,100	-106,924	229,636	229,636	0	2,470,979	2,470,979	0
Student Union	0	0	0	0	0	0	650,000	650,000	0	290,360	290,360	0	940,360	940,360	0
Executive Office	0	0	0	860,972	854,146	-6,826	469,856	475,956	6,100	81,718	81,718	0	1,412,546	1,411,820	-726
<b>Grand Total</b>	<b>-136,904,083</b>	<b>-142,464,491</b>	<b>-5,560,408</b>	<b>75,265,726</b>	<b>77,425,432</b>	<b>2,159,706</b>	<b>57,422,756</b>	<b>57,839,484</b>	<b>416,728</b>	<b>228</b>	<b>635</b>	<b>407</b>	<b>-4,215,373</b>	<b>-7,198,940</b>	<b>-2,983,567</b>

Faculty/Department	Full Year														
	INCOME			STAFF COSTS			OTHER COSTS			SPACE CHARGE			Contribution		
	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)
Company Secretary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arts & Human Sciences	0	0	0	-2,000	0	2,000	2,000	0	-2,000	0	0	0	0	0	0
LLU Plus	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bakery School	0	0	0	2,180	0	-2,180	13,100	0	-13,100	0	0	0	15,280	0	-15,280
Faculty of Business	-279,000	0	279,000	0	0	0	195,050	0	-195,050	0	0	0	-83,950	0	83,950
Confucius Institute	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Engineering Science & the Built Environm	-21,002	0	21,002	-28,000	0	28,000	95,160	57,160	-38,000	0	0	0	46,158	57,160	11,002
Health & Social Care	-76,670	0	76,670	-42,229	0	42,229	-5,000	0	5,000	0	0	0	-123,899	0	123,899
Enterprise	253,131	0	-253,131	-95,732	0	95,732	-9,250	0	9,250	0	0	0	148,149	0	-148,149
Finance	-2,940	0	2,940	64,398	0	-64,398	112,509	113,269	760	0	0	0	173,967	113,269	-60,698
Unallocated Infrastructure	-200,000	0	200,000	0	0	0	103,281	-196,719	-300,000	0	0	0	-96,719	-196,719	-100,000
Human Resources	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Information Communication Technology D	0	0	0	5,000	0	-5,000	-8,153	17,280	25,433	0	0	0	-3,153	17,280	20,433
Library and Learning	0	0	0	-5,181	0	5,181	5,664	0	-5,664	0	0	0	483	0	-483
Nat Puri Institute	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estates & Facilities	0	0	0	-7,500	0	7,500	-30,000	0	30,000	0	0	0	-37,500	0	37,500
R & CS	0	0	0	-35,500	0	35,500	0	0	0	0	0	0	-35,500	0	35,500
Marketing & UK Student Recruitment	40,850	0	-40,850	54,344	0	-54,344	-103,211	0	103,211	0	0	0	-8,017	0	8,017
International Office	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Academic Quality & Development Office	0	0	0	2,500	0	-2,500	-1,500	0	1,500	0	0	0	1,000	0	-1,000
Research	-1,275	0	1,275	12,620	5,500	-7,120	7,020	3,510	-3,510	0	0	0	18,365	9,010	-9,355
Development Office & Alumni Relations	-65,386	0	65,386	-9,002	0	9,002	53,195	0	-53,195	0	0	0	-21,193	0	21,193
Registry	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Academy of Sport	-85,963	0	85,963	-26,537	0	26,537	75,401	0	-75,401	0	0	0	-37,099	0	37,099
Student Support	0	0	0	-21,196	0	21,196	21,196	0	-21,196	0	0	0	0	0	0
Student Union	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Executive Office	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total	-438,255	0	438,255	-131,835	5,500	137,335	526,462	-5,500	-531,962	0	0	0	-43,628	0	43,628
	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok

Faculty/Department	Year to date														
	INCOME			STAFF COSTS			OTHER COSTS			SPACE CHARGE			Contribution		
	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£)	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£)	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£)	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£)	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£)
Company Secretary	0	0	0	395,132	448,666	53,534	386,477	375,820	-10,657	57,137	57,137	0	838,746	881,623	42,877
Arts & Human Sciences	-26,678,386	-27,038,990	-360,604	8,383,301	8,692,014	308,713	1,681,346	1,643,961	-37,385	2,008,006	2,081,846	73,840	-14,605,733	-14,621,169	-15,436
LLU Plus	0	0	0	447	27	-420	-336	0	336	0	0	0	111	27	-84
Bakery School	-878,118	-763,017	115,101	305,754	269,693	-36,061	55,025	56,183	1,158	126,200	126,200	0	-391,139	-310,941	80,198
Faculty of Business	-20,900,150	-23,735,918	-2,835,768	7,542,307	7,533,974	-8,333	1,546,934	1,607,972	61,038	1,851,476	1,987,555	136,079	-9,959,433	-12,606,417	-2,646,984
Confucius Institute	-445,722	-457,829	-12,107	160,406	220,265	59,859	172,031	197,500	25,469	38,937	38,937	0	-74,348	-1,127	73,221
Engineering Science & the Built Environm	-31,881,130	-34,206,091	-2,324,961	10,955,833	11,395,287	439,454	2,394,481	2,804,509	410,028	4,419,016	4,519,672	100,656	-14,111,800	-15,486,623	-1,374,823
Health & Social Care	-30,181,100	-31,182,380	-1,001,280	13,539,496	13,945,612	406,116	2,018,235	2,004,953	-13,282	2,187,761	2,151,005	-36,756	-12,435,608	-13,080,810	-645,202
Enterprise	-984,416	-1,898,713	-914,297	637,243	1,441,727	804,484	299,980	436,072	136,092	98,823	98,823	0	51,630	77,909	26,279
Finance	-541,390	-416,438	124,952	2,377,464	2,266,372	-111,092	408,847	737,217	328,370	177,699	177,699	0	2,422,620	2,764,850	342,230
Unallocated Infrastructure	-247,010	1,824,300	2,071,310	472,703	195,500	-277,203	1,429,198	5,764,184	4,334,986	0	0	0	1,654,891	7,783,984	6,129,093
Human Resources	0	0	0	1,114,901	1,199,821	84,920	534,641	539,603	4,962	140,928	140,928	0	1,790,470	1,880,352	89,882
Information Communication Technology C	-109,818	-50,449	59,369	2,714,782	2,742,461	27,679	2,710,277	2,608,403	-101,874	343,201	343,201	0	5,658,442	5,643,616	-14,826
Library and Learning	-287,330	-268,008	19,322	2,217,065	2,360,739	143,674	1,660,287	1,724,745	64,458	1,705,429	1,705,429	0	5,295,451	5,522,905	227,454
Nat Puri Institute	-74,612	-208,330	-133,718	62,985	167,335	104,350	11,627	41,666	30,039	0	0	0	0	671	671
Estates & Facilities	-1,488,542	-1,465,667	22,875	2,159,163	2,156,544	-2,619	16,510,840	17,077,021	566,181	-17,238,265	-17,511,549	-273,284	-56,804	256,349	313,153
R & CS	-8,062,733	-7,786,500	276,233	1,294,966	1,272,693	-22,273	2,390,245	2,557,441	167,196	2,745,643	2,745,643	0	-1,631,879	-1,210,723	421,156
Marketing & UK Student Recruitment	-755,870	-771,820	-15,950	1,859,268	1,893,025	33,757	1,855,287	1,831,428	-23,859	88,153	88,153	0	3,046,838	3,040,786	-6,052
International Office	-26,794	-6,000	20,794	638,605	710,551	71,946	651,231	483,226	-168,005	177,999	177,999	0	1,441,041	1,365,776	-75,265
Academic Quality & Development Office	-25,650	-6,000	19,650	415,469	439,455	23,986	92,800	172,866	80,066	31,738	31,738	0	514,357	638,059	123,702
Research	-78,382	-74,118	4,264	220,129	204,161	-15,968	165,520	211,252	45,732	11,196	11,196	0	318,463	352,491	34,028
Development Office & Alumni Relations	-117,225	-18,800	98,425	322,506	352,626	30,120	270,225	215,917	-54,308	24,933	24,933	0	500,439	574,676	74,237
Registry	-11,274	-10,000	1,274	1,383,938	1,521,457	137,519	231,971	240,500	8,529	108,817	108,817	0	1,713,452	1,860,774	147,322
Academy of Sport	-1,113,561	-998,187	115,374	635,917	705,416	69,499	641,823	569,328	-72,495	393,741	393,741	0	557,920	670,298	112,378
Student Support	-197,260	-181,144	16,116	1,512,408	1,682,182	169,774	294,312	301,731	7,419	191,364	191,364	0	1,800,824	1,994,133	193,309
Student Union	0	0	0	0	0	0	571,238	541,667	-29,571	241,967	241,967	0	813,205	783,634	-29,571
Executive Office	0	0	0	716,384	719,573	3,189	309,140	402,463	93,323	68,098	68,098	0	1,093,622	1,190,134	96,512
<b>Grand Total</b>	<b>-125,086,473</b>	<b>-129,720,099</b>	<b>-4,633,626</b>	<b>62,038,572</b>	<b>64,537,176</b>	<b>2,498,604</b>	<b>39,293,682</b>	<b>45,147,628</b>	<b>5,853,946</b>	<b>-3</b>	<b>532</b>	<b>535</b>	<b>-23,754,222</b>	<b>-20,034,763</b>	<b>3,719,459</b>



Description	Full Year	FORECAST FULL YEAR																
	2012 Forecast (£)	2012 Teaching Total (£)	2012 HEFCE (£)	2012 Franchise (£)	2012 Further Education (£)	2012 TDA (£)	2012 Health (£)	2012 Research Total (£)	2012 HEFCE R (£)	2012 Research (£)	2012 Enterprise Total (£)	2012 Enterprise activity (£)	2012 University Enterprise (£)	2012 SBUEL (£)	2012 Other Total (£)	2012 Residences (£)	2012 Catering (£)	2012 Other/Support (£)
Funding Grants	-34,574,502	-28,386,461	-27,619,208		-59,583	-707,670		-2,044,541	-2,044,541		-987,860		-480,592	-507,268	-3,155,641			-3,155,641
Health Contract	-27,490,124	-27,490,124					-27,490,124											
Home & EU Fees - UG	-37,037,369	-37,037,369	-37,003,429			-30,000	-3,940											
Home & EU Fees - PG	-7,296,293	-7,296,293	-5,262,593			-2,011,700	-22,000											
Other Fees	-4,179,114	-189,362	-68,362			-121,000		-3,040		-3,040	-3,946,826	-3,841,551	-105,275		-39,886			-39,886
Overseas Fees - UG	-5,385,840	-5,147,930	-5,116,430			-8,500	-23,000				-237,910	-237,910						
Overseas Fees - PG	-3,435,436	-3,435,436	-3,415,091			-11,345	-9,000											
Research Grants & Contracts	-3,046,995	147,919	147,919					-2,066,912		-2,066,912	-1,128,003	-728,867	-13,542	-385,594				
Other Income - student related	-8,811,993	-44,500	-44,500								-20,000			-20,000	-8,747,493	-7,070,800	-1,219,400	-457,293
Other Operating Income	-5,183,487	-978,665	-395,019	-318,500	-40,000	-16,150	-208,996				-1,119,233	-338,902		-780,331	-3,085,589	-642,000	-99,000	-2,344,589
Endowment Income & Interest Receivable	-462,931										-16,805			-16,805	-446,126			-446,126
<b>Total Income</b>	<b>-136,904,085</b>	<b>-109,858,221</b>	<b>-78,776,713</b>	<b>-318,500</b>	<b>-99,583</b>	<b>-2,906,364</b>	<b>-27,757,060</b>	<b>-4,114,493</b>	<b>-2,044,541</b>	<b>-2,069,952</b>	<b>-7,456,637</b>	<b>-5,147,230</b>	<b>-599,409</b>	<b>-1,709,998</b>	<b>-15,474,735</b>	<b>-7,712,800</b>	<b>-1,318,400</b>	<b>-6,443,535</b>
<b>Total Staff Costs</b>	<b>75,265,727</b>	<b>45,589,097</b>	<b>31,543,850</b>	<b>2,683</b>	<b>1,326,510</b>	<b>12,716,055</b>	<b>3,018,262</b>	<b>1,714,978</b>	<b>1,303,284</b>	<b>2,241,391</b>	<b>1,053,471</b>	<b>395,433</b>	<b>792,486</b>	<b>24,416,978</b>	<b>522,617</b>	<b>670,776</b>	<b>23,223,585</b>	
<b>Total Depreciation</b>	<b>7,992,079</b>	<b>304,784</b>	<b>293,648</b>			<b>11,136</b>	<b>37,048</b>	<b>37,048</b>		<b>686</b>	<b>686</b>			<b>7,649,561</b>	<b>1,029,204</b>		<b>6,620,357</b>	
<b>Total Other Operating Expenses</b>	<b>42,256,295</b>	<b>8,709,770</b>	<b>6,399,882</b>	<b>540,955</b>	<b>264,133</b>	<b>1,504,801</b>	<b>1,040,835</b>	<b>531,636</b>	<b>509,199</b>	<b>1,830,727</b>	<b>1,181,848</b>	<b>209,907</b>	<b>438,972</b>	<b>30,674,963</b>	<b>356,650</b>	<b>676,900</b>	<b>29,641,412</b>	
<b>Total Interest Payable</b>	<b>4,953,157</b>	<b>3,300,000</b>	<b>3,300,000</b>												<b>1,653,157</b>	<b>721,200</b>		<b>931,957</b>
<b>Total Exceptional Items</b>	<b>2,221,226</b>														<b>2,221,226</b>			<b>2,221,226</b>
<b>Total Internal Allocations</b>	<b>228</b>	<b>11,708,303</b>	<b>9,121,005</b>			<b>289,039</b>	<b>2,298,259</b>	<b>485,249</b>	<b>4,913</b>	<b>480,336</b>	<b>511,787</b>	<b>91,971</b>	<b>118,588</b>	<b>301,228</b>	<b>-12,705,110</b>	<b>2,814,833</b>	<b>430,780</b>	<b>-15,950,723</b>
<b>Contribution</b>	<b>-4,215,373</b>	<b>-40,246,267</b>	<b>-28,118,328</b>	<b>222,455</b>	<b>-96,900</b>	<b>-1,026,683</b>	<b>-11,226,810</b>	<b>466,900</b>	<b>244,034</b>	<b>222,867</b>	<b>-2,872,046</b>	<b>-2,819,253</b>	<b>124,520</b>	<b>-177,312</b>	<b>38,436,039</b>	<b>-2,268,297</b>	<b>460,057</b>	<b>40,244,279</b>

Description	Full Year		BUDGET FULL YEAR																
	2012 Forecast	2012 Budget	2012 Teaching Total	2012 HEFCE	2012 Franchise	2012 Further Education	2012 TDA	2012 Health	2012 Research Total	2012 HEFCE R	2012 Research	2012 Enterprise Total	2012 Enterprise activity	2012 University Enterprise	2012 SBUEL	2012 Other Total	2012 Residences	2012 Catering	2012 Other/Support
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Funding Grants	-34,574,502	-33,196,788	-28,307,079	-27,790,930			-516,150		-1,974,541	-1,974,541		-1,027,516		-520,248	-507,268	-1,887,652			-1,887,652
Health Contract	-27,490,124	-28,009,016	-28,009,016					-28,009,016											
Home & EU Fees - UG	-37,037,369	-41,615,952	-41,615,952	-41,615,952															
Home & EU Fees - PG	-7,296,293	-9,412,300	-9,412,300	-7,315,300			-2,097,000												
Other Fees	-4,179,114	-4,049,052										-4,011,052	-3,459,695	-551,357		-38,000			-38,000
Overseas Fees - UG	-5,385,840	-5,842,258	-5,624,202	-5,624,202								-218,056	-218,056						
Overseas Fees - PG	-3,435,436	-3,368,079	-3,324,079	-3,324,079								-44,000	-44,000						
Research Grants & Contracts	-3,046,995	-3,911,110							-2,044,820	-2,044,820	-1,866,290	-767,708	-499,582	-599,000					
Other Income - student related	-8,811,993	-8,883,750	-70,000	-70,000								-20,000			-20,000	-8,793,750	-6,874,800	-1,356,100	-562,850
Other Operating Income	-5,183,487	-3,852,886	-282,797	-84,500	-21,651	-40,000	-16,150	-120,496				-1,138,658	-146,600		-992,058	-2,431,431	-462,000	-101,000	-1,868,431
Endowment Income & Interest Receivable	-462,931	-323,300										-8,300			-8,300	-315,000			-315,000
<b>Total Income</b>	<b>-136,904,085</b>	<b>-142,464,491</b>	<b>-116,645,426</b>	<b>-85,824,963</b>	<b>-21,651</b>	<b>-40,000</b>	<b>-2,629,299</b>	<b>-28,129,512</b>	<b>-4,019,361</b>	<b>-1,974,541</b>	<b>-2,044,820</b>	<b>-8,333,872</b>	<b>-4,636,059</b>	<b>-1,571,187</b>	<b>-2,126,626</b>	<b>-13,465,833</b>	<b>-7,336,800</b>	<b>-1,457,100</b>	<b>-4,671,933</b>
Total Staff Costs	75,265,727	77,425,430	46,685,505	32,192,597		10,002	1,384,747	13,098,158	2,930,865	1,689,637	1,241,228	3,267,893	1,066,807	949,967	1,251,118	24,541,167	531,456	664,153	23,345,558
Total Depreciation	7,992,079	8,741,574	304,784	293,648				11,136	27,048	27,048		1,720	1,720		8,408,022	1,029,204		7,378,818	
Total Other Operating Expenses	42,256,295	40,934,425	8,168,025	5,985,675	417,000		248,000	1,517,350	1,057,167	482,136	575,031	1,716,325	1,135,562	366,755	214,009	29,992,907	351,150	811,900	28,829,857
Total Interest Payable	4,953,157	4,942,262	3,300,000	3,300,000												1,642,262	721,200		921,062
Total Exceptional Items	2,221,226	3,221,226														3,221,226			3,221,226
Total Internal Allocations	228	635	11,708,303	9,147,005			289,039	2,272,259	485,249	4,913	480,336	512,195	91,971	118,588	301,636	-12,705,111	2,814,833	430,780	-15,950,724
<b>Contribution</b>	<b>-4,215,373</b>	<b>-7,198,940</b>	<b>-46,478,809</b>	<b>-34,906,037</b>	<b>395,349</b>	<b>-29,998</b>	<b>-707,514</b>	<b>-11,230,610</b>	<b>480,968</b>	<b>229,193</b>	<b>251,775</b>	<b>-2,835,739</b>	<b>-2,339,999</b>	<b>-135,877</b>	<b>-359,863</b>	<b>41,634,640</b>	<b>-1,888,957</b>	<b>449,734</b>	<b>43,073,863</b>

Description	TOTALS		ACTUALS YEAR TO DATE																	
	2012 Annual Forecast	2012 YTD Actuals	2012 Teaching Total	2012 HEFCE	2012 Franchise	2012 Further Education	2012 TDA	2012 Health	2012 Research Total	2012 HEFCE R	2012 Research	2012 Enterprise Total	2012 Enterprise activity	2012 University Enterprise	2012 SBUEL	2012 Other Total	2012 Residences	2012 Catering	2012 Other/Support	
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	
Funding Grants	-34,574,502	-28,667,331	-23,742,966	-22,998,202		-59,582	-685,182		-1,732,630	-1,732,630		-881,816		-434,657	-447,158	-2,309,919			-2,309,919	
Health Contract	-27,490,124	-22,676,754	-22,676,754					-22,676,754												
Home & EU Fees - UG	-37,037,369	-38,246,628	-38,246,628	-38,243,202				-3,427												
Home & EU Fees - PG	-7,296,293	-7,248,427	-7,257,627	-5,267,766			-1,948,439	-41,423				9,199	9,199							
Other Fees	-4,179,114	-4,075,411	-339,482	-235,702			-93,094	-10,687	-19		-19	-3,697,910	-3,594,900	-103,010		-38,000			-38,000	
Overseas Fees - UG	-5,385,840	-5,397,037	-5,168,546	-5,159,742				-8,804				-228,491	-228,491							
Overseas Fees - PG	-3,435,436	-3,442,424	-3,446,623	-3,446,623								4,199	4,199							
Research Grants & Contracts	-3,046,995	-2,608,771							-1,628,237	-1,628,237	-977,534	-575,863	-6,456	-395,216	-3,000				-3,000	
Other Income - student related	-8,811,993	-8,143,596	-44,765	-44,765								-846		-846	-8,097,984	-6,511,117	-1,153,441	-433,426		
Other Operating Income	-5,183,487	-4,170,290	-841,262	-271,585	-352,228	-30,237	9,237	-196,449				-1,074,935	-307,088	-5,304	-762,542	-2,254,093	-321,803	-17,411	-1,914,878	
Endowment Income & Interest Receivable	-462,931	-409,803	-40	-40								-7,308		-7,308	-402,455				-402,455	
<b>Total Income</b>	<b>-136,904,085</b>	<b>-125,086,473</b>	<b>-101,764,695</b>	<b>-75,667,628</b>	<b>-352,228</b>	<b>-89,819</b>	<b>-2,717,476</b>	<b>-22,937,544</b>	<b>-3,360,886</b>	<b>-1,732,630</b>	<b>-1,628,256</b>	<b>-6,855,441</b>	<b>-4,692,944</b>	<b>-549,427</b>	<b>-1,613,071</b>	<b>-13,105,451</b>	<b>-6,832,920</b>	<b>-1,170,853</b>	<b>-5,101,678</b>	
<b>Total Staff Costs</b>	<b>75,265,727</b>	<b>62,038,575</b>	<b>37,375,450</b>	<b>25,915,768</b>	<b>2,459</b>	<b>4,721</b>	<b>866,996</b>	<b>10,585,507</b>	<b>2,501,820</b>	<b>1,351,172</b>	<b>1,150,648</b>	<b>1,857,378</b>	<b>893,116</b>	<b>363,154</b>	<b>601,107</b>	<b>20,303,928</b>	<b>427,852</b>	<b>540,176</b>	<b>19,335,899</b>	
<b>Total Depreciation</b>	<b>7,992,079</b>	<b>6,530,564</b>	<b>191,462</b>	<b>179,108</b>				<b>12,354</b>	<b>55,465</b>	<b>55,465</b>		<b>686</b>	<b>686</b>		<b>6,282,951</b>	<b>869,825</b>	<b>427</b>	<b>5,412,699</b>		
<b>Total Other Operating Expenses</b>	<b>42,256,295</b>	<b>29,747,827</b>	<b>5,377,421</b>	<b>3,831,005</b>	<b>238,644</b>		<b>135,368</b>	<b>1,172,403</b>	<b>680,067</b>	<b>351,251</b>	<b>328,815</b>	<b>1,004,911</b>	<b>728,441</b>	<b>48,784</b>	<b>227,686</b>	<b>22,685,429</b>	<b>187,083</b>	<b>690,505</b>	<b>21,807,841</b>	
<b>Total Interest Payable</b>	<b>4,953,157</b>	<b>3,015,285</b>	<b>1,644,167</b>	<b>1,644,167</b>												<b>1,371,118</b>	<b>601,168</b>		<b>769,950</b>	
<b>Total Exceptional Items</b>	<b>2,221,226</b>																			
<b>Total Internal Allocations</b>	<b>228</b>	<b>-3</b>	<b>9,826,598</b>	<b>7,544,897</b>			<b>229,260</b>	<b>2,052,442</b>	<b>404,374</b>	<b>4,094</b>	<b>400,280</b>	<b>426,301</b>	<b>76,643</b>	<b>98,823</b>	<b>250,834</b>	<b>-10,657,275</b>	<b>2,345,694</b>	<b>358,984</b>	<b>-13,361,953</b>	
<b>Contribution</b>	<b>-4,215,373</b>	<b>-23,754,224</b>	<b>-47,349,597</b>	<b>-36,552,683</b>	<b>-111,125</b>	<b>-85,098</b>	<b>-1,485,853</b>	<b>-9,114,838</b>	<b>280,839</b>	<b>29,352</b>	<b>251,487</b>	<b>-3,566,165</b>	<b>-2,994,058</b>	<b>-38,665</b>	<b>-533,443</b>	<b>26,880,699</b>	<b>-2,401,298</b>	<b>419,238</b>	<b>28,862,758</b>	

	PAPER NO: PR.30(13)	
Board/Committee:	Policy And Resources	
Date:	3 July 2013	
Paper title:	Treasury Management Report	
Author:	Brian Wiltshire, Treasury Manager	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
<b>Recommendation by the Executive:</b>	<p>The Executive recommends that the committee</p> <ul style="list-style-type: none"> <li>• note the contents of this report, and</li> <li>• recommend approval to the Board for the operation of online banking with Bank of Scotland Plc.</li> </ul>	
Aspect of the Corporate Plan to which this will help deliver?	Financial Management /Sustainability	
Matter previously considered by:	Policy & Resources Committee	On: Each Meeting
Further approval required?	N/A	
Communications – who should be made aware of the decision?	N/A	

### **Executive summary**

1. The University's total bank balances were £69.7m at 31 May 2013. This compares to £62.5m at 31 March 2013 and £72.4m at 31 May 2012. Interest earned for 2 months from 1 April 2013 - 31 May 2013 was £81k. Treasury Management during the period has been in compliance with agreed treasury policy.
2. Appendix A shows the monthly summary of closing bank balances and deposits as at 31 May 2013.

### Balances at 31 May 2013

1. The total bank account balance at 31 May 2013 was £69.7m compared to £62.5m at 31 March 2013. Analysis of the balances is as follows:

<b>Banks</b>	<b>Balances at 31 May 13 £m</b>	<b>Balances at 31 March 13 £m</b>
NatWest	24.1	17.0
HSBC	0.7	0.3
Lloyds TSB	10.4 <sup>1</sup>	10.4 <sup>1</sup>
Bank of Scotland	10.9 <sup>2</sup>	10.9 <sup>2</sup>
Barclays	8.3	8.6
Prime Rate Capital Management	5.1 <sup>3</sup>	5.1 <sup>3</sup>
Scottish Widows	10.2	10.2
<b>Total</b>	<b>69.7</b>	<b>62.5</b>

<sup>1</sup>£10.4m on 3 month term deposit

<sup>2</sup>£5.2m on 3 month term deposit & £5.7m instant access

<sup>3</sup>£5.1m on Sterling Liquidity instant access

2. A more detailed breakdown showing the individual accounts held is shown in Appendix A.

### Cash Balances and term deposits

3. The table below shows interest received in the 2 months to 31 May 2013 compared to budget and prior year.

<b>Period</b>	<b>Actual to 31 May 13 £'000</b>	<b>Budget to 31 May 13 £'000</b>	<b>Actual to 31 May 12 £'000</b>
Amount	81	52	39

4. Interest received in the 2 months to 31 May 2013 is £29k above budget and £42k Higher than the same period last year. The variance against the prior year is largely due to:
- The maturity of two 3 months term deposits with the Lloyds Banking Group.
  - The opening of the Scottish Widows Bank Plc. Clubs & Association No Notices Account on the 17 May 2012.

5. The interest of £81k received in the 2 months to 31 May 2013 is broken down by account below:

Bank	Account Type	Interest Received £'000	YTD Interest Received £'000	Rate of Return (current)
Bank of Scotland	Inst. Access	3.6	23.1	0.40%
	Fixed Deposit	9.7	61.4	0.75%
Lloyds TSB	Inst. Access	0.0	0.0	0.50%
	Fixed Deposit	16.1	200.4	0.85%
Barclays	Inst. Access	4.0	58.0	0.65%
NatWest	Inst. Access	18.3	116.9	0.55%
NatWest Euro	Inst. Access	0.0	0.0	0.00%
HSBC Deposit	Inst. Access	0.0	0.0	0.05%
HSBC €Liq.	Inst. Access	0.0	0.0	0.00%
HSB C Euro	Inst. Access	0.0	0.0	0.30%
Prime Rate £ Liq.	Inst. Access	7.1	98.0	1.02%
Scottish Widows	7 Day Notice	11.6	86.9	1.35%
	Inst. Access	10.6	49.1	1.00%

### Rollover of term Deposits

6. Since the last treasury management report, two fixed term deposits with a value of £15.5m placed with the Lloyds Banking Group matured and were reinvested inclusive of interest for 3 months at the following rates of return:
- LloydsTSB £10.4m at 0.85%.
  - Bank of Scotland £5.2m at 0.75%.

### Risk

7. Risk continues to be managed by the continued application of the treasury management procedures agreed by the Board of Governors. These procedures require that our cash deposits are diversified only across UK banks, and that cash is only placed on immediate access, short & medium term deposit. Subject to normal Board approval processes, exceptions are made as considered appropriate as in the case of Federated Prime Rate where £5m was placed in a sterling liquidity funds on 10 January 2011.

## Loans

8. The University's Loan Balance at 31 May 2013 remained at £30.9m split between AIB and Barclays Bank Plc. The next loan repayments are scheduled for 1 July 2013. The table below shows the balance and repayable period per loan at 31 May 2013.

Bank	Balance 31 May 13 £'000	Repayable Period	Repayable Interest
<b>AIB</b>			
Dante Road	5,472	26.5 yrs to 2027	6.67% pa
<b>Barclays Bank*</b>			
David Bomberg House	5,830	25 yrs to 2032	5.68% pa
K2 Loan 3	5,000	20 yrs to 2029	5.03% pa
K2 Loan 4	8,989	23.25 yrs to 2032	5.32% pa
K2 Loan 5	5,642	23 yrs to 2032	0.7522% pa

\*Total Loan Balance with Barclays is £25.5m

9. The majority of these loans are at fixed rates for varying terms and penalties apply for early repayment. The exception is the variable rate K2 loan 5 where the current balance outstanding is £5.6m. However, the interest rate on this loan is such that we should not consider repayment at this stage.

## Bank Mandates

10. In the last Treasury Management Report to the committee, it was reported that new bank mandates, adding Ralph Sanders (The New Financial Planning Manager) were in the process of being issued. All updated mandates are now in place with the exception of HSBC Bank Plc. and Bank of Scotland Plc. These will be sent to the bank by the end of June 2013.

## Online Banking

11. The committee is asked to recommend to Board the setup of online banking with Bank of Scotland Plc. Bank of Scotland stipulates a resolution from the Board of Governors to initiate this service.

*Brian Wiltshire*

*Treasury Manager*

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*Telephone: 020 7815 6310*

Monthly summary of closing bank balances and deposits  
as at 31 May 2013

Bank / Title	Type of Account	Agresso Account	31 May 2013		31 March 2013	
			Balance Currency	Balance Sterling	Balance Currency	Balance Sterling
			€	£	€	£
<b>NatWest</b> [LSBU's Main Trading Account]	Business Current Account	7160		11,251		22,192
	Special Interest Bearing Account	7160		18,491,508		11,661,805
	Euro Currency Account	7163	€ 1,585,167	1,357,363	€ 1,379,475	1,162,732
<b>NatWest</b> [Charitable Funds]	Business Current Account	7161		40		720
	Special Interest Bearing Account	7161		2,426,688		2,344,154
<b>HSBC</b>	Business Current Account	7100		6,582		6,581
	Euro Currency Account	7111	€ 801,296	686,142	€ 343,865	289,837
	Euro Liquidity Fund Class A	7115	€ 77	66	€ 77	65
<b>Lloyds TSB</b>	Corporate Special Account	7166		238		238
	<b>Treasury Deposit [3Mth F/Dep.]</b>   <b>0.64%</b>			<b>10,373,875</b>		<b>10,357,711</b>
<b>Bank of Scotland</b>	Corporate Deposit Account	7165		5,518,421		5,514,855
	<b>Treasury Deposit [3Mth F/Dep.]</b>   <b>0.75%</b>			<b>5,205,968</b>		<b>5,196,252</b>
	Corporate Instant Access	7164		196,491		196,332
<b>Prime Rate</b>	<b>Sterling Liquidity Cash Plus [T1 Inst Access]</b>	7105		<b>5,130,393</b>		<b>5,123,348</b>
	<b>Sterling Liquidity Fund [Inst Access]</b>			1,818		1,817
<b>Barclays</b>	Business Account	7116		94,048		430,868
	FIBCA / Platinum Account	7116		8,220,183		8,216,131
<b>Scottish Widows Bank Plc</b>	<b>Deposit Account No Notice</b>	7104		5,049,117		5,038,504
	<b>Deposit Account 7 Day Notice</b>	7114		<b>5,191,997</b>		<b>5,180,374</b>
<b>Total LSBU Funds at Bank</b>			<b>€ 2,386,540</b>	<b>67,962,189</b>	<b>€ 1,723,417</b>	<b>60,744,517</b>
<b>NatWest</b> [Access Fund Account]	Business Current Account	7162		0		0
	Special Interest Bearing Account			504,814		667,748
<b>NatWest</b> [SBU Enterprises Ltd]	Business Current Account	7160[SBUEL]		0		0
	Special Interest Bearing Account			1,307,458		1,122,415
<b>Total Access &amp; Enterprises Funds</b>			<b>0</b>	<b>1,812,272</b>	<b>0</b>	<b>1,790,163</b>
<b>Total Funds at Bank</b>			<b>€ 2,386,540</b>	<b>69,774,461</b>	<b>€ 1,723,417</b>	<b>62,534,680</b>
<b>Difference Between Financial Periods</b>			<b>663,122.99</b>	<b>7,239,781.49</b>		



LONDON SOUTH BANK UNIVERSITY / ENTERPRISES

2013 / 14 Proposed Budget

SMT Area:

Cost Centre:

REF MANSUM

Description	FULL YEAR		Year on Year Change	
	2012 Forecast	2013 Budget	£	%
	(£)	(£)		
Funding Grants	(34,575,000)	(26,887,000)	7,688,000	(22.2%)
Health Contract	(27,490,000)	(25,879,000)	1,611,000	(5.9%)
Home & EU Fees - UG	(37,037,000)	(45,213,000)	(8,176,000)	22.1%
Home & EU Fees - PG	(7,296,000)	(8,759,000)	(1,463,000)	20.1%
Other Fees	(4,179,000)	(4,076,000)	103,000	(2.5%)
Overseas Fees - UG	(5,386,000)	(5,622,000)	(236,000)	4.4%
Overseas Fees - PG	(3,435,000)	(3,769,000)	(334,000)	9.7%
Research Grants & Contracts	(3,047,000)	(2,268,000)	779,000	(25.6%)
Other Income - student related	(8,812,000)	(10,182,000)	(1,370,000)	15.5%
Other Operating Income	(5,183,000)	(4,495,000)	688,000	(13.3%)
Endowment Income & Interest Receivable	(463,000)	(415,000)	48,000	(10.4%)
<b>Total Income</b>	<b>(136,903,000)</b>	<b>(137,565,000)</b>	<b>(662,000)</b>	<b>0.5%</b>
Academic - Permanent staff	38,096,000	39,379,000	1,283,000	3.4%
Academic - Temporary staff	3,586,000	3,359,000	(227,000)	(6.3%)
Interdepartmental Delivery staff				
Technicians staff	2,740,000	2,817,000	77,000	2.8%
Support - Permanent staff	27,086,000	28,278,000	1,192,000	4.4%
Support - Temporary staff	500,000	461,000	(39,000)	(7.8%)
Third party staff	3,256,000	2,011,000	(1,245,000)	(38.2%)
<b>Total Staff Costs</b>	<b>75,264,000</b>	<b>76,305,000</b>	<b>1,041,000</b>	<b>1.4%</b>
Depreciation	7,992,000	8,592,000	600,000	7.5%
<b>Total Depreciation</b>	<b>7,992,000</b>	<b>8,592,000</b>	<b>600,000</b>	<b>7.5%</b>
Staff Related	2,108,000	1,889,000	(219,000)	(10.4%)
Marketing and PR	2,480,000	2,196,000	(284,000)	(11.5%)
Student Recruitment	1,182,000	1,339,000	157,000	13.3%
Bursaries and Scholarships	3,597,000	2,079,000	(1,518,000)	(42.2%)
Student Related	5,957,000	5,709,000	(248,000)	(4.2%)
Equipment	795,000	703,000	(92,000)	(11.6%)
Computing	2,331,000	2,627,000	296,000	12.7%
Utilities	3,544,000	3,565,000	21,000	.6%
Maintenance & Other Estate	7,329,000	7,268,000	(61,000)	(.8%)
Cleaning & Security	4,509,000	4,657,000	148,000	3.3%
Financial	236,000	149,000	(87,000)	(36.9%)
Communications	833,000	742,000	(91,000)	(10.9%)
Legal & Professional	2,805,000	2,521,000	(284,000)	(10.1%)
Subscriptions and Membership Fees	718,000	697,000	(21,000)	(2.9%)
Photocopying and Stationery	1,027,000	1,003,000	(24,000)	(2.3%)
Other	1,708,000	2,122,000	414,000	24.2%
Other - R&CS	1,016,000	2,545,000	1,529,000	150.5%
Internal recharges	81,000	77,000	(4,000)	(4.9%)
<b>Total Other Operating Expenses</b>	<b>42,256,000</b>	<b>41,888,000</b>	<b>(368,000)</b>	<b>-0.9%</b>
Interest Payable	4,953,000	4,780,000	(173,000)	(3.5%)
<b>Total Interest Payable</b>	<b>4,953,000</b>	<b>4,780,000</b>	<b>(173,000)</b>	<b>-3.5%</b>
Exceptional Items	2,221,000	3,500,000	1,279,000	57.6%
<b>Total Exceptional Items</b>	<b>2,221,000</b>	<b>3,500,000</b>	<b>1,279,000</b>	<b>57.6%</b>
Internal Allocations				
<b>Total Internal Allocations</b>				
<b>Contribution</b>	<b>(4,217,000)</b>	<b>(2,500,000)</b>	<b>1,717,000</b>	<b>-40.7%</b>
Staff costs as % of income	55.0%	55.5%		
Contribution %	3.1%	1.8%		

Note: 1) the decrease in Bursaries & Scholarships is due to the introduction of Fee Waivers for new regime Undergraduates

Note 2) the decrease in Third Party staff and the increase in Other R&Cs is due to a change in the treatment of catering staff and expenses

**London South Bank**  
University

# 5 Year Financial Forecast

June 2013

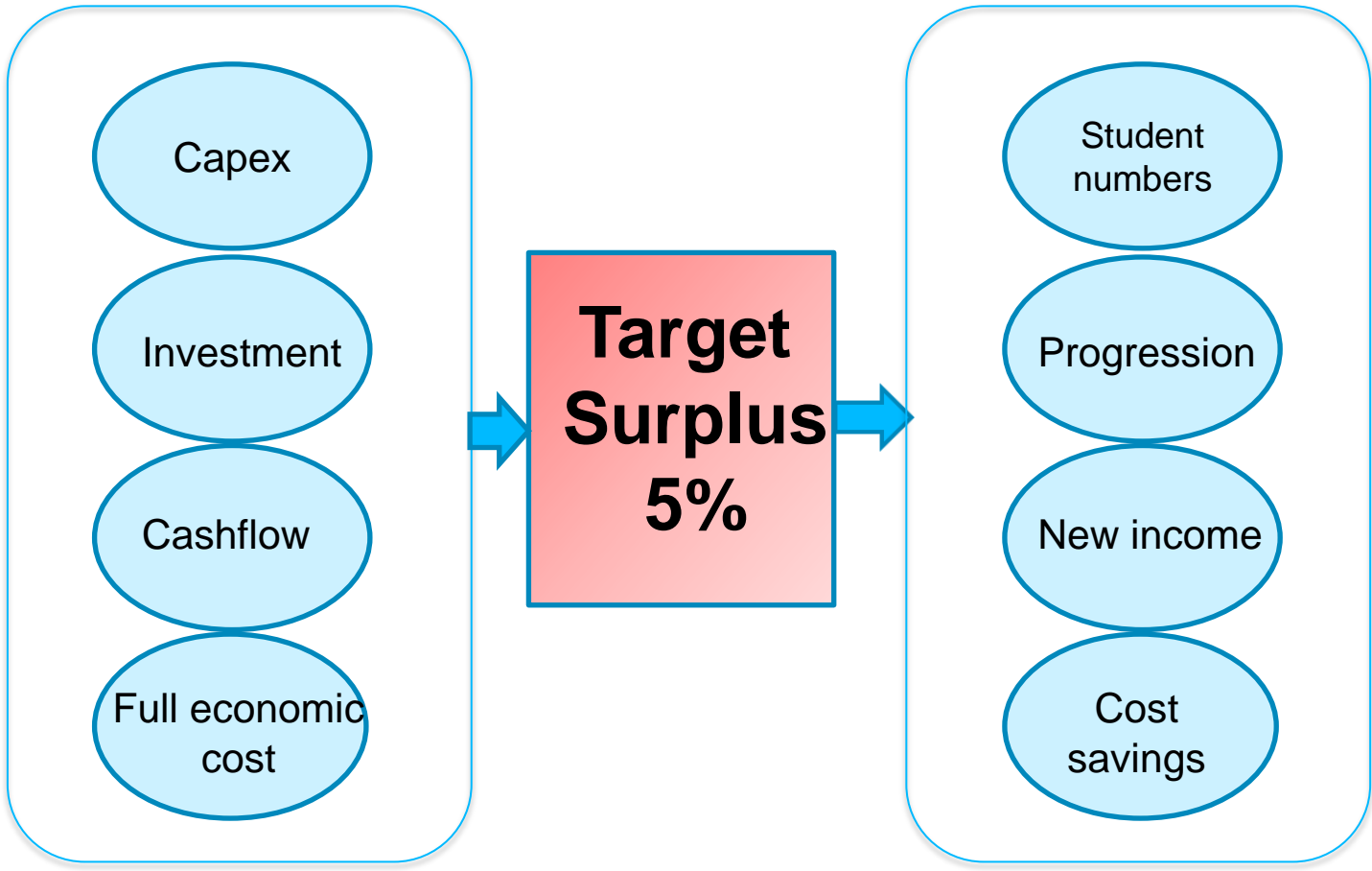


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# Financial objectives

- Generate positive cashflows and manage risk
  - Focus on surplus as a % of income (target 5%)
  - Grow and diversify income
  - Effective risk management framework
    - strong financial/cost control
    - Clear accountability and responsibility for risk and financial performance
    - Effective delegation
    - Improve performance monitoring and review
- Deliver value for money in all that we do
- Continue to invest in strategic areas

# Key considerations



## Full economic cost

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

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

## Historical cost surplus

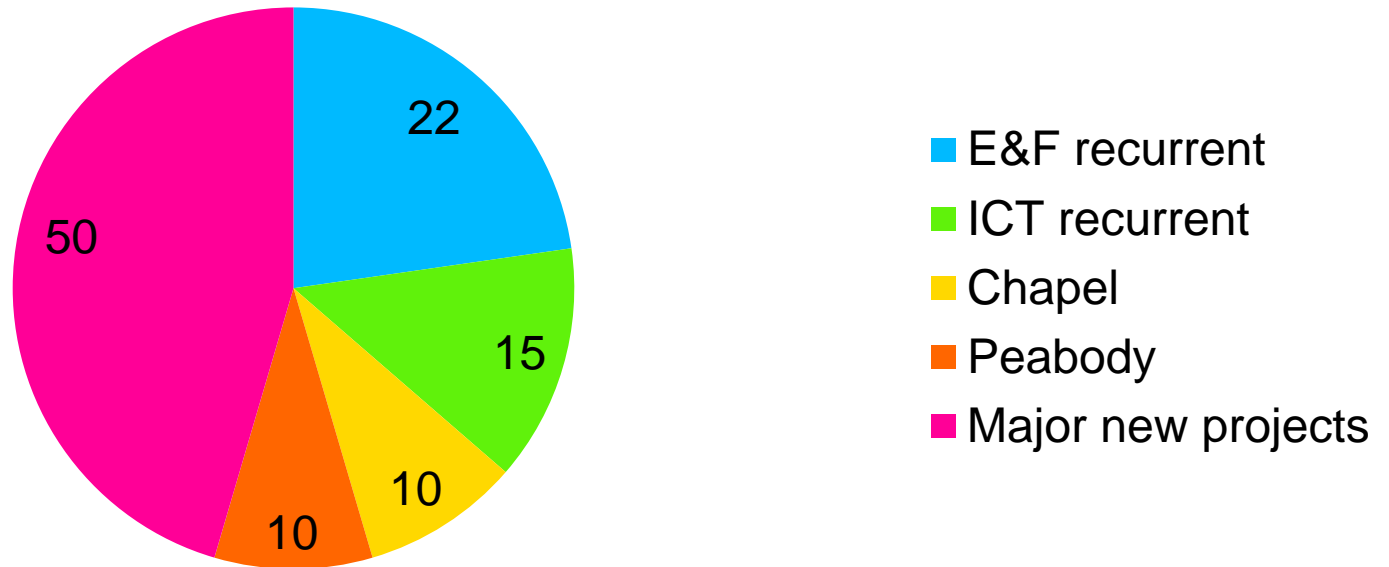
		2012/13	2011/12	2010/11	2009/10
		forecast	actual	actual	actual
		%	%	%	%
Sector		1.4	4.3	5.7	3.6
LSBU		3.6*	7.4**	7.4	4.9

\* May 2013 management accounts

\*\*Before impairment £3m

## Potential capex over planning period

### Capital expenditure (£m)

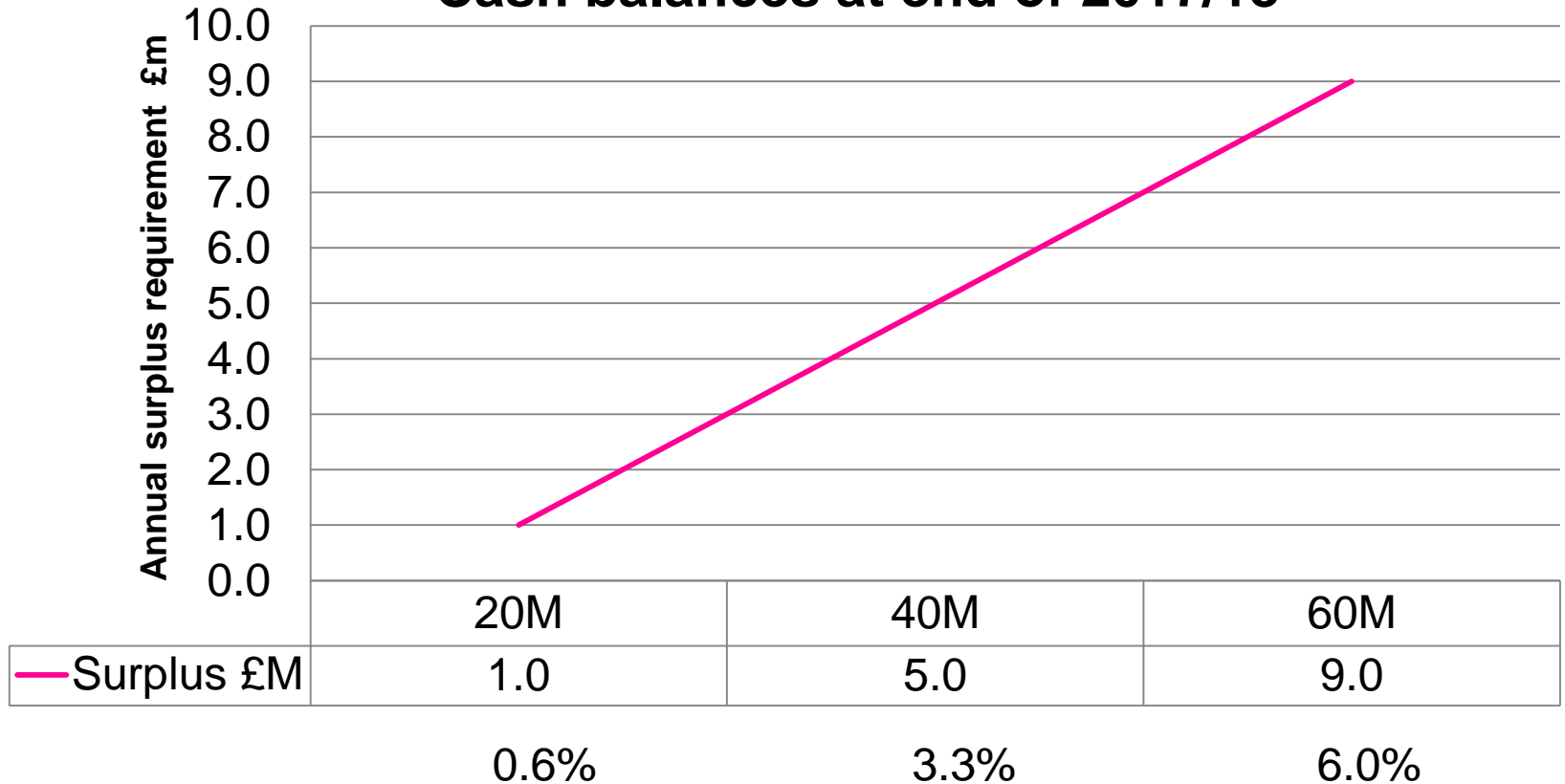


Target investment £107m over 5 year planning cycle  
compared with average annual spend of £16.8m over last 5 years

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Surplus required to fund £107m investment

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



Assuming investment of £107m over 5 years to 31 July 2018  
and opening 2013/14 balance of £59M and £63M non cash charges over 5 years.

**To be cash neutral an average of 5.9% is required**

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## 5YR forecast key assumptions

Key assumptions																																																		
Surplus as % of income	5%																																																	
Funding Council Grant	<ul style="list-style-type: none"> <li>❑ <b>SNC (including AAB+ and margin places) grows from current level of 2,500 to 2,750 in 2013/14 and remains at that level</b></li> <li>❑ HEFCE funding has decreased to £29m in 12/13 and is projected to decrease further to £13.3m by 15/16; a decrease of 69% compared to 10/11.</li> <li>❑ The Core HEFCE Teaching grant decreases by 92% to £3.3m by 15/16 as previously reported;</li> <li>❑ Other HEFCE Teaching grants are projected to increase from £8.4m in 11/12 to £9.9 in 17/18 mainly due to the London Allocation.</li> <li>❑ HEFCE QR and HEIF funding remains relatively stable at £1.8m and £0.8m respectively,</li> <li>❑ Teaching Agency grants decrease from £2m in 11/12 to £0.5m in 17/18; partly offset by std fees at £9k p/a p/std</li> <li>❑ Capital grant funding decreases by £0.5m to £1m p/a in 17/18</li> </ul>																																																	
Academic Fee income	<p>❑ Fees for cohorts starting in 12/13 and 13/14 have been held at £8,450 and assume no inflation increase during the life of the course. Fees for new cohorts have been set at £9,000 from 2014/15. Inflation has been applied post 2015/16. The table below sets out the assumed fee per student by cohort per year :</p> <table border="1" data-bbox="479 772 1477 996"> <thead> <tr> <th>FEE / Student in £</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> </tr> </thead> <tbody> <tr> <td>2012 Cohort</td> <td>£8,450</td> <td>£8,450</td> <td>£8,450</td> <td>£8,450</td> <td></td> <td></td> </tr> <tr> <td>2013 Cohort</td> <td></td> <td>£8,450</td> <td>£8,450</td> <td>£8,450</td> <td>£8,450</td> <td></td> </tr> <tr> <td>2014 Cohort</td> <td></td> <td></td> <td>£9,000</td> <td>£9,000</td> <td>£9,000</td> <td>£9,000</td> </tr> <tr> <td>2015 Cohort</td> <td></td> <td></td> <td></td> <td>£9,270</td> <td>£9,270</td> <td>£9,270</td> </tr> <tr> <td>2016 Cohort</td> <td></td> <td></td> <td></td> <td></td> <td>£9,550</td> <td>£9,550</td> </tr> <tr> <td>2017 Cohort</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>£9,840</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>❑ Income projections have been shown net of fee waivers and bursary costs are modelled to phase out as current cohorts complete their studies.</li> <li>❑ Fee waivers have been modelled to achieve a net UGFT student fee &lt;£7,500 for 2012 Cohort. The average fee increases to £9,000 for the 2014 Cohort and discretionary fee waivers are stopped.</li> <li>❑ NHS Contract income increases by £0.3m to £27.6m in 12/13 , but then falls to a new normal of £24.2m by 14/15 in line with forecasts provided by the faculty.</li> <li>❑ No growth in PG or UGPT for 13/14 . It has been assumed that income increases by 3% per year thereafter.</li> <li>❑ International income target for 2013/14 is £9.2m compared to £8.9m in 12/13 FYF. It has been assumed that income increases by 3% per year thereafter.</li> <li>❑ Student Progression 1st year to 2<sup>nd</sup> year increases from 61% to 65% over life of forecasts. Year 2 onwards at 80%</li> </ul>	FEE / Student in £	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012 Cohort	£8,450	£8,450	£8,450	£8,450			2013 Cohort		£8,450	£8,450	£8,450	£8,450		2014 Cohort			£9,000	£9,000	£9,000	£9,000	2015 Cohort				£9,270	£9,270	£9,270	2016 Cohort					£9,550	£9,550	2017 Cohort						£9,840
FEE / Student in £	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18																																												
2012 Cohort	£8,450	£8,450	£8,450	£8,450																																														
2013 Cohort		£8,450	£8,450	£8,450	£8,450																																													
2014 Cohort			£9,000	£9,000	£9,000	£9,000																																												
2015 Cohort				£9,270	£9,270	£9,270																																												
2016 Cohort					£9,550	£9,550																																												
2017 Cohort						£9,840																																												

## 5YR forecast key assumptions

	Key assumption
Costs	<ul style="list-style-type: none"> <li>❑ Staff costs increase year-on-year by 2.5%: 1.5% for increments and 1% pay award</li> <li>❑ Bursary costs and Fee Waivers peak at £3.8M in 2013 / 14 and fall to a new normal of 2.3M per year</li> <li>❑ Inflation on OPEX 3%</li> <li>❑ Estate costs have increased mainly as a result of the new Student centre £0.5m in 12/13, Enterprise centre £0.7m in 13/14 partly offset by savings related to the termination of the Eileen house lease £0.9m.</li> <li>❑ Depreciation reduces from £8.2m in 12/13 to £7.9m in 17/18; being the net impact of depreciation of both new investments and existing assets phasing out.</li> <li>❑ Investment fund in 12/13 is £2.0m but normalises to £1.5m from 14/15 onward. This includes £0.5m specifically aimed at improving retention.</li> <li>❑ Provisions for restructuring reduce from £2.3m in 11/12 to £1.5m going forward.</li> <li>❑ Interest decreases from £5.0m in 12/13 to £4.6m in 17/18 as a result of the change in pension interest from RPI to CPI</li> <li>❑ No other cost efficiencies have been assumed in the base case</li> <li>❑ Total CapEx for the period £107m.</li> </ul>
Other income	<ul style="list-style-type: none"> <li>❑ Assumed £16m pa new income by 2017/18 at surplus 20%</li> </ul>

## Key Areas of Focus

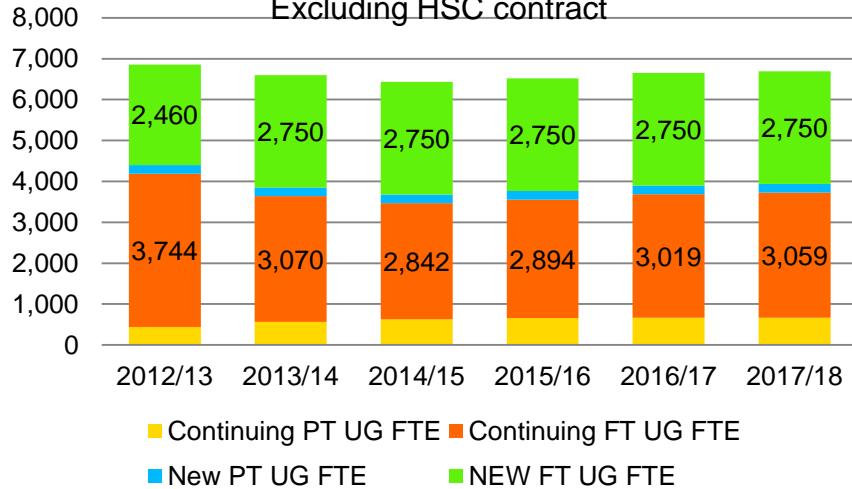
- Short term alignment of LSBU cost base with reduced student numbers in 2012/13
- Developing a clear plan for growth in student numbers (assumed to grow from 2,500 in 2012/13 to steady state SNC 2,750 from 2013/14 onward)
- Improving Progression (YR1 to YR2 target 65% by 2015/16)
- Investing as necessary to deliver required outcomes (£110m assumed over life of forecasts to 2017/18)
- Diversifying and increasing income. Assumed delivery of additional £16m pa income by 2017/18 at surplus 20%. This includes enterprise income and additional income from overseas students
- Maintaining HSC income

# London South Bank University

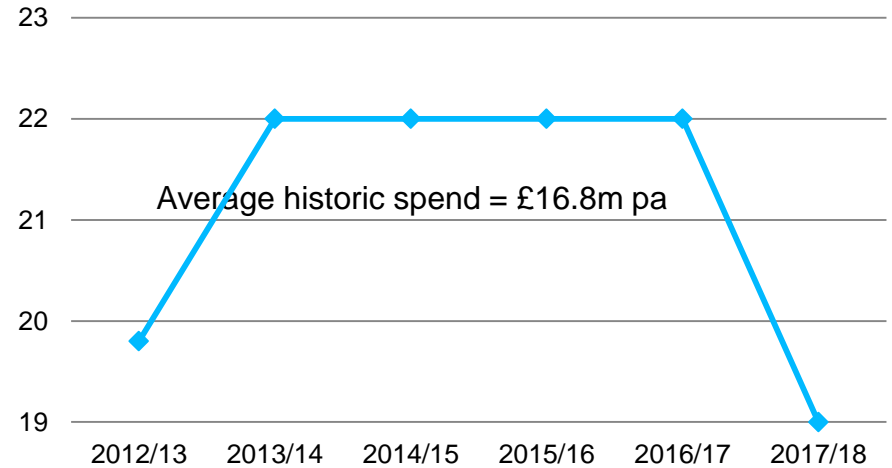
## Profile of key assumptions

### Undergraduate FTE

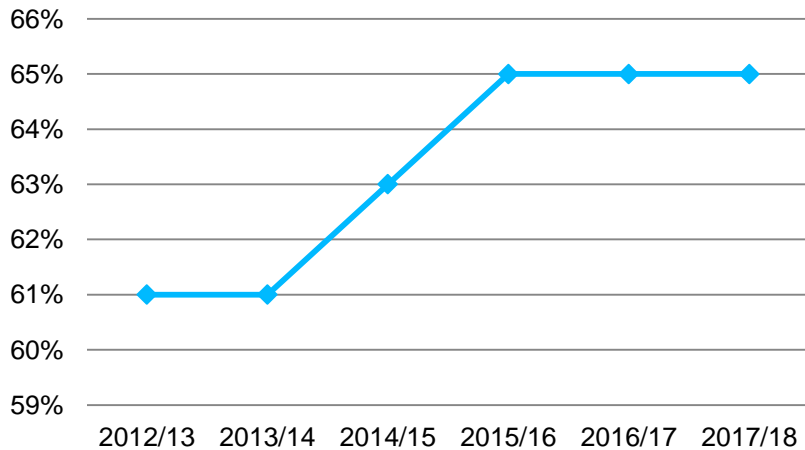
Excluding HSC contract



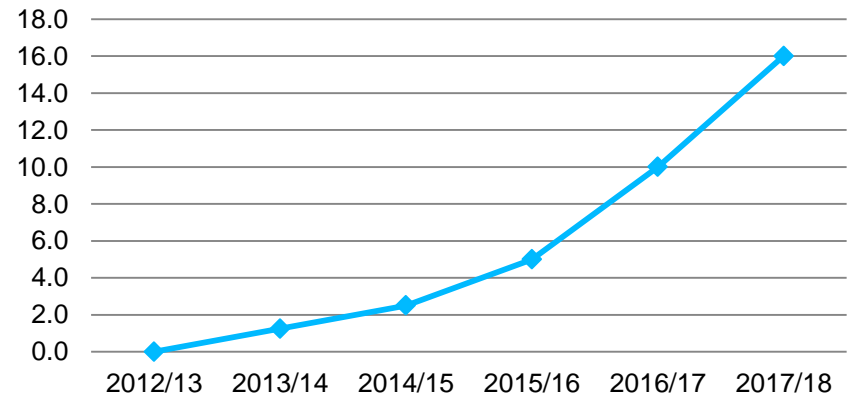
### Capital Investment £m



### UG Progression



### Scenario A new Income £m



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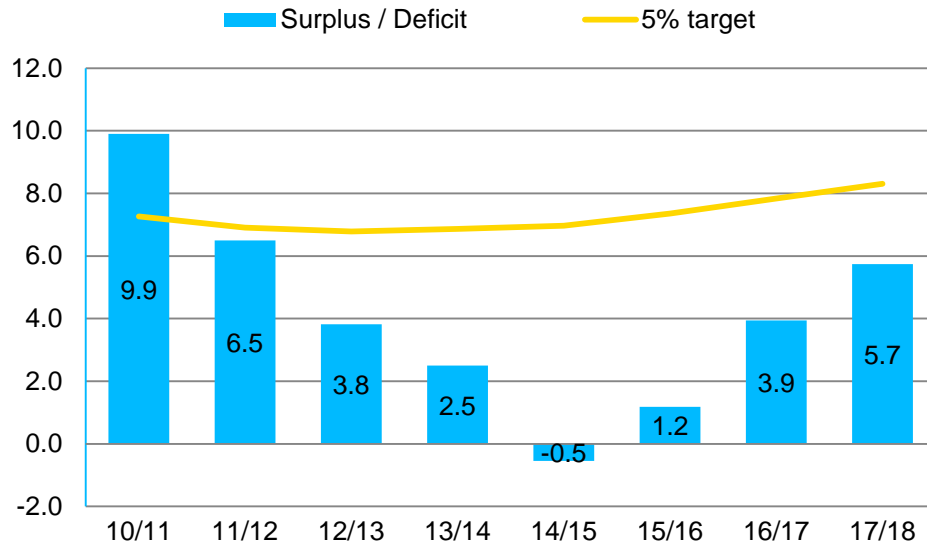
## Income scenarios and impact on contribution

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

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

# Target case

Projected Surplus for target case



In the target case:

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

## Key differences to the original base case

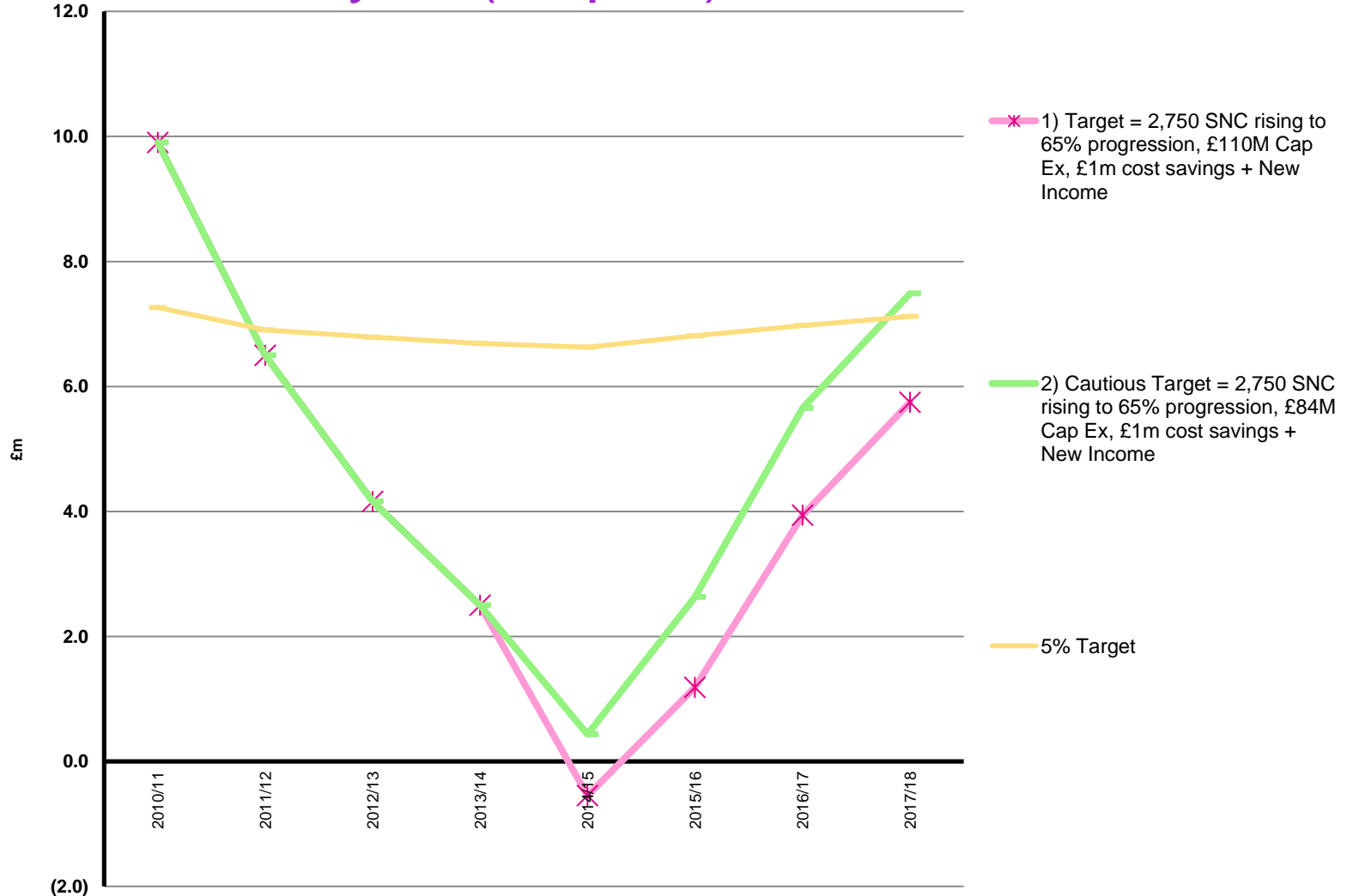
- SNC growth to 2,750 (base case = 2,500)
- Progression rises to 65% (base case = 59%)
- Cap Ex = £107M (base case = £29M), Dep'n = £52M (base case = £41M)
- Income as Scenario A, phased over 5 year period with 20% surplus (base case no additional income)
- Cost savings of £1M in 13/14 (assumed structural and roll forward)
- Increased Bursaries of £1M pa from 14/15

# Target case profile

The U shaped profile is driven by the following factors:

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

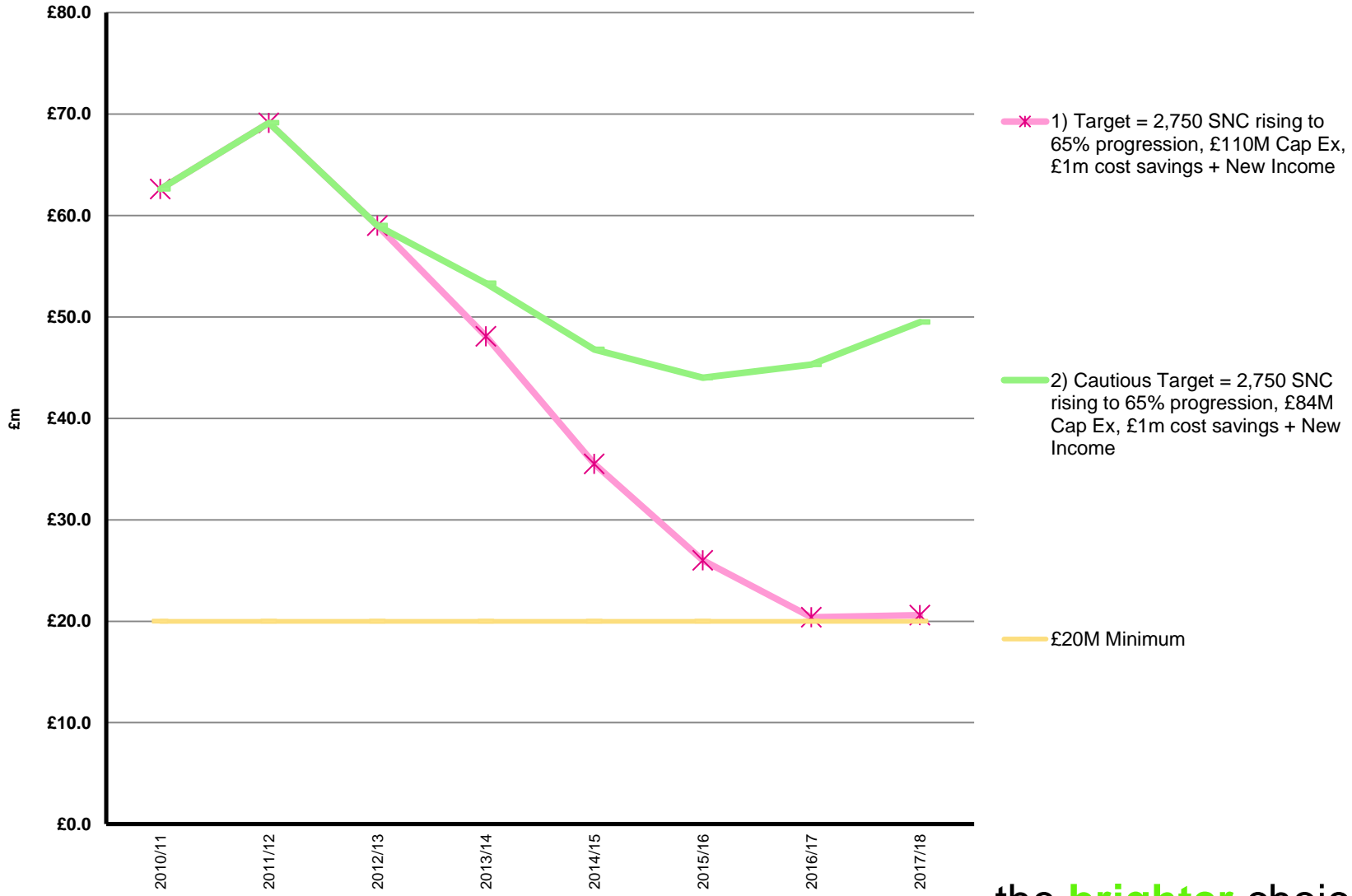
## Scenario Analysis (surplus)



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## Scenario Analysis (cash at bank)



## Risks, uncertainties & impact

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

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

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

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

**Annual Accountability Return - July 2013**

**Financial Commentary**

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**Question A:** Explain how the institution is ensuring its sustainability, including:

- *the institution's strategy*
- *quality of teaching and research*
- *management of its key risks*
- *investment in estates and infrastructure*

**Financial sustainability**

The University's financial strategy is focused on future sustainability and is designed to maintain financial resilience and flexibility at all times. The following key themes emerged in response to developments in the HE environment over the past few years and are firmly embedded in the University's strategy and 5 year forecasts:

- the need for maximising financial resilience
- growth and diversification of income streams
- continued strong financial control and accountability
- value for money and productivity/efficiency gains
- targeted investment where appropriate
- flexibility, with capacity to respond to significant change and uncertainty

The University's financial strategy is expressed through its rolling five year financial forecasts. More detail, including the assumptions underpinning the financials, is provided in the attached presentation on the 5 Year forecasts dated June 2013. The key elements of the financial strategy are to:

- aim for a surplus of 5% of income. This is not achievable each year over the next 5 years although it remains our medium term target. However, assuming the income targets are met, the University has sufficient cash reserves both to increase investment and manage the financial position in the short term until the surplus returns to 5%. The financial forecasts demonstrate a clear path back to the longer term target of 5% toward the end of the forecast period

- ensure that all aspects of the University's operation are as lean and efficient as possible without compromising quality or student success
- deliver growth in income, with a particular focus on enterprise, income from international students and non SNC post graduate and part-time provision
- manage staff costs, including agency costs, to an agreed maximum percentage of income (55%)
- invest at an appropriate level to provide for future sustainability in buildings and infrastructure
- maintain cash balances at agreed levels (minimum £20m)

The assumptions and key targets are set out in more detail in the attached presentation.

The key targets which the Board has approved and which will be monitored closely are:

- minimum SNC of 2,750 from 2013/14 (with fees moving to £9k from 2014/15)
- improving YR1/YR2 progression to 65% by 2015/16
- Additional income of £16m pa (at surplus of 20%) by 2017/18
- Investment of £107m over the life of the forecasts to 2017/18
- Maintaining income in the Health and Social Care (HSC) at forecast levels

### **Sustainability of quality teaching and research**

LSBU is committed to delivering an excellent student experience, delivered through high-quality teaching, supported through relevant applied research.

Our focus on the quality of teaching is underpinned by regular monitoring and review, informed by appropriate and recent data, and focused both on the standards of academic awards and the quality of systems to support learning. All modules and courses are subject to evaluation by students, and all Course Directors receive a standard data set which includes information on student progression and achievement, module evaluation, feedback from the National Student Survey and the Survey of Destinations of Leavers in Higher Education. These data inform annual reporting and action planning, as well as providing a context for Heads of Academic Departments in their annual appraisals of academic staff.

Annual monitoring, in its turn, informs periodic review, usually focused at subject level (and including appropriate levels of external engagement - both academic and professional) which allows for a wider discussion of both teaching and research within the context of the whole operation of the subject or department. As with annual monitoring, this is focused upon the development of an action plan in response to the review, and includes input from both students and graduates. The University has piloted the inclusion of students as members of review panels and is seeking to embed this more widely in our processes. Both annual monitoring and periodic review include the work of the University with collaborative partner organisations (both within the UK and internationally). Reports from periodic review activity are received by Quality and Standards Committee, and their outcomes reported to Academic Board.

All faculties also engage in quarterly meetings with the Vice Chancellor, Pro Vice Chancellors and Director of Finance. These meetings offer an opportunity to reflect upon performance (again, within the context of a standard data set which includes module evaluation, NSS, DLHE and progression statistics, at a higher level than that used for annual monitoring) and include discussion of the research environment.

The University's Research Committee, and Research Degrees Committee, also receive regular reports at faculty level, which reflect upon the development of research strategy, progress against delivery of that strategy and the key risks relating to delivery. Research Degrees Committee directly reflects upon the experience of research students and includes representatives from the research student body. Both are direct sub-committees of Academic Board, which receives their minutes, as well as discussing items which derive from these committees and are of wide University interest.

In the past year, the University has established an Academic Staff Development Unit, which is dedicated to the delivery of the Postgraduate Certificate in Higher Education, both to new staff who have limited experience of teaching in higher education (and for whom participation is made a condition of employment) and for existing staff who wish to develop their professional practice in teaching. The Academic Staff Development Unit is in the process of developing a Professional Development Framework across the University, which is benchmarked to the Higher Education Academy's Professional Standards Framework. The University is working in collaboration with the HEA to seek accreditation of this Framework within the next six months.

## **Sustainability through management of key risks**

Please see attached *Corporate Risk register*.

Those risks with a residual risk priority of “critical” focus on revenue generation and map closely to the agreed financial targets set out above.

## **Sustainability in estates & infrastructure investment**

The University is continuing with the implementation of its 25 year estates strategy vision to transform the estate to support the delivery of academic services and enhance the student learning experience. The projects undertaken were prioritised based on business needs, criticality of service and cost reduction.

Following the recent completion of the two ‘anchor’ projects, plans are in process for the redevelopment of the remaining site with a proposal to invest up to £90m over the next ten years funded from cash reserves and operating cash flows generated over that period. As before, we are not placing reliance on new loan funding or overreliance on HEFCE capital funding.

This investment in the estate will allow us to align and coordinate the interventions and investments, thus saving resources and achieving an improved cost-benefit ratio. Projects to the value of £23.5m have either been completed, are in progress. The future plans also include £4m for specific projects to meet the University’s carbon reduction commitment by 2020.

For all projects, sustainability considerations are integrated at the design and construction phase to achieve benefits over the lifetime of the asset, and the sustainability team are included in all design development phases.

All of our infrastructure providers are procured through European Union processes to achieve full competition, and all suppliers are rigorously assessed from the sustainability aspect, an assessment that figures objectively in the decision whether or not to appoint.

At an operational level we are proud of our sustainability achievements by leading the way to have our energy and environmental management system certified to ISO 50001 and ISO 14001 standards.

Going forward we will seek to implement an asset management system to optimise the management of our physical assets..

**Question B:** *Explain the assumptions about student recruitment over the period of the forecasts, including how the institution is mitigating any risk and what scenario planning or sensitivity analysis has been undertaken.*

## **Scenario planning and actions**

Reference is made to the 2012 financial tables, which are attached.

The latest forecasts show that we will deliver a surplus of approximately £4.2m in 2012/13.

The 2013/14 planning and budgeting cycle is complete and we are optimistic at this stage that a surplus will be delivered in 2013/14. Future surpluses are considered essential to invest for a sustainable future and to deliver the Estates strategy. LSBU has already delivered a significant amount of efficiencies (approx £10m) over the past 3 to 4 years and further savings have been factored into the budget for 2013/14.

Despite the efficiencies delivered, more needs to be done to meet the continued reduction in HEFCE and NHS funding. Although further efficiency improvements are targeted, the focus is increasingly on new income generation.

Home/EU student number targets have been set at 2,750. This is recognised as the key risk underpinning the financial forecasts and scenario analysis has been undertaken assuming lower student numbers and flexing capital expenditure. Due to under recruitment in 2012 / 13 and a net average fee of £7,500 for that cohort, the analysis demonstrates that the University will have a slight deficit in 2013 / 14. Our scenario analysis has however shown that the university will be able to manage a small reduction in student numbers without moving into significant deficit. However, any significant reduction in student numbers (>5%) would require a fundamental review of the costs associated with teaching activity.

The key drivers therefore behind a sustainable financial model for LSBU are:

- increasing new intake students from the 2,500 recruited in 12 / 13 to 2,750
- increasing our Average Fee to £9,000 before Fee waivers and Bursary payments from 2014/15 onwards
- delivering against agreed targets for income growth
- further efficiency savings wherever possible.

We operate in a period of considerable uncertainty, particularly regarding student numbers. Future potential changes to core and margin places and student demand may impact our fee strategy. However, the scenario analysis undertaken indicates that LSBU is well placed to manage this uncertainty. Our targets for income growth remain ambitious and this remains

our primary focus for the next few years as we manage our way through these uncertain times.

**Question C:** *Explain significant movements ( $\pm 10$  per cent in any one year) on the income and expenditure account and material changes on the balance sheet (including the detail on any material exceptional items).*

### **Significant movements and material changes**

Funding body grants decrease by more than 20% per year from 2013/14 onwards which reflects the changes to student funding. A 22% cut has been assumed in the HEFCE core teaching grant, which would reduce LSBU's level of teaching grant funding by £7.7m approximately compared to 2012/13.

Tuition fees and education contracts: These are forecast to increase by almost 8% in 2013/14 due to the implementation of the higher tuition fees for new regime UG students. Full Time UG Tuition in fees in particular are forecast to rise by 20%. Fee waivers and Bursaries will also increase due to the new funding regime.

TDA Funding falls by 29% in 2013/14 compared to 2012/13 which reflects both decreased education activity and the change in funding.

Research grants are forecast to increase by 10% to £3.4m in 13/14 due to an increase in the number of research contracts.

Other income increases by 10% in 13/14 from £14.6m to £16.1m due to increased enterprise income, increased sports lottery project funding and a change in catering provision.

Endowment and Investment income decreases by 10% and continues to fall in subsequent years due to the levels of capital investment reducing the level of bank balances held on average during the year.

Depreciation increases by more than 10% in 2014/15 reflecting our increased investment in estates.

Cash at bank reduces by 18% again due to our Capital Investment plans but is at least £26M during the lifetime of this forecast. This investment in our estate is also reflected in the increase in payments to acquire tangible assets which increase by 11% to £22m in 2013/14

**Question D:** *Explain the key assumptions made in developing the financial forecasts*

Please see attached '5 year Financial Forecast' powerpoint presentation.



**3 Attachments:**

1. Corporate Risk Register
2. 2012 Financial tables with 10/11 - 11/12 actuals, and 12/13 – 15/16 forecasts
3. 13/14 – 17/18 'Five Year Financial Forecast' presentation

## **2012 Financial Tables - July 2013 submission**

**Please ensure that the financial information completed for 2010-11 and 2011-12 in this workbook is consistent with your institution's audited financial statements and the data returned to the HESA Finance Statistics Return (FSR)**

## 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

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<b>Financial indicators (automated table)</b>						
<b>Institution: London South Bank University</b>						
<b>Code: H-0076</b>						
<b>UKPRN: 10004078</b>						
	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Historical cost surplus/(deficit) as a % of total income	7.4	5.3	3.6	2.4	0.2	1.3
Discretionary reserves excluding pension asset/(liability) as a % of total income	67.7	77.1	83.9	88.3	89.7	88.6
External borrowing as a % of total income	25.3	24.1	22.3	21.1	19.8	17.9
Net cash flow as a % of total income	18.3	14.5	10.0	10.0	8.5	10.1
Net liquidity days	180	209	173	139	100	70
Staff costs as a % of total income	53.5	52.6	53.7	55.1	55.2	53.6

<b>Table 1: Income and expenditure account</b>						
<b>Institution: London South Bank University</b>						
<b>Code: H-0076</b>						
<b>UKPRN: 10004078</b>						
	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	£000	£000	£000	£000	£000	£000
<b>Income</b>						
1. Funding body grants	48,754	45,450	34,575	26,916	20,886	18,904
2. Tuition fees and education contracts	75,931	73,959	84,095	90,712	96,907	103,518
3. Research grants and contracts	4,916	4,068	3,066	3,366	3,528	3,703
4. Other income	14,807	14,094	14,644	16,156	17,698	20,642
5. Endowment and investment income	521	697	463	415	329	329
6. Total income	144,929	138,268	136,843	137,565	139,348	147,096
7. Less: share of income from joint venture(s)	0	0	0	0	0	0
8. Net income	144,929	138,268	136,843	137,565	139,348	147,096
<b>Expenditure</b>						
9. Staff costs	77,601	72,725	73,508	75,794	76,910	78,913
10. Other operating expenses	45,054	44,020	46,229	45,899	48,823	51,774
11. Depreciation	8,132	10,989	7,992	8,592	9,455	10,588
12. Interest and other finance costs	4,239	4,019	4,953	4,780	4,708	4,638
13. Total expenditure	135,026	131,753	132,682	135,065	139,896	145,913
14. Surplus/(Deficit)	9,903	6,515	4,161	2,500	-548	1,183
15. Share of surplus/(deficit) in joint venture(s) and associates	0	0	0	0	0	0
16. Taxation	0	0	0	0	0	0

## 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

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17. Minority interest	0	0	0	0	0	0
18. Exceptional items	0	0	0	0	0	0
19. Surplus/(deficit) for the year transferred to accumulated income in endowment funds	0	0	0	0	0	0
20. Surplus/(deficit) for the year retained within general reserves	9,903	6,515	4,161	2,500	-548	1,183
<b>Note of group historical cost surpluses and deficits for the year ended 31 July</b>						
21. Surplus/(deficit) on continuing operations before taxation	9,903	6,515	4,161	2,500	-548	1,183
22. Difference between a historical cost depreciation and the actual charge for the year calculated on the re-valued amount	792	802	802	802	802	802
23. Realisation of property revaluation gains of previous years	0	0	0	0	0	0
24. Historical cost surplus/(deficit) for the year before taxation	10,695	7,317	4,963	3,302	254	1,985
25. Historical cost surplus/(deficit) for the year after taxation	10,695	7,317	4,963	3,302	254	1,985

## 2012 Financial Tables - July 2013 submission

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**Note: Income in this table should INCLUDE income attributable to a share in joint venture(s)**

**Table 1a: Analysis of income**

**Institution: London South Bank University**

**Code: H-0076**

**UKPRN: 10004078**

	Actual 2010-11 £000	Actual 2011-12 £000	Forecast 2012-13 £000	Forecast 2013-14 £000	Forecast 2014-15 £000	Forecast 2015-16 £000
1. Funding body grants						
1a. HEFCE: teaching grant	39,898	37,368	27,499	20,728	14,937	13,219
1b. HEFCE: research grant	1,996	2,044	1,975	1,970	1,750	1,750
1c. HEFCE: other grants	2,672	2,236	2,541	2,029	2,197	2,197
1d. TDA funding	2,093	2,018	708	500	500	500
1e. SFA grants	229	98	60	0	0	0
1f. Release of deferred capital grants	1,866	1,686	1,792	1,689	1,502	1,238
1g. Total funding body grants	48,754	45,450	34,575	26,916	20,886	18,904
2. Tuition fees and education contracts						
2a. Full-time UG home and EU	24,346	23,983	33,565	40,137	45,539	50,430
2b. Full-time postgraduate home and EU	2,255	2,495	5,619	5,715	5,913	6,112
2c. Part-time fees - home and EU	5,894	6,207	5,842	7,201	8,672	9,840
2d. Home and EU domicile fees paid by the Department of Health	27,634	30,406	29,737	28,041	26,855	26,883
2e. Non-EU domicile students	10,176	9,983	9,161	9,567	9,877	10,201
2f. Other fees and support grants	5,626	885	171	51	51	52
2g. Total tuition fees and education contracts	75,931	73,959	84,095	90,712	96,907	103,518
3. Research grants and contracts						
3a. BIS Research Councils	1,553	1,185	893	980	1,027	1,078
3b. UK-based charities	344	231	174	191	200	210
3c. Other research grants and contracts	3,019	2,652	1,999	2,195	2,301	2,415
3d. Total research grants and contracts	4,916	4,068	3,066	3,366	3,528	3,703
4. Other income						
4a. Other services rendered	0	0	0	0	0	0
4b. Residences and catering operations (including conferences)	8,135	8,378	8,310	9,035	9,306	9,586
4c. Income from health and hospital authorities (excluding teaching contracts for student provision)	0	0	0	0	0	0
4d. Other operating income	6,672	5,716	6,334	7,121	8,392	11,056
4e. Total other income	14,807	14,094	14,644	16,156	17,698	20,642
5. Endowment and investment income	521	697	463	415	329	329
6. Total income	144,929	138,268	136,843	137,565	139,348	147,096

**Table 1b: Analysis of staff costs**

**Institution: London South Bank University**

## 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

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**Code: H-0076**

**UKPRN: 10004078**

	Actual 2010-11 £000	Actual 2011-12 £000	Forecast 2012-13 £000	Forecast 2013-14 £000	Forecast 2014-15 £000	Forecast 2015-16 £000
1. Salaries and wages	63,672	59,228	59,866	61,728	62,637	64,268
2. Social security costs	5,258	5,306	5,363	5,530	5,611	5,757
3. Pension costs	8,671	8,191	8,279	8,536	8,662	8,888
4. Exceptional FRS17 related costs	0	0	0	0	0	0
5. Other staff related costs	0	0	0	0	0	0
6. Total staff costs	77,601	72,725	73,508	75,794	76,910	78,913
7. Staff numbers (FTEs academic and other)	1,480	1,386	1,386	1,386	1,386	1,386

## 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

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**Table 2: Balance sheet**

**Institution: London South Bank University**

**Code: H-0076**

**UKPRN: 10004078**

	Actual 31/7/11 £000	Actual 31/7/12 £000	Forecast 31/7/13 £000	Forecast 31/7/14 £000	Forecast 31/7/15 £000	Forecast 31/7/16 £000
1. Fixed assets						
a Intangible assets	0	0	0	0	0	0
b Tangible assets	163,578	163,626	175,434	188,842	201,387	212,799
c Investments	38	38	38	38	38	38
d Investments in joint ventures: share of gross assets	0	0	0	0	0	0
e Investments in joint ventures: share of gross liabilities	0	0	0	0	0	0
Total	163,616	163,664	175,472	188,880	201,425	212,837
2. Endowment assets	651	641	641	641	641	641
3. Current assets						
a Stock	48	46	46	46	46	46
b Debtors	10,237	9,101	9,101	9,101	9,101	9,101
c Investments	0	0	0	0	0	0
d Cash at bank and in hand	62,605	69,146	58,983	48,216	35,573	26,097
Total	72,890	78,293	68,130	57,363	44,720	35,244
4. Creditors: amounts falling due within one year						
a Creditors	37,723	38,492	38,492	38,492	38,492	38,492
b Current portion of long-term liabilities	3,378	2,254	2,254	2,254	2,254	2,254
c Bank overdrafts	0	0	0	0	0	0
Total	41,101	40,746	40,746	40,746	40,746	40,746
5. Net current assets/(liabilities)	31,789	37,547	27,384	16,617	3,974	-5,502
6. Total assets less current liabilities	196,056	201,852	203,497	206,138	206,040	207,976
7. Creditors: Amounts falling due after more than one year						
a External borrowing	33,316	31,062	28,217	26,747	25,399	24,090
b Other	0	0	0	0	0	0
Total	33,316	31,062	28,217	26,747	25,399	24,090
8. Provisions for liabilities and charges	854	1,179	0	0	0	0
9. Net assets excluding pension asset/(liability)	161,886	169,611	175,280	179,391	180,641	183,886
10. Pension asset/(liability)	-55,340	-74,664	-71,364	-68,064	-64,764	-61,464
11. Net assets including pension asset/(liability)	106,546	94,947	103,916	111,327	115,877	122,422

## 2012 Financial Tables - July 2013 submission

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12. Deferred capital grants	31,653	31,695	29,903	28,214	26,712	25,474
13. Endowments						
a Expendable	308	304	304	304	304	304
b Permanent	343	337	337	337	337	337
Total endowments	651	641	641	641	641	641
14. Reserves						
a Income and expenditure account	97,794	106,289	114,552	121,154	124,708	129,993
b Pension reserve	-55,340	-74,664	-71,364	-68,064	-64,764	-61,464
c Revaluation reserve	31,788	30,986	30,184	29,382	28,580	27,778
d Minority interest	0	0	0	0	0	0
Total reserves	74,242	62,611	73,372	82,472	88,524	96,307
15. Total funds	106,546	94,947	103,916	111,327	115,877	122,422



## 2012 Financial Tables - July 2013 submission

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**Table 3: Cash flow statement**

**Institution: London South Bank University**

**Code: H-0076**

**UKPRN: 10004078**

	Actual 2010-11 £000	Actual 2011-12 £000	Forecast 2012-13 £000	Forecast 2013-14 £000	Forecast 2014-15 £000	Forecast 2015-16 £000
1. Net cash inflow/(outflow) from operating activities (Table 4 head 15)	26,495	20,083	13,672	13,768	11,784	14,842
2. Returns on investments and servicing of finance						
a Income from endowments	23	25	20	20	20	20
b Income from short-term investments	0	0	0	0	0	0
c Other interest received	498	672	443	395	309	309
d Interest paid	-1,952	-1,757	-1,653	-1,480	-1,408	-1,338
e Other items	0	0	0	0	0	0
f Net cash inflow/(outflow) from returns on investments and servicing of finance	-1,431	-1,060	-1,190	-1,065	-1,079	-1,009
3. Taxation	0	0	0	0	0	0
4. Capital expenditure and financial investment						
a Payments to acquire tangible assets	-6,267	-11,063	-19,800	-22,000	-22,000	-22,000
b Payments to acquire endowment asset investments	0	0	0	0	0	0
c Total payments to acquire fixed/endowment assets	-6,267	-11,063	-19,800	-22,000	-22,000	-22,000
d Receipts from sale of tangible assets	0	0	0	0	0	0
e Receipts from sale of endowment assets	0	0	0	0	0	0
f Deferred capital grants received	0	0	0	0	0	0
g Endowments received	0	0	0	0	0	0
h Other items	0	0	0	0	0	0
i Net cash inflow/(outflow) from capital expenditure and financial investment	-6,267	-11,063	-19,800	-22,000	-22,000	-22,000
5. Management of liquid resources	0	0	0	0	0	0
6. Financing						
a. Capital element of finance lease repayments	-864	-833	-340	-192	-55	0
b. Mortgages and loans acquired	608	0	0	0	0	0
c. Mortgage and loan capital repayments	-2,535	-2,545	-2,505	-1,278	-1,293	-1,309
d. Other items	2,835	1,959	0	0	0	0
e. Net cash inflow/(outflow) from financing	44	-1,419	-2,845	-1,470	-1,348	-1,309
7. Increase/decrease in cash in the year	18,841	6,541	-10,163	-10,767	-12,643	-9,476

**Table 4: Reconciliation of surplus/(deficit) for the year to net cash flow**

## 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

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**Institution: London South Bank University**

**Code: H-0076**

**UKPRN: 10004078**

	Actual 2010-11 £000	Actual 2011-12 £000	Forecast 2012-13 £000	Forecast 2013-14 £000	Forecast 2014-15 £000	Forecast 2015-16 £000
1. Surplus/(deficit) after depreciation of assets at valuation and before tax (from Table 1 head 14 + head 15 + head 18)	9,903	6,515	4,161	2,500	-548	1,183
2. Depreciation (from Table 1 head 11)	8,132	10,989	7,992	8,592	9,455	10,588
3. Deferred capital grants released to income	-1,867	-1,686	-1,792	-1,689	-1,502	-1,238
4. (Increase)/decrease stocks	2	2	0	0	0	0
5. (Increase)/decrease in debtors	-2,939	1,136	0	0	0	0
6. Increase/(decrease) in creditors	10,205	-546	0	0	0	0
7. Increase/(decrease) in provisions	-659	325	-1,179	0	0	0
8. Interest payable (from Table 1 head 12)	4,239	4,019	4,953	4,780	4,708	4,638
9. Investment income	-521	-697	-463	-415	-329	-329
10. Profit on sale of endowment assets	0	0	0	0	0	0
11. Loss on disposal of fixed assets	0	26	0	0	0	0
12. Impairment of fixed assets	0	0	0	0	0	0
13. Details	0	0	0	0	0	0
14. Details	0	0	0	0	0	0
15. Net cash inflow/(outflow) from operating activities	26,495	20,083	13,672	13,768	11,784	14,842

## 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

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<b>Table 5: Supporting data</b>						
<b>Institution: London South Bank University</b>						
<b>Code: H-0076</b>						
<b>UKPRN: 10004078</b>						
	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	£000	£000	£000	£000	£000	£000
1. Identification of items included in other operating expenses (Table 1 head 10)						
1a. Operating leases and other long-term operating expense commitments	1,427	1,247	1,200	1,200	1,200	1,200
1b. Annual contract cost of PFI deals	0	0	0	0	0	0
1c. Maintenance expenditure	7,001	7,037	7,248	7,466	7,690	7,920

## Student number forecasts 2012

<b>Table 6: Student number forecasts (FTEs)</b>		<b>Please complete student numbers in FTEs</b>													
<b>Institution: London South Bank University</b>															
<b>Code: H-0076</b>															
<b>UKPRN: 10004078</b>															
		Actual 2011-12		Forecast 2012-13		Forecast 2013-14		Forecast 2014-15		Forecast 2015-16					
		Home & EU	Island & o'seas	Home & EU	Island & o'seas	Home & EU	Island & o'seas	Home & EU	Island & o'seas	Home & EU	Island & o'seas	Home & EU	Island & o'seas		
				Old-regime	New-regime	Old-regime	New-regime	Old-regime	New-regime	Old-regime	New-regime	Old-regime	New-regime		
Total full-time and sandwich year-out	UG (incl FD)	8,393	695	5,800	2,496	600	3,000	4,220	600	500	5,600	600	0	6,000	600
	PGT	1,105	390	500	636	350	0	1,136	350	0	0	350	0	0	350
	PGR	0	35	0		35	0		35	0		35	0		35
	Total	9,499	1,120	6,300	3,132	985	3,000	5,356	985	500	5,600	985	0	6,000	985
Total part-time	UG (incl FD)	1,452	135	1,000	473	120	600	800	135	300	1,100	135	100	1,300	135
	PGT	604	128	100	525	110	50	600	128	0	600	128	0	600	128
	PGR	0	2	0		2	0		2	0		2	0		2
	Total	2,056	266	1,100	998	232	650	1,400	265	300	1,700	265	100	1,900	265

Note: The numbers returned in this table should be consistent with population of students returned to the Higher Education Statistics Agency (HESA). A description of the HESA student population is available at [http://www.hesa.ac.uk/index.php/component?option=com\\_studrec/task/show\\_file/Itemid,233/mnl,10051/href,coverage.html/](http://www.hesa.ac.uk/index.php/component?option=com_studrec/task/show_file/Itemid,233/mnl,10051/href,coverage.html/).

The information in this table will be used to provide context to the other financial tables and will not be used for funding purposes. For further guidance on completing this table please see Annex B of the AAR publication HEFCE 2012/23.

# 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

Telephone number: 0117 931 7389

E-mail address: j.brasted@hefce.ac.uk

**Table 7: Annualised servicing costs of long-term borrowing**

**Institution: London South Bank University**

**Code: H-0076**

**UKPRN: 10004078**

If a nil return then please choose "nil return" from the drop down menu:

The table below is populated with the long-term borrowing information returned to HEFCE in December 2012. **You only need to update the loans in this table if you find an error in the data returned previously.** Any changes made to data will be highlighted in red. Please choose "Error on previous return" in column O of the relevant row where data has been corrected.

The data returned in this table are used to review compliance with the Financial Memorandum in relation to the level of annualised servicing costs (ASC) of long-term financial commitments. We also use these data to review and update the borrowing consent limits and to understand the borrowing behaviour in the sector. Guidance on calculating the ASC of long-term borrowing is provided in Annex F of the Financial Memorandum (HEFCE 2010/19).

Please review the validation checks for Table 7 on the "Validation" worksheet.

Long-term borrowings														Annualised servicing costs £000s	Reason for difference in loan compared to last year's return
Lender	Type of Instrument (Note 1)	Capital sum originally borrowed £000s	Capital sum owed at 31/07/12 £000s	Date drawn down month year	Period of loan years	Date due to be repaid month year	Interest rate at 31/07/12 %	Interest rate fixed, variable or fixed/variable	Proportion relating to activities listed at Note 2 %						
<b>Loans outstanding as at 31 July 2012</b>															
1	AIB	10,000	5,660	Apr 2001	26	Sep 2027	6.7	Fixed	100.0					711	
2	Barclays	7,475	650	Apr 2007	6	Jan 2013	6.0	Fixed	100.0					1,533	
3	Barclays	7,695	6,228	Apr 2007	25	Jan 2032	5.7	Fixed	100.0					531	
4	SALIX	200	200	Feb 2009	5	Jan 2014	0.0	Fixed	0.0					0	
5	Barclays	6,830	5,865	Mar 2009	23	Mar 2032	0.9	Variable	0.0					419	
6	Barclays	5,000	5,000	Apr 2009	20	Apr 2029	5.3	Fixed	0.0					501	
7	Barclays	10,000	9,196	Apr 2009	23	Jan 2032	5.5	Fixed	0.0					754	
8	ING	238	43	May 2009	4	Apr 2013	12.4	Fixed	0.0					73	
9	ING	40	8	May 2009	4	Apr 2013	13.2	Fixed	0.0					12	
10	ING	253	78	Nov 2009	4	Oct 2013	10.1	Fixed	0.0					77	
11	ING	40	13	Nov 2009	4	Oct 2013	11.9	Fixed	0.0					12	
12	ING	213	70	Dec 2009	4	Nov 2013	10.2	Fixed	0.0					65	
13	ING	336	177	Oct 2010	4	Sep 2014	9.2	Fixed	0.0					100	
14	ING	202	128	Apr 2011	4	Mar 2015	8.9	Fixed	0.0					60	
15															
16															
17															
18															
19															
20															
21															
22															
23															
24															
25															
<b>Total loans outstanding as at 31 July 2012</b>		48,522	33,316											4,848	
<b>Loans drawn between 1 August 2012 and 31 October 2012</b>															
26															
27															
28															
29															
30															
<b>Total of loans drawn down between 1 August 2012 and 31 October 2012</b>		0												0	
<b>Loan facilities agreed with lender but not drawn down as at 31 October 2012</b>															
31															
32															
33															
34															
35															
<b>Total of loan facilities agreed with lender but not drawn down as at 31 October 2012</b>		0												0	
<b>TOTAL ANNUALISED SERVICING COSTS</b>															4,848
										2010-11	2011-12	2012-13			
										Actual	Actual	Estimate			
										£000s	£000s	£000s			
Total annualised servicing costs										5,368	4,848	3,230			
Total income - as income and expenditure account										144,929	138,268	136,843			
<b>Annualised servicing costs (ASC) as a percentage of total income</b>										3.70	3.51	2.36			
										2010-11	2011-12				
										Actual	Actual				
										£000s	£000s				
Operating leases and other long-term operating expense commitments and ASC as a percentage of total income										4.69	4.41				

**Notes**

- For example, mortgage, term loan, finance lease, BES, MOPS. Refer to Annex F in HEFCE 2010/19 publication for further guidance.
- Proportion of the borrowing related to the following activities: research contracts; residences, catering and conferences; services to external customers, including consultancy; and overseas activity.

# 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

Telephone number: 0117 931 7389

E-mail address: j.brasted@hefce.ac.uk

		Please update this table if you find an error in the data returned previously	
		Outturn as at 31 October 2012 £000s	Highest level of negative net cash sustained for more than thirty five consecutive days between 1 November 2011 and 31 October 2012 (note 4) £000s
1	Cash at bank and in hand	64,343	0
2	Deposits repayable on demand (note 3)	0	0
3	Bank overdraft (enter as negative)	0	0
4	Sub-total	64,343	0
5	Other current asset investments	0	0
6	Net liquidity	64,343	0

## Notes

3 Deposits repayable on demand, as defined in FRS1 and FRS7.

4 Only enter data in this column if the overall level of net cash (on a cash book basis) is negative.

# 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

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Please review your return to check it shows "validation passed" for all checks before submitting your workbook to HEFCE. If you have a genuine reason for failing a validation check, please provide a brief explanation of this reason in the box at the bottom of this page.

**Your workbook has passed all validation checks**

Table1	Completed
Table1a	Completed
Table1b	Completed
Table2	Completed
Table3	Completed
Table4	Completed
Table5	Completed
Table6	Completed
Table7	Completed
Table8	Completed

Table 1: Income and expenditure account

1a. Please check you have entered share of income in joint venture(s) (Head 7) as a negative figure for each year.

Validation Passed

1b. Please check you have entered other operating expenses (Head 10) and depreciation (Head 11) in the correct rows.

Validation Passed

Table 1a: Analysis of income

1c. Please ensure you have entered the fee income for non-EU domiciled students (Head 2e) in each year.

Validation Passed

Table 1b: Analysis of staff costs

1d. Please ensure that staff numbers are entered (Head 7) for each year.

Validation Passed

Table 2: Balance sheet

2. Please check you have entered intangible assets (Head 1a) and tangible assets (Head 1b) in the correct rows for each year.

Validation Passed

3. Please check you have entered investments in joint ventures: share of gross liabilities (Head 1e) as a negative figure for each year.

Validation Passed

4. Net assets including pension asset/(liability) (Head 11) should equal total funds (Head 15) for each year.

Validation Passed

5. Endowment assets (Head 2) should equal total endowments (Head 13) for each year.

Validation Passed

6a. You have entered a pension asset in Head 10, please confirm in the box below if this is correct. (Liabilities should be entered as negative.)

Validation Passed

6b. Please check you have entered pension assets/(liabilities) in Head 10 for all years.

Validation Passed

# 2012 Financial Tables - July 2013 submission

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6c. If you have entered a pension asset/liability in Head 10, please make sure you enter a pension asset/liability in Head 14b.

Validation Passed

Table 3: Cash flow statement

7. Interest paid (Head 2d) would usually be less than or equal to 0.

Validation Passed

8. Payments to acquire tangible assets (Head 4a) would usually be less than or equal to 0.

Validation Passed

9. Payments to acquire endowment asset investments (Head 4b) would usually be less than or equal to 0.

Validation Passed

Table 4: Reconciliation of surplus/(deficit) for the year to net cash flow

10. If you have entered additional items in Head 11 to Head 14 please record a description of the item.

Validation Passed

Table 6: Student number forecasts

11. Please ensure that you have entered full-time student numbers for all years in Table 6.

Validation Passed

No full-time students

12. Please ensure that you have entered part-time student numbers for all years in Table 6.

Validation Passed

Table 7: Annualised servicing costs of long-term borrowing

13. If you have deleted or altered any of the pre-filled loan data please choose a reason for the change from the drop-down list in the final column of the table. Any changes that you have made to the pre-filled data will appear as red text.

Validation Passed

14. The period of the loan must correspond with the year the loan was drawn down and the year the loan will be repaid.

Validation Passed

15. The capital sum owed at 31/07/12 should be less than the capital sum original borrowed.

Validation Passed

16. Loans which have finished (i.e. where the capital sum owed is zero) should be deleted.

Validation Passed

17. Total loans outstanding as at 31 July 2012 should equal the total external borrowing in table 2 (Head 4b + Head 7a).

Validation Passed

18. An estimate of the 2012-13 annualised servicing costs should be completed in Table 7.

Validation Passed

19. Annualised servicing costs must be provided for all loans.

Validation Passed

20. Please ensure that you have entered all of the details for an individual loan.

Validation Passed

21. If you have selected 'Nil return' for Table 7 please ensure no data are entered in Table 7.

Validation passed

## 2012 Financial Tables - July 2013 submission

HEFCE assurance consultant: Jacqui Brasted

Telephone number: 0117 931 7389

E-mail address: j.brasted@hefce.ac.uk

Workbook:

22. All monetary values in this workbook should be stated to the nearest thousand pounds.

Validation Passed

If you have a genuine reason for failing any of the above validation checks, please enter a brief explanation of this in the table below.

Validation check	Reason for failure



	PAPER NO: PR.23(13)	
Board/Committee:	Policy & Resources Committee	
Date:	3 July 2013	
Paper title:	HEFCE Annual Accountability Return	
Author:	John Baker, Corporate & Business Planning Manager	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
Recommendation by the Executive:	<b>The Executive recommends that the Policy and Resources Committee review and recommend approval of the return by the Board of Governors.</b>	
Aspect of Corporate Plan this will help deliver?	Financial sustainability.	
Matter previously considered by:	Policy and Resources Committee	March 2013
	Board of Governors	March 2013
Further approval required?	Board of Governors	13 July 2013
Communications – who should be made aware of the decision?	HEFCE	

### **Executive summary**

1. Until 2012 all documents forming part of the annual accountability return (AAR) were submitted to HEFCE as part of the December submission. In December 2012, given the uncertainty over student numbers, HEFCE required a reduced financial forecast submission focusing only on a revised forecast for 2012/13. Future forecasts were not required at that stage. HEFCE have now introduced a mid-year element of the return whereby 5 Year forecasts will be submitted each year in July (after approval by the Board).

2. The mid-year element of the annual accountability return to HEFCE for 2013 requires actual audited results for 2010/11 and 2011/12, an update to the forecast provided in December 2012 for 2012/13 and forward forecasts for the next 3 financial years together with related commentary on sustainability and the assumptions underpinning this.
3. The 2012/13 update is in line with the May 2013 management accounts and shows a surplus of £4.2m (an improvement on the November 2012 submission to HEFCE which showed a forecast surplus at that time of £2.5m for the full year). The other elements of the return are based on the 5 Year forecasts approved by the Board in March and hence have already been approved. The detailed analysis for 2013/14 is taken from the budget submission which delivers a surplus of £2.5m consistent with those agreed forecasts. 2014/15 and 2015/16 are identical to the earlier forecasts.
4. The key targets are as follows:
  - assumed growth in student numbers to 2,750 in 2013/14 compared with 2,500 in 2012/13 and steady state thereafter
  - improvements in year 1 progression from 61% to 65% over the five years
  - a move to fees of £9,000 from 2014/15 with additional bursary spend of £1m pa from 2014/15 and fee inflation post 2015/16
  - additional income of £16m pa by 2017/18 with a surplus thereon of 20% (£3.2m)
  - capital expenditure of £110m over the 5 year planning cycle (although this may need to be reviewed depending on actual financial performance over the period).
5. One minor change has been made to the assumed capital expenditure over the plan period. This has been reduced from £110m to £107m to reflect the fact that the forecast opening cash balance at 1 August 2013 is approximately £3m less than originally assumed. The profile of spend across future years has also been smoothed to ensure that the University maintains a minimum cash balance of £20m throughout the plan period.
6. P&R is requested to review the attached reports and recommend approval to Board.

#### **4 Attachments:**

1. AAR return written commentary

2. Associated financial tables
3. LSBU Corporate Risk Register
4. Five year forecast powerpoint presentation

## Corporate Level - Risk Register

<b>Date</b>	26/06/2013
<b>Risk Status</b>	Open
<b>Risk Area</b>	Corporate

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
1	CP-01 Failure to position the university to effectively respond to changes in government policy and the competitive landscape  <b>Risk Owner: Martin Earwicker</b>  <b>Last Updated: 06/06/2013</b>	<p><b>Cause &amp; Effect:</b></p> <p>Causes:</p> <ul style="list-style-type: none"> <li>- Changes to fees and funding models</li> <li>- Increased competition, supported by Government policy</li> <li>- Failure to anticipate change</li> <li>- Failure to position (politically)</li> <li>- Failure to position (capacity/structure)</li> <li>- Failure to improve League Table position</li> </ul> <p>Effects:</p> <ul style="list-style-type: none"> <li>- Further loss of public funding</li> <li>- Loss of HEFCE contract numbers</li> <li>- Failure to recruit students</li> <li>- Business model becomes unsustainable</li> </ul>	4 3 <b>Critical</b>	<p>Financial controls (inc. forecasting/modelling, restructure) to enable achievement of operating surplus target</p> <hr/> <p>Maintain relationships with key politicians/influencers, boroughs and local FE</p> <hr/> <p>Annual review of corporate strategy by Executive and Board of Governors</p> <hr/> <p>OFFA agreement for 13/14 and 14/15</p> <hr/> <p>Recent work/modelling to establish a fee position net of fee waivers less than £7500. Monitoring of guidance and continual modelling/update as required in response to changing position.</p>	4 1 <b>High</b>	<p>Resolve the position with Hefce regarding recent correspondence over average fee levels relating to the 11/12 core and margin competition process</p> <p><b>Person Responsible: Martin Earwicker</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Identifying and building on our academic strengths (Portfolio Review).</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Improve contacts with national and regional press</p> <p><b>Person Responsible: Lynn Grimes</b></p> <p><b>To be implemented by: 31/07/2013</b></p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
2	CO-01-02 Failure to meet revenue targets	<p><b>Cause &amp; Effect:</b></p> <p>Causes:</p> <ul style="list-style-type: none"> <li>- Changes to fees mechanisms for UGFT</li> <li>- Increased competition</li> <li>- Failure to develop and communicate brand</li> <li>- Lack of accurate real-time reporting mechanisms</li> <li>- LSBU late entrant to international student market and fails to catch-up</li> <li>- Poor league table position</li> <li>- Portfolio or modes of delivery do not reflect market need</li> <li>- Failure to engage with non-enterprise activities</li> </ul> <p>Effects:</p> <ul style="list-style-type: none"> <li>- Under recruitment</li> <li>- Loss of HEFCE contract numbers</li> <li>- Over recruitment leading to penalties on HEFCE numbers</li> <li>- Failure to meet income targets for non-HEFCE students</li> </ul>	4 3 <b>Critical</b>	<p>Report on student recruitment presented to every monthly Executive meeting and also reviewed by Board of Governors</p> <hr/> <p>Enterprise Business Plan submitted annually to SBUEL Board for approval and quarterly updates provided at Board meetings.</p> <hr/> <p>International Action Plan, including International Fees &amp; Discounting policy, simplified fee structure and discount/scholarship programme for targeted countries, enhanced in-market and partner activity</p> <hr/> <p>Sustainable internationalisation strategy</p> <hr/> <p>League Table action plan</p> <hr/> <p>Modelling of student recruitment numbers, including worse case scenarios which aid the planning process.</p> <hr/> <p>SBUEL has 2 Non-Executive Directors in place to oversee the Enterprise strategy</p> <hr/> <p>Differentiated campaigns started for postgraduate and part-time students</p>	4 2 <b>Critical</b>	<p>Identify, research, develop and implement a range of major long term investment opportunities with potential to generate significant income and contribution over ~5+ years under the auspices of the 16-20 Challenge programme, overseen by the University Executive (as Programme Board).</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Postgraduate action plan developed.</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Step-change in Internationalisation Plan to be incorporated.</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Identifying and building on our academic strengths (Portfolio Review).</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p>

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

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



Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
		<p>- Failure to satisfy requirements of Professional, Statutory and Regulatory bodies (NHS, course accreditation etc)</p>		<p>Data warehousing, to construct a 'master data view' and reports therefrom, including:</p> <ul style="list-style-type: none"> <li>- Cleansing core systems to ensure all data as accurate and complete as possible</li> <li>- Ensuring reports use core data without manipulating results</li> <li>- Provision of standard reports on key aspects of data:                             <ul style="list-style-type: none"> <li>*Progression analysis</li> <li>*Student engagement</li> <li>*Admissions (especially during clearing)</li> <li>*Enrolment</li> </ul> </li> </ul> <hr/> <p>Systematic data quality checks of student returns by Registry in conjunction with faculties.</p>		

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
14	CO-10-06 Potential loss of NHS contract income	<p><b>Cause &amp; Effect:</b></p> <p><b>Cause:</b> Reduction in expected CPPD funding due to ongoing NHS financial challenges/ structural change. In addition potential problems with NHS deanery recruitment to community programmes. Failure to maintain student numbers on the contract resulting in clawback</p> <p><b>Effect:</b> Reduction in income Reduced staff numbers Negative impact on reputation</p>	4 3 <b>Critical</b>	<p>Named Customer Manager roles with NHS Trusts, CCGs and HEE.</p> <hr/> <p>Monitor quality of courses (CPM and NMC) annually in autumn (CPM) and winter (NMC)</p> <hr/> <p>Regular contact with commissioning contract managers and deanery</p>	4 2 <b>Critical</b>	<p>Review staffing in faculty to reflect total activity, freeze non-critical vacant posts and HPL activity until income assured.</p> <p><b>Person Responsible: Warren Turner</b></p> <p><b>To be implemented by: 28/06/2013</b></p> <hr/> <p>Continue contract discussions with newly formed HEE/ LETB's</p> <p><b>Person Responsible: Judith Ellis</b></p> <p><b>To be implemented by: 28/06/2013</b></p> <hr/> <p>Submit a strong return to next REF exercise.</p> <p><b>Person Responsible: Nicola Crichton</b></p> <p><b>To be implemented by: 31/12/2013</b></p> <hr/> <p>Ensure a quality campus in each HEE/ LETB area.</p> <p><b>Person Responsible: Warren Turner</b></p> <p><b>To be implemented by: 01/09/2013</b></p> <hr/> <p>Grow into new markets for medical and private sector CPPD provision</p> <p><b>Person Responsible: Warren Turner</b></p> <p><b>To be implemented by: 31/08/2013</b></p> <hr/> <p>Improvement in NSS returns and scores</p> <p><b>Person Responsible: Judith Ellis</b></p> <p><b>To be implemented by: 31/07/2013</b></p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
						<p>Develop opportunities for further International 'in-country' activity.</p> <p><b>Person Responsible: Dr Michelle Spruce</b></p> <p><b>To be implemented by: 30/09/2013</b></p> <hr/> <p>Increase uptake in band 1-4 activity Support Trusts in seeking external (non NHS) funding</p> <p><b>Person Responsible: Sheelagh Mealing</b></p> <p><b>To be implemented by: 01/09/2013</b></p>
37	CO-10-08 Potential impact of estates strategy delivery on financial position	<p><b>Cause &amp; Effect:</b></p> <p>Causes:</p> <ul style="list-style-type: none"> <li>- Poor project controls</li> <li>- Lack of capacity to manage/deliver projects</li> <li>- Reduction in agreed/assumed capital funding</li> <li>- Reduction in other government funding</li> </ul> <p>Effects:</p> <ul style="list-style-type: none"> <li>- Adverse financial impact</li> <li>- Reputational damage</li> <li>- Reduced surplus</li> <li>- Planned improvement to student experience not delivered</li> <li>- Inability to attract new students</li> </ul>	<p>3 3</p> <p>High</p>	<p>Regular Reports are provided to both P&amp;R and the Board on planned capital expenditure.</p> <hr/> <p>Full Business Case including clarity on cost and funding prepared for each element of Estates Strategy and approved by Board of Governors</p> <hr/> <p>Clear requirement (including authority levels) for all major (&gt;£1m) capital expenditure to have Board approval</p> <hr/> <p>Property Committee is a sub-committee of the Board of Governors and has a remit to review all property related capital decisions.</p> <hr/> <p>Automated process developed for business cases including all capital spend. Guidance developed as part of new process.</p>	<p>3 1</p> <p>Medium</p>	<p>Completion of the Terraces Project will see the completion also of the current development plan in relation to the Anchor Projects. The potential acquisition of the Hugh Aster Court (Peabody Building) on Keyworth Street opens up the opportunity for the redevelopment of the North West quarter of the campus and the creation of a clear University 'front door'.</p> <p>Plans have been developed for a major redevelopment scheme that will be shared with the Executive in July and following consultation with the Faculties and major stakeholders, the 2013 Estate Development Plan will be shared with Governors for consideration and consultation in the Autumn 2013.</p> <p><b>Person Responsible: Ian Mehrstens</b></p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
				<p>Financial forecasts regularly updated to take account of changing assumptions about future capital funding.</p> <hr/> <p>Clear project governance established for both the renovation of the Terraces and the Student Centre</p> <hr/> <p>Estates &amp; Facilities Dept project controls</p>		<p><b>To be implemented by: 30/11/2013</b></p> <hr/> <p>Deliver the renovation of the Terraces in accordance with agreed budget.</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 31/07/2013</b></p> <hr/> <p>Complete and report on the final negotiations for the Student Centre</p> <p><b>Person Responsible: Ian Mehrtens</b></p> <p><b>To be implemented by: 30/04/2013</b></p>
305	CO-13-01 Data protection (Upgraded from Registry's operational register)	<p><b>Cause &amp; Effect:</b> Loss of student data security either en masse (e.g. address harvesting) or in specific cases (e.g. loss of sensitive personal files)</p>	<p>3 2 <b>High</b></p>	<p>Following a meeting on 16/11/12, David Swayne has taken responsibility for improving our control over data protection risks at an institutional level.</p>	<p>3 2 <b>High</b></p>	<p>Define an Information Security solution for LSBU and implement it. LSBU has no Information Security Manager - the post was removed some time ago. To rectify this situation a Managed Security Service is being procured.</p> <p><b>Person Responsible: David Swayne</b></p> <p><b>To be implemented by: 30/09/2013</b></p> <hr/> <p>1. Define Mobile Device Policy - this is agreed and published 2. Prepare and deliver a training course on this topic - this is in progress in collaboration between ICT and OSDT 3. Ensure that all mobile devices have adequate protection - laptop encryption tool being selected, mobile device management tool purchased and being deployed</p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
						<b>Person Responsible: David Swayne</b> <b>To be implemented by: 31/07/2013</b>
362	CO-10-09 Poor staff engagement	<b>Cause &amp; Effect:</b> <b>Causes:</b> <ul style="list-style-type: none"> <li>•Bureaucracy involved in decision making at the University</li> <li>•No teamwork amongst departments at the University</li> <li>•Staff feeling that they do not receive relevant information directly linked to them and their jobs</li> <li>•Poor pay and reward packages</li> <li>•Poor diversity and inclusion practises</li> </ul> <b>Effects:</b> <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> </ul>	3    3 <b>High</b>	Departmental Business Planning process <hr/> Feedback page for staff to leave comments on staff Gateway <hr/> Scheduled Team meetings <hr/> Corporate Roadshows <hr/> Staff engagement survey <hr/> Quarterly review meetings	3    2 <b>High</b>	Co-ordination of the 2013 employee engagement survey <b>Person Responsible: Mrs Vongai Nyahunzvi</b> <b>To be implemented by: 31/05/2013</b>
	<b>Risk Owner: Martin Earwicker</b>  <b>Last Updated: 04/02/2013</b>					

	PAPER NO: PR.24(13)	
Board/Committee:	Policy & Resources Committee	
Date:	3 July 2013	
Paper title:	Tuition Fees for 2014/15	
Author:	John Baker, Corporate & Business Planning Manager	
Executive sponsor:	Bev Jullien, Pro Vice Chancellor (External)	
<b>Recommendation by the Executive:</b>	The Executive recommends that the Policy and Resources Committee recommend the proposed fees to the Board for approval.	
Aspect of Corporate Plan this will help deliver?	The competitive pricing of fees at undergraduate and postgraduate level should facilitate meeting recruitment targets for the university that have been set in the Corporate Plan.	
Matter previously considered by:	Executive	On: March 2013
Further approval required?	Board of Governors	On: 18 July 2013
Communications – who should be made aware of the decision?	n/a	

### **Executive summary**

The Executive recommendation for the fees for new students in the 2014-15 academic year is as set out in the attached report.

This is to increase fees for new full time undergraduate students, but to hold fees for new international, postgraduate and part time students.

Market Research has been completed to support this position for postgraduate courses, and a summary of this research is also attached.

### **Two Attachments:**

1. 14-15 Fees proposal paper
2. PG Fees market research report summary

## LSBU Market Research Overview: Post graduate fees & Scholarships 2014:15

Summary of findings: June 2013\*

### AHS

Largely on par with competitor group for UK & EU pricing (in some areas e.g. Arts we are priced towards more "affordable end") - many competitor courses are a similar / higher fee for UK&EU, but are much higher for Intl students, where our fee is set at one rate for all students

LLM priced at lower end

Social Sciences competitively priced

### BUS

Within a similar range to our competitors (if a little more towards the 'affordable' end). University of West London is the only institution with lower UK, EU & Intl fees for every course area

MBA - towards lower end of fee spectrum, on a par with West London

Marketing - competitively priced in relation to competitors

IT courses on a par with competitors

### ESBE

**Engineering** course fees vary considerably – the range of competitor's engineering courses included in the spread sheet demonstrate the variance in courses and fees. At £7,560 for UK and EU students, LSBU is largely on a par with some competitors (Lon Met, City) but more expensive than others (Kingston, Greenwich), but for Intl fees, we are priced slightly higher than UEL, UWL, LMU, Greenwich and one Middlesex course

### Scholarships and Bursaries

A variety seen between the 9 London modern universities in terms of general scholarships and subject specific scholarships

Westminster University seemed to have the largest number of scholarships/bursaries available

No information for Postgraduate scholarships/bursaries could be found on London Met's website.

3 of the 9 institutions offer the Santander scholarships to PGT students from Spanish speaking countries (although the amounts offered did vary by institution)

7 of the 9 institutions offered alumni fee discounts - typically a 10 or 20% discount of a PG fee if students had studied their UG at the same institution

University of West London has yet to update their site with 2013/14 offers. Only their Law school had an up to date offering.

\*Detailed analysis can be supplied on request

## Standing Orders

### The Board of Governors

1. The Board of Governors is the University's governing body. The core responsibilities of the Board are:
  - (i) the effective stewardship of the University to secure its sustainability over the medium and long term;
  - (ii) safeguarding the mission of the University and the services it provides for the public benefit;
  - (iii) securing the proper and effective use of public funds and accounting to stakeholders and society for institutional performance.
  
2. The Board as a whole is collectively responsible for promoting the success of the University by leading and supervising its affairs. The Board:
  - oversees all activities of the University and ensures it complies with the law;
  - determines the strategic direction of the University;
  - has responsibility for approving the educational character, mission and strategic vision of the University, together with its long-term academic and business plans.
  - fosters an educational environment that enables students to succeed; and
  - sets the values and standards of the University and ensures that its obligations to its stakeholders are understood and met;
  - has overall responsibility for its assets, property and estate, employees and health and safety
  - takes all final decisions on matters of fundamental concern to the University.



## **Standing Orders**

### **Board of Governors – Statement of Primary Responsibilities**

1. To approve the educational character, mission and strategic vision of the institution, together with its long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To delegate authority to the head of the institution, as chief executive, for the academic, corporate, financial, estate and personnel management of the institution, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution.
3. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
4. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
5. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself, and to carry out such reviews at appropriate intervals.
6. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
7. To safeguard and promote the good name and values of the institution.
8. To appoint the head of the institution as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
9. To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
10. To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.

11. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the University's assets, property and estate.
12. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name.
13. To make such provision as it thinks fit for the general welfare of students.
14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution or its students.
15. To ensure that the institution's constitution is followed at all times and that appropriate advice to the Board is available to enable this to happen.

*Approved by the Board of Governors on 24 November 2011*

# **London South Bank**

## University

### **Standing Orders**

#### **Chair**

1. There shall be a Chair of the Board of Governors who shall be responsible for the leadership of the Board and its effectiveness.
2. The Chair is appointed by the Board from the Independent Governors.
3. When a governor is appointed as Chair they shall start a new term of office of four years. The Chair should not normally be appointed for more than two terms of four years.

#### **Vice Chair**

4. The Vice Chair is appointed by the Board from the Independent Governors and serves until their term of office on the Board expires or until they resign the position.

## **Standing Orders**

### **Composition of the Board and methods of appointment and termination**

1. Under article **9.2** the Board has determined that, when fully complemented, the membership of the Board shall consist of 18 members, as follows:
  - i. 13 independent governors;
  - ii. the Vice Chancellor (by virtue of office);
  - iii. two students; and
  - iv. two academic staff members of the Academic Board.
2. Under article **9.3** the Board may amend the composition of the Board, ensuring that independent governors are in a majority and that there are not less than eight and not more than eighteen members of the Board.
3. If the Board decides to alter the composition of the Board to exclude student or staff governors it should formally record in its minutes the reasons for doing this and inform the funding council.

### **Independent Governors**

4. Independent Governors are defined in Article **9.1.2** as “persons who are neither Staff nor Students and who are considered by the Appointments Committee to have experience and capability relevant to the University’s requirements”.
5. The Nomination Committee shall consider potential candidates for the position of Independent Governor and shall make recommendations to the Appointments Committee having evaluated the balance of skills, knowledge and experience required for a particular appointment and having due regard to the benefit of equality and diversity in the composition of the Board.
6. Independent Governors shall be appointed by the Appointments Committee, having considered a recommendation from the Nomination Committee.
7. Under Article **10.1.2**, Independent Governors shall be appointed for an initial term of four years. The Appointments Committee may re-appoint an Independent Governor at the end of their term of office on a recommendation from the Nomination Committee, based on effective performance.

8. Under Article **10.2**, an Independent Governor may not normally be appointed for more than two terms of office in total. If it recommends that an Independent Governor is to be appointed for a third term, the Nomination Committee shall make a clear justification to the Appointments Committee.

### **Student Governors**

9. A Student is defined in the Articles as “a person who ... is pursuing a full-time course of not less than **one** month’s duration... . For this purpose, sabbatical officers of the Student Union shall be deemed to be students”.
10. The President of the Student Union shall be a Student Governor and will serve as a governor throughout their period of office.
11. A member of the Student Council shall be elected by Student Council to serve as the additional Student Governor.
- i. The election is normally at the first Student Council meeting of the academic year.
  - ii. The Student Governor elected by the Student Council serves for one academic year or until they are no longer a member of Student Council, whichever shall be sooner.
  - iii. The Student Governor is eligible for re-election if they continue to serve on Student Council.
  - iv. If the Student Governor elected by the Student Council ceases to be a member of the Student Council during their period of office they shall cease to be a Student Governor.

### **Academic Staff Governors**

12. There shall be two governors who shall be members of the Academic Board appointed to the Academic Board as academic or research staff under Article **7.2.3** (Academic Staff Governors).
13. The Academic Board shall nominate the Academic Staff Governors to the Board of Governors for consideration. Where there is more than one candidate for the position the Academic Board shall nominate its preferred candidate by majority vote at a quorate meeting.

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

15. The Academic Staff Governors serve for a period of three years or until they cease to be a member of the Academic Board, whichever is the soonest.

**Termination of Appointment**

16. Under Article 10.3.4 the procedure for removing governors by the Members follows ss.168-169 Companies Act 2006.

**Standing Orders**

**Proceedings of Meetings and Decision Making**

1. This Standing Order complements Article 11. Subject to the provisions of the Articles, the Board of Governors may amend this Standing Order as it shall from time to time think fit.

*Meetings of the Board and its Committees*

2. Subject to Article 11.1, the Board shall decide how many meetings of the Board of Governors and each committee shall be held each year.
3. A special meeting of the Board of Governors may at any time be summoned by the direction of the Board of Governors or the Chair of the Board or at the request in writing of any five Governors. No business shall be transacted at any special meeting other than business the general nature of which has been specified in the notice summoning the meeting and any incidental business.
4. If within half an hour from the time appointed for a meeting a quorum is not present, the meeting shall be adjourned and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the persons present and entitled to attend and vote at the meeting shall constitute a quorum.
5. No business shall be transacted at any meeting unless a quorum is present at the time when the meeting commences.

*Decision Making in Meetings*

6. Decisions of the Board shall usually be taken by consensus at quorate meetings. Where consensus cannot be reached the Chair may cause a vote to be taken.
7. In the case of an equality of votes, the Chair of the meeting shall be entitled to a second or casting vote.
8. Members at any meeting of the Board of Governors shall not be bound in their speaking and voting by instructions given to them by their nominating body or other persons.

*Decision Making outside Meetings*

9. During the course of the university's business, matters may arise between scheduled Board meetings that require urgent Board approval or discussion and cannot be postponed until the next convened Board meeting. Where decisions that would ordinarily be taken at Board meetings have to be made on an urgent basis the following procedure will be followed:
- a. The Secretary will determine if a proposal is urgent and requires Board or Committee approval.
  - b. The Secretary will brief the relevant chair on the proposal and reasons for the urgency.
  - c. The Secretary will try and arrange a quorate telephone conference call. If this is not possible the Secretary will email members of Board or Committee, to seek approval for the proposal. The Secretary will attach the board paper or business case necessary to allow governors to make an informed decision. Governors will be asked to indicate their approval to the Secretary by a particular date.
  - d. Governors should express any concerns or questions they might have about the proposal to the Secretary. The Secretary will then forward these to members of the executive for their response.
  - e. The proposal will be deemed to be approved when a majority of positive responses has been received. The Secretary will communicate the Board decision to the executive who will then be authorised to proceed.
  - f. A decision taken under this procedure will be reported at the next Board or Committee meeting. The decision will be recorded in the minutes of the meeting to which it is reported.
  - g. In the absence of the Secretary, an appropriate member of the governance team will operate this procedure.

*Minutes*

10. The Board of Governors shall cause minutes to be kept of the proceedings at meetings of the Board of Governors and all Committees of the Board of Governors and, when agreed by the next meeting of the Board of Governors or committee and signed by the Chairman of that meeting, shall be conclusive evidence of the matters stated therein.



*Conflicts of Interest*

11. Unless the Board decides otherwise, any Governor who is a member of Staff (other than the Chief Executive) or a Student shall withdraw from that part of any meeting of the Board of Governors, or committee of the Board of Governors, where a named member of staff or student, or prospective member of staff or student is to be considered. The Chief Executive shall withdraw from any meeting or part thereof where her/his position is under discussion.

**Standing Orders**

**Committees**

1. Under article 8 the Board is entitled to delegate aspects of its business to committees. Delegated business is set out in the *Matters Reserved to the Board* (attached). Areas of business the Board may not delegate are set out in article 8.
2. The Board shall establish such committees as it believes are required for the effective governance of the university.
3. A decision to establish or disestablish a sub-committee of the Board shall be taken by the Board of Governors.
4. Terms of reference for each committee shall be approved by the Board and reviewed annually by each committee, with proposed amendments subject to approval by the Board.
5. Chair(man)ship of each committee shall be decided by the Chair of the Board.
6. Appointment of members to committees shall be decided by the Chair of the Board and the Chair of the committee.
7. Under paragraph 29 of Annex B of the Financial Memorandum with HEFCE there shall be an Audit Committee.

**Schedule of Matters Reserved to the Board of Governors**

This Schedule of Matters Reserved to the Board sets out those aspects of University business whose approval is reserved to the Board of Governors. Often the Board delegates certain approvals to one or more of its committees: where this is the case it is listed in the third column. Where the Board is restricted by the Articles, the Financial Memorandum (FM) with HEFCE, legislation or the Financial Regulations (FR) from delegating decisions to a committee it is indicated by \*\*. The relevant committee may make a recommendation to the Board. The Board as a whole takes the final decision.

<b>1.</b>	<b>Mission and strategy</b>	<b>Reference</b>	<b>Delegation to a committee of the Board?</b>
1.1	** The determination of the educational character and mission of the University	Art. 27	<b>no delegation</b> (Educational Character reviews educational character)
1.2	Safeguarding and promoting the good name and values of LSBU		
1.3	Oversight of the University's activities including the exercise of degree awarding powers		
1.4	Review of performance of LSBU in the light of its strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.		(P&R reviews prior to board)
1.5	Approval and periodic review of the Key Performance Indicators.		(P&R reviews prior to board)
1.6	Extension of LSBU's undertaking into new activities or geographic areas.		(P&R reviews business case prior to board)
1.7	Any decision to cease to operate all or any material part of LSBU's undertaking.		(P&R reviews specific proposals prior to board)
<b>2.</b>	<b>Corporate structure</b>		
2.1	Major changes to LSBU's corporate structure.		Sub-committee/s may review prior to board
2.2	Major changes to LSBU's management and control structure.		Sub-committee/s may review prior to board

<b>3.</b>	<b>Financial reporting and controls</b>		
3.1	** Approval of the annual report and accounts, including the corporate governance statement and remuneration report.	CA 2006 s.414(1)	P&R and Audit review draft. P&R reviews corporate governance statement Remco reviews remuneration report
3.2	** Approval of the annual estimates of income and expenditure (i.e. the annual budget and five year forecast) and capital expenditure budgets and any material changes to them.	Art. 27	<b>no delegation</b> (P&R reviews prior to board)
3.3	** Ensuring the solvency of LSBU and the safeguarding of its assets by: <ul style="list-style-type: none"> <li>• competent and prudent management</li> <li>• sound planning</li> <li>• an adequate system of internal control</li> <li>• a formal and structured risk management process</li> <li>• adequate accounting and other records</li> <li>• compliance with statutory and regulatory obligations</li> <li>• sound systems for reporting student data</li> <li>• any other means of assurance as the Board sees fit.</li> </ul>	Art. 27	<b>no delegation</b> (Audit and P&R review aspects as set out in their terms of reference and report to the Board)
3.4	Ensuring that funds provided by the funding body are used in accordance with the terms and conditions of the financial memorandum.		Audit
3.5	Ensuring sound arrangements for: <ul style="list-style-type: none"> <li>• risk management,</li> <li>• control and governance, and</li> <li>• for economy, efficiency and effectiveness (value for money), within the University</li> </ul>	FM Annex A 4	Audit monitors and reports to Board
3.6	Ensuring that the arrangements for the management and quality assurance of data submitted to HESA and HEFCE	FM Annex A 6	Audit monitors and reports to Board
3.7	** Approval of any significant changes in accounting policies or practices.	FR 4.7	<b>no delegation</b> (Audit reviews and recommends to the Board)
3.8	Approval of investment and treasury policies.	FR 12.1	P&R

3.9	Approval of investment policies for charitable funds.		P&R
3.10	Acting as trustee for any property, legacy, endowment, bequest or gift in support of the work of LSBU and the welfare or its students.		
3.11	** Appointment of bankers, opening of accounts, authorisation of signatories and levels of authority.	FR 10.1	<b>no delegation</b> (P&R reviews and recommends to the Board)
3.12	** Approval of capital finance	FR 10.5	<b>no delegation</b> (P&R reviews and recommends to the Board)
3.13	** Approval of borrowing raised on the security of the University's assets	FR 10.5	<b>no delegation</b> (P&R reviews and recommends to the Board)
3.14	** Approval of lease finance arrangements for items with a capital value greater than £250,000	FR 10.5	<b>no delegation</b> (P&R reviews and recommends to the Board)
3.15	Approval of borrowings (by loan facility or overdraft) above £0.5 million.		<b>no delegation</b> (P&R reviews and recommends to the Board)
<b>4.</b>	<b>Internal controls</b>		
4.1	Ensuring maintenance of a sound system of internal control and risk management including: <ul style="list-style-type: none"> <li>receiving reports on, and reviewing the effectiveness of, LSBU's risk and control processes to support its strategy and objectives;</li> <li>undertaking an annual assessment of these processes;</li> <li>approving an appropriate statement for inclusion in the annual report.</li> </ul>		(Audit reviews risk at each meeting and reports concerns to the Board. Its annual report to the Board includes its opinion on the adequacy of risk management)  The Board reviews risk in detail annually.
4.2	Debt write off above £500		Audit
<b>5.</b>	<b>Auditors</b>		
5.1	** Appointment, reappointment or removal of the internal or external auditor, following the recommendation of the audit committee.	FM Annex B 51	<b>no delegation</b> (Audit reviews and makes recommendation to the Board)
<b>6.</b>	<b>Transactions and contracts</b>		

6.1	Investment in capital projects above £1 million.	FR 9.6	(P&R reviews and recommends to the Board)
6.2	Contracts which are material strategically or by reason of size, entered into by LSBU or any subsidiary <u>in the ordinary course of business</u> , and in any event budgeted expenditure above £2 million.	FR 9.6	(P&R reviews and recommends to the Board)
6.3	** Contracts of LSBU or any subsidiary <u>not in the ordinary course of business</u> , and in any event unbudgeted expenditure above £0.5 million.	FR 9.6	<b>no delegation</b> (P&R reviews and recommends to the Board)
6.4	** To authorise use of LSBU's seal	Art. 89. FR 14.1	<b>no delegation</b>
<b>7.</b>	<b>Academic</b>		
7.1	** The determination of the educational character of LSBU	Art. 27	<b>no delegation</b> (Educational Character reviews educational character)
7.2	** Ensuring an effective framework – overseen by the Academic Board – to manage the quality of learning and teaching and to maintain academic standards	FM 18	<b>no delegation</b> (Educational Character reviews and reports to the Board) Board receives an annual report from the Academic Board
7.3	Ensuring that the academic portfolio meets future needs and is sustainable		Educational Character reviews and recommends to the Board
7.4	** Approval of tuition fees	Art. 81 FR 5.2	<b>No delegation</b> (P&R reviews and recommends to the Board)
<b>8.</b>	<b>Human Resources</b>		
8.1	Approval of annual staffing budget	FR 8.1	P&R reviews as part of the annual university budget and recommends to the Board
8.2	Approval of HR framework to support academic strategy		
8.3	** Decision on whether to opt into national pay negotiations and decisions regarding pay awards	FR 8.10	<b>no delegation</b> (HR committee reviews and recommends to the Board)

8.4	Approval of regulations governing the conditions of employment of University staff	FR 8.6	(HR Committee reviews and recommends to the Board)
<b>9.</b>	<b>Estates</b>		
9.1	** Approval of Estates Strategy	FR 9.8	<b>no delegation</b> (Property Committee reviews and recommends to the Board)
9.2	** Disposal of land and buildings	FR 9.14	<b>no delegation</b> (Property Committee reviews in line with Estates Strategy. P&R reviews from a financial perspective)
<b>10.</b>	<b>Students' Union</b>		
10.1	** Approval of amendments to or rescission of the constitution of the LSBU Students' Union	Art. 76	<b>no delegation</b> (P&R reviews and recommends to the Board)
<b>11.</b>	<b>Board membership</b>		
11.1	** Changes to the structure, size and composition of the board	Art. 5.4	<b>no delegation</b>
11.2	Ensuring adequate succession planning for the board and senior post-holders.		Nomination reviews and makes recommendations to the Appointments Committee
11.3	Regulations for appointment of governors to the board.		Nomination reviews and recommends to the Board
11.4	** Selection of the Chairman of the board.	Art. 47	<b>no delegation</b> (Nomination makes recommendation) (Process set out in regulations under 11.3)
11.5	Membership and chairmanship of board committees.		Chairman of the Board recommends
11.6	Re-appointment of Governors at the end of their term of office.		Nominations Committee reviews Appointments Committee re-appoints
11.7	** Removal of a Governor at any time		<b>no delegation</b>

<b>12.</b>	<b>Chancellor</b>		
12.1	** The appointment of a Chancellor and determination of their duties	Art. 14(f)	Chancellor Nomination Committee recommends to the Board
<b>13.</b>	<b>Appointments of Senior Post Holders</b>		
13.1	The appointment, assignment, appraisal, grading, suspension, dismissal and determination of pay and conditions of the Vice Chancellor, the Clerk to the Board and other senior post holders as determined by the Board	Art. 14	For VC and Clerk Board shall delegate appraisal to Chairman
<b>14.</b>	<b>Remuneration</b>		
14.1	Determining the remuneration policy for the senior post holders.		Remuneration Committee
14.2	Determining total individual remuneration packages for senior post holders		Remuneration Committee
14.3	The introduction of new incentive plans or major changes to existing plans.		Remuneration Committee
<b>15.</b>	<b>Corporate Governance</b>		
15.1	** Responsibility for the overall governance of LSBU and for its regular review.		<b>no delegation</b>
15.2	** Regularly, at appropriate intervals, undertaking a formal and rigorous review of its own performance, of its committees and individual governors.	CUC Code 15	<b>no delegation</b>
15.3	** The variation or revocation of LSBU's Memorandum and Articles of Association	Art. 27	<b>no delegation</b> (P&R reviews and recommends to the Board)
15.4	Approval and review of a statement of primary responsibilities of the Board	CUC Code 4	(P&R reviews and recommends to the Board)
15.5	** Authorising situational interests of governors	CA 2006 s.181(2)(b)	<b>no delegation</b>
<b>16.</b>	<b>Delegation of Authority</b>		
16.1	** The division of responsibilities between the chairman and the chief executive, which should be in writing.		<b>no delegation</b>



16.2	** Establishment and deletion of Board committees NB The Board must have an Audit Committee (FM Annex B 29 and Art. 25), HR Committee (Art. 24), Nominations Committee and Appointment Committee (Art. 26)		<b>no delegation</b>
16.3	** Approval of terms of reference of board committees.		<b>no delegation</b> (each committee reviews its own terms of reference before recommending to the Board)
16.4	** Receiving reports from board committees on their activities.		<b>no delegation</b>
16.5	** This schedule of matters reserved for board decisions.		<b>no delegation</b> (P&R reviews and recommends to the Board)
<b>17.</b>	<b>Subsidiary Companies</b>		
17.1	Regulations for appointments of directors and the composition of boards of subsidiaries of LSBU and external bodies.		(P&R reviews and recommends to the Board)
17.2	Investments in subsidiary companies through share purchases.		(P&R reviews and recommends to the Board)
17.3	Schedule of Matters Reserved to subsidiary company boards.		(P&R reviews and recommends to the Board)
<b>18.</b>	<b>Honorary Degrees</b>		
18.1	Authority to decide recipients of awards		Honorary Awards Joint Committee (based on criteria as approved by the Academic Board)
<b>19.</b>	<b>Policies</b>		
19.1	Approval of high level corporate policies. (The University Secretary will decide if a policy needs approval from the Board)		P&R
<b>20.</b>	<b>Litigation</b>		
20.1	Prosecution, defence or settlement of litigation involving above £0.5 million or being otherwise material to the interests of LSBU.		(P&R reviews and recommends course of action to the Board)

<b>21.</b>	<b>Insurance</b>		
21.1	Approval of the overall levels of insurance for LSBU including directors' & officers' liability insurance and indemnification of Governors.		P&R
<b>22.</b>	<b>Pensions</b>		
22.1	** Where subject to the approval of LSBU, major changes to LSBU's pension schemes or changes of trustees or changes in the fund management arrangements.		<b>no delegation</b> (HR reviews and recommends to the Board)
<b>23.</b>	<b>Health and Safety</b>		
23.1	** Safeguarding and promoting the health and safety of students, staff and visitors		<b>no delegation</b> (P&R reviews annual report prior to Board)
<b>24.</b>	<b>Communication</b>		
24.1	Approval of press releases on any matters decided by the board.		Chair and/or VC

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

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

*Approved by the Board of Governors on 3 October 2012*

**Standing Orders**

**The Chief Executive**

1. The broad duties of the Chief Executive are set out in Article 6.
2. If the Chief Executive is not be capable of acting, by reason of illness or otherwise, the duties of the Chief Executive shall be fulfilled by a senior post holder as the Chief Executive nominates or, in default of the Chief Executive's nomination, as the Chairman of the Board of Governors nominates.

## Standing Order

### Academic Board

#### Composition of the Academic Board

1. Under article 7.3, the Board of Governors has determined that membership of the Academic Board shall be made up of the following:

1.1 the Senior post holders (as defined by the Board of Governors):

- 1.1.1 Vice Chancellor
- 1.1.2 Pro Vice Chancellor (Academic)
- 1.1.3 Pro Vice Chancellor (External)
- 1.1.4 Secretary & Clerk to the Board of Governors
- 1.1.5 Executive Director of Finance

1.2 Senior members of the faculties and professors:

- 1.2.1 Executive Deans
- 1.2.2 Academic Heads of Department
- 1.2.3 Non-academic Heads of Department

1.3 Members of staff below the level of staff referred to in 1.2:

- 1.3.1 Academic staff
- 1.3.2 Academic Staff from University as a whole
- 1.3.3 Research staff
- 1.3.4 Non-teaching staff
- 1.3.5 Technicians
- 1.3.6 Students (including the Student Union President)

2. The Chief Executive shall be the Chairman of the Academic Board

#### Responsibilities of the Academic Board

3. Subject to the provisions of the Articles, to the overall responsibility of the Board of Governors, the responsibilities of the Chief Executive, and to the requirements of external validating bodies, the Academic Board is responsible for policy and regulation in respect of the following matters:
  - 3.1 the criteria for the admission of Students;
  - 3.2 the appointment and removal of internal and external examiners;
  - 3.3 policies and procedures for the assessment and examination of the academic performance of Students;
  - 3.4 the content of curricula;

- 3.5 the quality of courses including matters relating to validation or accreditation by external bodies;
  - 3.6 the titles of awards and conferments to be granted to individuals meeting criteria determined by the Academic Board;
  - 3.7 the procedure for granting qualifications and titles, and for annulling such qualifications and titles;
  - 3.8 the procedure for granting distinctions including honorary degrees and academic titles;
  - 3.9 procedures for the exclusion of students for academic reasons;
  - 3.10 such other similar matters as are essentially concerned with pedagogy, research, and scholarship.
4. The Academic Board is responsible to the Board of Governors for:-
- (i) The consideration of the development of the academic activities of the University and the resources needed to support them and for advising the Chief Executive and the Board of Governors;
  - (ii) The fostering and maintenance of the closest possible connections with industry, commerce, the professions, the arts, and other external links including those with educational establishments in the United Kingdom and overseas;
  - (iii) Recommending on the institution of fellowships, scholarships, studentships, prizes and other aids to study and research;
  - (iv) Advising on such other matters as the Board of Governors or the Chief Executive may refer to the Academic Board.
5. The Academic Board may establish such committees as it considers necessary for purposes enabling it to carry out its responsibilities provided that each establishment is first approved by the Chief Executive and the Board of Governors. The number of members of any such committee and the terms on which they are to hold and vacate office shall be determined by the Academic Board. Subject to the approval of the Chief Executive and the Board of Governors, the Academic Board may delegate, by regulations, any of the powers specifically conferred on it by paragraphs 3 and 4 above, to any person or body of persons (including a committee established as above) constituted for the purpose.

## **Standing Orders**

### **Honorary Positions**

1. The University has the following honorary positions:
  - a. Chancellor
  - b. Pro Chancellor

### **Chancellor**

2. Under Article **5.1.6** the Board of Governors is responsible for the appointment of a Chancellor who shall hold office for such term and have such duties and responsibilities as the Board of Governors from time to time shall determine.
3. The Chancellor's role is:
  - a. honorific and does not carry membership of the Board of Governors;
  - b. non-executive with none of the responsibilities reserved for the Board of Governors as set out in the Articles of Association;
  - c. ceremonial – presiding at degree ceremonies and honorary fellow ceremonies;
  - d. assisting in promotion of the University generally – occasionally attending VIP events;
  - e. available to the Vice-Chancellor for advice and consultation.
4. The term of office will be four years with a possible second term of four years but no further extension (apart from exceptional circumstances).
5. The required attributes for the position of Chancellor are:
  - a. a public figure of good standing and well respected;
  - b. well-connected;
  - c. not currently politically active;
  - d. high achiever who is prominent in a profession relevant to the University;
  - e. able to devote a reasonable amount of time to the academic life, mission and work of the University.

### **Pro Chancellor**

6. Pro Chancellors shall be appointed by the Board, from amongst the Independent Governors. The Chairman and Vice Chair shall usually be Pro Chancellors.
7. Individuals shall cease to be Pro Chancellors when they cease to be Independent Governors.

8. The role of Pro Chancellor shall be to assist the Chancellor in presiding at degree ceremonies and to promote the good reputation of the University.

	PAPER NO: PR.25(13)	
Board/Committee:	Policy and Resources Committee	
Date:	3 July 2013	
Paper title:	Revision of LSBU's Articles update	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsor:	David Longbottom, Chairman of the Board	
<b>Recommendation:</b>	<p>To recommend to the Board:</p> <ul style="list-style-type: none"> <li>• The draft Articles for approval to begin consultation with the Privy Council;</li> <li>• Whether to include a provision for the remuneration of governors and, if so, to recommend the standing order on remuneration for approval for consultation with the Privy Council; and</li> <li>• The draft standing orders</li> </ul>	
Aspect of the Corporate Plan to which this will help deliver?	Creating an environment in which excellence can thrive	
Matter previously considered by:	P&R and the Board	On: November 2012
Further approval required?	Board for final approval	On: tbc
Communications – who should be made aware of the decision?	No decisions to be made	

### **Executive Summary**

In November 2012, the Policy and Resources Committee and the Board of Governors considered draft revised Articles of Association for LSBU. This report updates the committee on progress since these meetings.



### **Update on Articles**

1. The University's Memorandum and Articles of Association (M&A) are the University's constitution and govern how the University is run. The M&A have not substantively changed since the institution became a university in 1992.
2. The proposed new Articles have been significantly revised following legal advice from Pinsent Mason LLP based on guidance from the Privy Council. The new Articles will comply with the Companies Act 2006 and allow authorisations of situational conflicts of interest (under the Companies Act 2006 the Memorandum is a historic document).

### **Consultation with the trade unions**

3. On 17<sup>th</sup> January 2013 and 28<sup>th</sup> February 2013 the University Secretary and Governance Officer met representatives of the three recognised trade unions to consult them on the proposed changes to the Articles of Association.
4. The Unions were supportive of the need to revise and modernise the Articles of Association but questioned the removal of detail in the objects clause (Article 1), the responsibilities of the Chief Executive (Article 6) and the membership of the Academic Board (Article 7). Having regard to this feedback, the objects clause has subsequently been extended and wording from the current articles reinserted to cover the responsibilities of the Chief Executive and membership of the Academic Board.
5. The Unions considered the inclusion of an enabling clause on governor remuneration. UCU are of the view that although there are equality and diversity issues associated with non-remuneration these are outweighed by the positives of retaining a public service ethos. Thus, they would not welcome the payment of governors.
6. The enabling clause on remuneration has been retained in the draft and the committee are requested to recommend to the Board whether to include this clause in the new articles. Use of the enabling power will be governed by a Standing Order which is subject to Privy Council and Charity Commission approval. The draft Standing Order is included for completeness.
7. The draft Standing Order is based on Charity Commission template. If the Board decided it needed to use the power to remunerate it would have to consider Charity Commission guidance, resolve that the remuneration is

clearly in the interests of the University and that remuneration provides a clear and significant advantage over all other options.

### **Composition of the Board**

8. Membership of the Board is proposed as follows:
  - 13 independent governors;
  - the Vice Chancellor (ex officio);
  - two students; and
  - two academic staff members of the Academic Board.
9. The consequence is that the practice of co-opting two staff governors following an election will cease. It is important that academics are members of the Board and the two Academic Board nominees and two student governors will continue.
10. As the new Articles propose reducing the maximum size of the Board to 18 members (from 24), the current composition of the Board as outlined in paragraph 9 is the maximum size of the Board and any future increase in staff or student governors will mean a reduction in the number of independent governors.

### **Standing Orders**

11. In order to streamline and modernise the articles some detail has been removed from the articles. Where necessary these provisions will now be covered by standing orders of the Board. Standing orders are proposed to cover:
  - a. Role of the Board
  - b. Primary Responsibilities of the Board
  - c. Chairman of the Board
  - d. Composition of Board and methods of appointment
  - e. Proceedings of Meetings and Decision Making
  - f. Committees
  - g. Chief Executive
  - h. Academic Board
  - i. Honorary Positions

12. These standing orders are intended to complement the articles and offer the Board greater flexibility to alter without referring to the Privy Council. The proposed standing orders are attached for information.

### **Consultation with the Privy Council**

13. Following approval of the draft articles by the committee and the Board, consultation with the Privy Council will commence. Once the Privy Council confirms that it is content with the draft “in principle”, the Board will be requested to approve the final version before final “official” approval by the Privy Council.

14. The likely timetable to completion is as follows:

July 2013	Board approves final draft
Aug/Sept	“Informal” consultation on the Articles and standing order on remuneration considered by the Privy Council
Sept	Consideration of Privy Council’s comments
Oct	Final approval of Articles and Standing Orders by Board of Governors
Nov/Dec	Final approval by the Privy Council

### **Recommendation**

The committee is requested to recommend to the Board:

- The draft Articles for approval to begin consultation with the Privy Council;
- Whether to include a provision for the remuneration of governors and, if so, to recommend the standing order on remuneration for approval for consultation with the Privy Council; and
- The draft standing orders

## London South Bank University

### Standing Order for the remuneration of Governors

1. For the purposes of Article 12.2.6 of the Articles of Association of the University, an Independent Governor may receive remuneration for acting as a Governor provided that the Governors as charity trustees follow the procedure set out in clause 2 and observe the conditions set out in clause 3 below.
2. An Independent Governor may receive benefits for acting as a Governor provided the Board of Governors has in addition to meeting the requirements of clause 3 below:
  - 2.1 read considered and taken into account the published guidance of the Charity Commission relating to the remuneration of charity trustees for acting as such;
  - 2.2 resolved that the remuneration is clearly in the interests of the charity and that the trustee in question be awarded the remuneration in question; and
  - 2.3 resolved after taking reasonable steps to identify and consider all other reasonably available options for recruiting or retaining a suitable candidate for the role of Governor, that offering the remuneration in question provides a significant and clear advantage over all the other options available.
3. The University and its Board of Governors may only rely upon the authority provided by clause 2 above if each of the following conditions is satisfied:
  - 3.1 The remuneration paid to the Governor does not exceed an amount that is reasonable in all the circumstances.
  - 3.2 Any conflicted members of the Board of Governors are absent from the part of any meeting at which there is discussion of:
    - (a) his or her remuneration; or
    - (b) his or her performance in office.
  - 3.3 The conflicted Governors do not vote on any such matter and are not to be counted when calculating whether a quorum of members of the Board of Governors is present at the meeting.
  - 3.4 The reason for their decision is recorded by the non-conflicted Governors.

**Comment [A1]:** Please note that this Standing Order is limited to Independent Governors

**Comment [A2]:** Charity Commission guidance is that charities should only remunerate "when there is a clear and significant advantage to the charity that will outweigh an disadvantages"

**Comment [A3]:** Remuneration would probably therefore only be for new governors and could be used if there was a difficulty in filling vacancies. Could also be used to recruit a new Chair.

**Comment [A4]:** A limit could be included which is index linked.

- 3.5 A majority of the Governors then in office are non-conflicted Governors.
- 3.6 If a Governor receives remuneration it shall be disclosed in the accounts at least to the extent of any other related party transaction.
- 3.7 a “conflicted Governor” is a Governor who has received, is entitled to receive or is currently receiving remuneration under this Standing Order.
- 3.8 a “non-conflicted Governor” is a Governor who is not a conflicted Governor.
4. This Standing Order may not be amended without the express prior consent of the Charity Commission.

Board/Committee:	Policy and Resources committee	
Date:	3 July 2013	
Paper title:	Amendments to Financial Regulations	
Author:	Natalie Ferer, Financial Controller	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
<b>Recommendation by the Executive:</b>	That the Committee recommends approval of the proposed amendments to the Financial Regulations.	
Aspect of the Corporate Plan to which this will help deliver?	Creating an environment in which excellence can thrive by ensuring that our underpinning business processes, systems, policies and investments create an environment that enables success	
Matter previously considered by:	Audit Committee	On: 13 June 2013
Further approval required?	Board	On: 18 July 2013
Communications – who should be made aware of the decision?	All staff	

### Executive summary

1. An annual update of the University's Financial Regulations is brought to the Board each year. This is to ensure that the Financial Regulations remain relevant and reflect the structure and organisation of the University.
2. Changes to the regulations are shown in the table below. A marked up version of the regulations is attached.

Paragraph	Page	Update
Corporate Governance	6 - 7	Update Committee details and responsibilities
Whistleblowing	8	Replace reference to Whistleblowing policy with Speak Up policy

Budgetary control	10	Insert paragraph to give budget authority to the Finance Member of the Emergency Management Team
Capitalisation and Depreciation	11	Amend the Accounting Policy for deprecation of computer equipment from 5 years to 4 years
External and Internal Audit	12 - 13	Update responsibility for appointing auditors from the Audit Committee to the Board on the recommendation of the Audit Committee and update the role of Internal Audit
Fraud and Corruption	13	Clearer wording and reference to the Fraud Response Plan
Income	14	Remove responsibility of Policy and Resources Committee for approving levels of charges as this is covered adequately in section 4.18
Write off of debt	16	Amend authorisation levels for the write off of debt. Currently audit committee must approve all debts to be written off. Amended to allow Director of Finance to approve the annual write off of debts up to a value of £50,000 and to approve the write off of individual debts up to £10,000.
Residences and Catering	17	(and throughout) Replace reference to Residence and Catering with Estates
Staff Expenditure	21	Rewrite of section to remove reference to a 'staffing establishment' and explain the responsibility of holders of Letters of Delegation to ensure that staffing remains within the budget for the year
Employment	22	Amend wording allowing the Board to delegate employment conditions of service to the HR committee or the Executive
Investment Appraisal	26	Update regulations on when an investment bid requires a business case to be prepared
Authorisation Levels	29	Add requirement that where Board approval is needed, that papers go first to Policy and Resources Committee
Purchase orders	30	Addition of contract catering to the list of purchases not requiring a purchase order
Equipment removal	32	Add that the requirement Board approval for the disposal of Land and Buildings be made on the recommendation of the Policy and Resources Committee
Investments	38 - 39	Replace the Board with Policy and Resources Committee as being responsible for establishing and Investment Policy. Replace Vice Chancellor with the Executive Director of Finance as being able to determine long term investments within this policy

		Replace reference to Charitable Funds Sub Committee with Policy and Resources Committee
Insurance	40	Replace the Board with Policy and Resources Committee as being responsible for approving terms of insurance arrangements
Fraud Response Plan	45	Update in line with Anti-Fraud Policy approved by Audit Committee
Anti-Bribery Policy	48	Removal from Financial Regulations and listed as an associated document
Specific procedures relating to SBUEL	52	Added 'Travel, subsistence and expense policy' to list of separate financial procedures for SBUEL
List of Associated Documents	54	Added Letter of Delegated Authority, Speak Up Policy, Risk Policy , Procurement Tendering Policy and Anti-Bribery Policy to list of associated documents



## LSBU Corporate Key Performance Indicators (2010/11 - 2012/13)

Report date: 12/06/2013

### Financial Sustainability (Check all targets with RF)

KPI	2010/11 Actual	2011/12 Actual	2012/13 (Target)	Current Performance (RAG)	YoY up down
<b>Student Numbers &amp; Contracts</b>					
1 Recruitment against HEFCE contract	Within tolerance band	Within tolerance <i>(prediction)</i>	Within tolerance band	Within tolerance <i>(prediction)</i>	➔
2 Recruitment against NHS contract	Within 5%	On target	+/-5%	On target	➔
3 International student income	£10.2m	£9.6m <i>(year end result)</i>	£9.2m	£8.6m <i>(may forecast)</i>	⬇
<b>Income</b>					
4 Total Income (£)	£144.0m	£138.7m <i>(year end result)</i>	£136.4m	£136.5 <i>(may forecast)</i>	⬇
5 Research (non-HEFCE) income (£)	£3.4m	£2.3m <i>(year end result)</i>	£2.0m	£2.1m <i>(may forecast)</i>	⬇
6 Enterprise income (£)	£8.5m	£9.2m <i>(year end result)</i>	£8.3m	£7.6m <i>(may forecast)</i>	⬇
<b>Surplus</b>					
7 Total Surplus (% of income)	7.0%	4.7% <i>(year end result)</i>	1.8%	3.06% <i>(may forecast)</i>	⬇
<b>Other Financial Indicators</b>					
8 Cash Balance (£)	£62.6m	£69.1m <i>(Year end result)</i>	£59.1m	£69.7 m	⬆
9 Gearing Ratio	0.34	0.31 <i>(Year end result)</i>	0.37	*due at year end	
10 Days liquidity	179	203 <i>(Year end result)</i>	137	*due at year end	

### The Student Experience

KPI	2010/11 (Actual)	2011/12 (Actual)	2012/13 (Target)	Current Performance (RAG)	
<b>Student Satisfaction</b>					
11 Overall Student Satisfaction - UG (NSS) *	77%	80% <i>(2011/12)</i>	90%	*due Nov	
12 Overall Student Satisfaction - PG	75%	78% <i>(2011/12)</i>	90%	*due Nov	
<b>Student Retention &amp; Progression</b>					
13 FTUG Year 1 Progression (%)	60%	63% <i>(2011/12)</i>	70%	*due Nov	
14 Graduating in intended period (FTUG 3/4yrs) (%)	53%	52% <i>(2011/12)</i>	65%	*due Nov	
<b>Value Added</b>					
15 Employment of graduates (DLHE return)* (Employed, or studying, or both)	82.4%	78.1% <i>(2010/11 cohort)</i>	90%	*due July	
16 No. of first degree students obtaining 1st or Upper 2nd class degrees *	52%	56% <i>(2011/12)</i>	60%	*due Nov	
17 No. of first degree students obtaining 1st or 2nd class degrees	89%	90% <i>(2011/12)</i>	80%	*due Nov	
<b>Resource Measures</b>					
18 Spend per student (£) * (Academic Services)	£841	£940 <i>(Complete UG 2013)</i>	£1,000	£900 <i>(CUG 2014)</i>	⬇
19 Spend per student (£) * (Services & Facilities)	£1,021	£1062 <i>(Times GUG 2012/13)</i>	£1,000	*due Sep	
20 Staff:student ratio *	23.3:1	22.4:1 <i>(2011 HESA)</i>	21:1	*due Sep	

### Brand Profile

KPI	2010/11 (Actual)	2011/12 (Actual)	2012/13 (Target)	Current Performance (RAG)	
<b>League Table Ranking</b>					
21 The Sunday Times	120 (of 121)	118 (of 122) <i>(2012 Table)</i>	Out of bottom 5	114 (of 122) <i>(2013 Table)</i>	⬆
22 The Guardian	100 (of 119)	104 (of 120) <i>(2013 Table)</i>	Out of bottom 5	113 (of 119) <i>(2014 Guide - June 13)</i>	⬇
23 The Complete University Guide	116 (of 116)	109 (of 116) <i>(2013 Table)</i>	Out of bottom 5	119 (of 124) <i>(2014 Table - April 13)</i>	⬇
24 The Times	113 (of 116)	111 (of 116) <i>(2012/13 Table)</i>	Out of bottom 5	*due Sep	
<b>Subject League Tables (The Guardian)</b>					
25 No. of subjects in top 75% nationally	5 (of 18)	5 (of 17) <i>(2012/13 Tables)</i>	5 (of 15)	3 (of 21)	⬇
26 No. of subjects in top 50% of post-1992	4 (of 18)	3 (of 17) <i>(2012/13 Tables)</i>	5 (of 15)	2 (of 21)	⬇
27 No. of subjects in top 50% of post-1992, London	6 (of 18)	3 (of 17) <i>(2012/13 Tables)</i>	5 (of 15)	4 (of 21)	⬆
<b>Student Perceptions</b>					
28 Early : late applications (% of FTUG enrolments arising from early/late applications)	75:25	74:26 (2011/12)	80:20	*due Nov	
29 Financial support from donors (cash received, £)	£2.5m	£1.5m (2011/12)	£1.6m	£1.35m <i>(2012/13 forecast)</i>	⬇
<b>Staff Perceptions</b>					
30 Staff Satisfaction survey participation	NEW	62%	70%	52%	⬇

\* Key league table measure

<b>KPI Notes: Measure Overview</b>	<b>Data date &amp; Source</b>	<b>Notes</b>
1-10 Financial performance	Nov to Sep: LSBU Management Accounts	Forecast data updated after each month end period Final figure provided after audit & year end in Sep.
<b>Student Satisfaction</b>		
11 Overall Student Satisfaction - UG (NSS)	Oct/Nov: Ipsos Mori National Student Survey	
12 Overall Student Satisfaction - PG	Oct/Nov: LSBU PG Taught Survey	
13 FTUG Year 1 Progression (%)	Oct/Nov: LSBU Cognos PAT Reports	
14 % Graduating in intended period (FTUG 3/4yrs)	Oct/Nov: LSBU Registry Analysis	
<b>Value Added</b>		
15 Employment of graduates (% Employed, Studying, or both)	June/July: Hefce DLHE survey	
16 No. of first degree students obtaining 1st or Upper 2nd class degrees *	Oct/Nov: LSBU Registry Analysis	
17 No. of first degree students obtaining 1st or 2nd class degrees	Oct/Nov: LSBU Registry Analysis	
<b>Resource Measures</b>		
18 Spend per student (£) * (Academic Services)	April/May: 'Complete University Guide'	
19 Spend per student (£) * (Services & Facilities)	June/July: Times 'Good University Guide'	
20 Staff:student ratio *	June/July: HESA data publication	
<b>League Table Ranking</b>		
21 The Sunday Times	September: The Sunday Times Newspaper	
22 The Guardian	June: The Guardian Newspaper	LSBU has moved down to 113 in the 2014 table & the total number of universities is now back to 119. Released 4 June 2013.
23 The Complete University Guide (formerly <i>The Independent</i> )	April: Complete University Guide website	LSBU is still outside the bottom 5, but # of institutions included has increased to 124 in the 2014 guide, released in April 13.
24 The Times	Sep: The Times Newspaper	
<b>Subject League Tables (The Guardian)</b>		
25 No. of subjects in top 75% nationally	June: The Guardian Newspaper	Top 75% in 'Nursing & Paramedical Studies', 'Social Work' and 'Sports Science'
26 No. of subjects in top 50% of post-1992	June: The Guardian Newspaper	Top 50% of post-1992 in 'Nursing & Paramedical Studies' & 'Sports Science'
27 No. of subjects in top 50% of post-1992, London	June: The Guardian Newspaper	Top 50% of post-1992, London in 'Architecture' 'Social Work' & 'Sports Science' & 'Nursing & Paramedical Studies'
<b>Student Perceptions</b>		
28 Early : late applications (% of FTUG enrolments arising from early/late applications)	Oct/Nov, Registry Analysis	
29 Financial support from donors (cash received, £)	Oct/Nov, Development Office	
<b>Staff Perceptions</b>		
30 Staff Satisfaction	Survey: May 2013 3rd Party	Result indicates the percentage of staff that took part in the survey

## May 2013 Executive Summary

This Executive Summary reports on the Financial position of London South Bank University as at May 2013 and summarises the changes since the April Forecast

1

The Full Year Forecast as of May 2013 continues to trend towards a contribution of £4.2M. This is broadly in line with the April Forecast and keeps us just ahead of the December 2012 Full Year Forecast which had a forecast surplus of £4M. The key drivers for the change in surplus this month are the release of additional funds from HEFCE for the National Scholarship Programme, an increase in Forecast income from the Faculty of Health & Social Care relating to CPPD income and an increase in forecasted Post Graduate income following a review within the faculty of Business. In terms of expenditure, we have increased our Bursary provision to ensure that Graduation Bursaries are fully provided for.

2 In terms of income, the University is £5.6M short of budget and this shortfall is driven by under recruitment particularly with regard to undergraduates. As per Appx 3B the shortfall against budget is £4.6M for Home / EU and £0.5M for Overseas undergraduates. There is also a significant shortfall against Home / EU Postgraduate income of £2.1M against budget. Overseas Postgraduate Income is ahead of budget after a review led by the Faculty of Business. Our Income forecast is now fairly robust since we have passed the final trigger point for SLC moneys for new regime students. The key potential impact on income will be the level of additional Fee Waivers required to keep our average UG Fee income below £7,500

3 The forecast reflects the commitment to the Board that we would look for opportunities across the organisation for increased revenue and potential savings, without reducing capability or NSS scores. The University is still trending towards savings against budget of £3.0M primarily driven by staff savings against budget and a reduction of £1M in our investment pot. The Staffing forecast in May represents an increase of just 0.5% against our 2011 /12 out turn. The monthly movement of £0.2M from exceptional represents investments from the investment pot that now appear in other budget lines

In order to ensure comparability with previous years, we are currently moving the fee waivers from the centre to the faculties. This will not impact the overall levels of profitability but may depress the % contribution. We are currently hold a remaining provision of £875k for new regime Fees. We have now confirmed with HEFCE the appropriate methodology for calculating the average fee and are confident that this provision will be adequate.

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

Financial Summary in £'m	11 / 12	12/13	Apr 12 / 13 FYF	variance to Budget	Monthly Move	May 12 / 13 FYF	variance to Budget	11 / 12	12/13	12 / 13	variance to YTD Budget
	Actual	Budget						Actual	Budget	Actual	
Funding Council Grant	45.4	33.2	34.2	1.0	0.4	34.6	1.4	36.3	27.7	28.7	1.0
Academic Fees & Support Grants	74.7	92.3	85.0	-7.3	-0.1	84.8	-7.5	70.2	87.5	81.1	-6.4
Research Grants & Contracts	4.1	3.9	3.0	-0.9	0.0	3.0	-0.9	3.5	3.3	2.6	-0.7
Other Operating	13.9	12.7	13.9	1.1	0.1	14.0	1.3	11.0	11.1	12.3	1.3
Endowments & Interest	0.7	0.3	0.4	0.1	0.0	0.5	0.1	0.4	0.3	0.4	0.1
<b>Income</b>	<b>138.7</b>	<b>142.5</b>	<b>136.5</b>	<b>-6.0</b>	<b>0.4</b>	<b>136.9</b>	<b>-5.6</b>	<b>121.4</b>	<b>129.7</b>	<b>125.1</b>	<b>-4.6</b>
<b>in £'m</b>											
Staff Costs	74.9	77.4	75.4	2.0	-0.1	75.3	2.2	61.6	64.5	62.0	2.5
Depreciation	8.0	8.7	8.0	0.7	-0.0	8.0	0.7	6.8	7.3	6.5	0.7
Operating Expenses	42.3	40.9	41.5	-0.6	0.8	42.3	-1.3	28.7	31.2	29.7	1.4
Interest Payable	4.0	4.9	5.0	-0.0	0.0	5.0	-0.0	3.4	4.1	3.0	1.1
Exceptional Items	2.9	3.2	2.4	0.8	-0.2	2.2	1.0	0.0	2.6	0.0	2.6
<b>Expenditure</b>	<b>132.2</b>	<b>135.3</b>	<b>132.3</b>	<b>3.0</b>	<b>0.4</b>	<b>132.7</b>	<b>2.6</b>	<b>100.4</b>	<b>109.7</b>	<b>101.3</b>	<b>8.4</b>
<b>Surplus for the year</b>	<b>6.5</b>	<b>7.2</b>	<b>4.2</b>		<b>0.0</b>	<b>4.2</b>	<b>-3.0</b>				
<b>Surplus as % of income</b>	<b>4.7%</b>	<b>5.1%</b>	<b>3.1%</b>			<b>3.1%</b>		<b>82.2%</b>	<b>83.4%</b>	<b>82.4%</b>	<b>YTD % Staff Costs</b>
<b>Staff cost as % of income</b>	<b>54.0%</b>	<b>54.3%</b>	<b>55.3%</b>			<b>55.0%</b>		<b>67.7%</b>	<b>76.1%</b>	<b>70.4%</b>	<b>YTD % Opex</b>

## 5 Risks and Contingencies

The Full Year Forecast contains a number of risks particularly with regard to old regime bursaries. We have made a provision of £2.7M for old regime bursaries and are confident that this amount will be adequate. In terms of additional contingencies, we are still holding a £0.5M Opex contingency, a restructuring provision of £1.5M and an FRS 17 contingency of £1M. In terms of the investment pot we have currently made revenue awards totalling £1.5M and have £500K remaining. This month, we have also taken a provision of £480K for bad

In terms of staff costs, these are currently running at 82.4% of forecast which is better than the position at the end of April 2012. In terms of operating expenses however, we have spent 70.4% of our full year forecast, this is significantly ahead of the same position last year where we had spent just 66.6% of our final year out turn at this point. We are currently monitoring expenditure to ensure that departments do not overspend against budget.

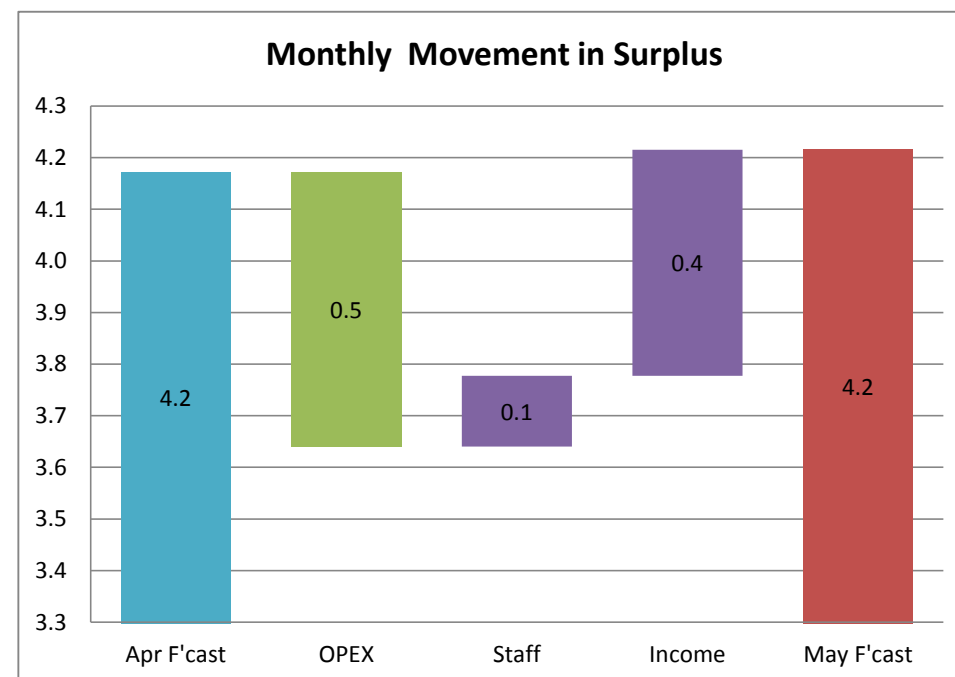
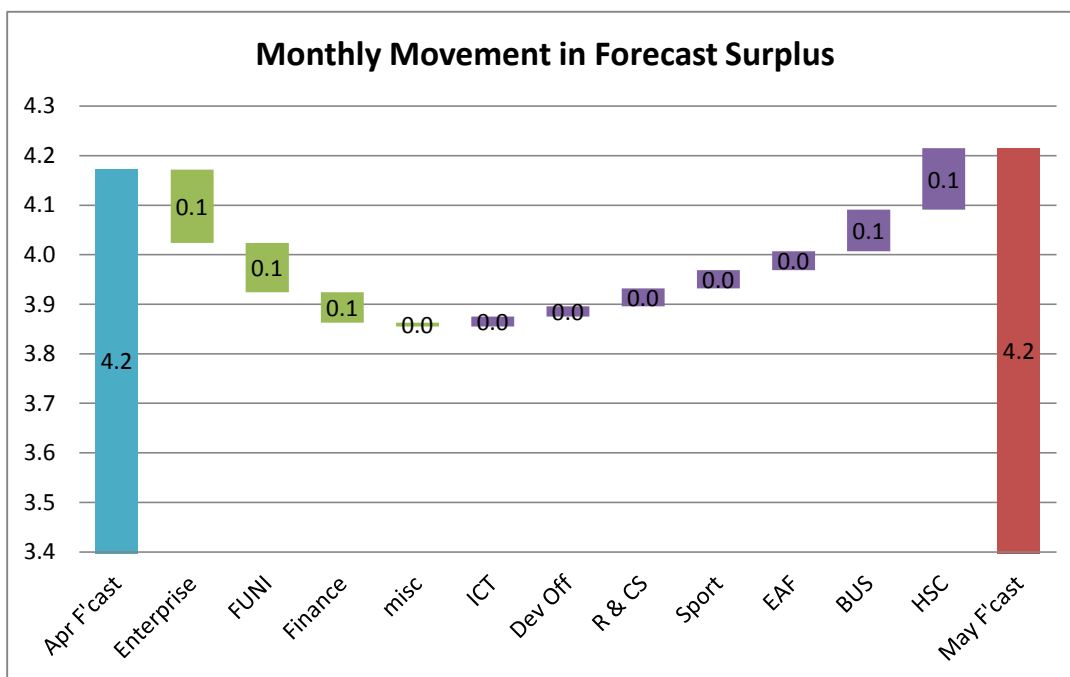
## 6 Academic Fees analysis

in £'m	11 / 12 Actual	12/13 Budget	Apr 12 / 13 FYF	Monthly Move	May 12 / 13 FYF	variance to Budget	in £'m	11 / 12 Actual	12/13 Budget	Apr 12 / 13 FYF	Monthly Move	May 12 / 13 FYF	variance to Budget
Home & EU Fees - UG	26.8	41.6	37.6	-0.5	37.0	-4.6	Overseas Fees - UG	6.4	5.8	5.4	0.0	5.4	-0.5
Home & EU Fees - PG	4.9	9.4	7.1	0.2	7.3	-2.1	Overseas Fees - PG	3.2	3.4	3.2	0.2	3.4	0.1
<b>Total Home &amp; EU Fees</b>	<b>31.8</b>	<b>51.0</b>	<b>44.7</b>	<b>-0.4</b>	<b>44.3</b>	<b>-6.7</b>	<b>Total Overseas Fees</b>	<b>9.6</b>	<b>9.2</b>	<b>8.6</b>	<b>0.2</b>	<b>8.8</b>	<b>-0.4</b>

Student numbers are included in Appendix 1. The University continues to decline in terms of student headcount, however in terms of Full Time Equivalents the numbers are broadly comparable with the 2011 / 12 out turn. This potentially represents a decline in the number of students studying on a part time basis and a switch towards a more full time mode of study.

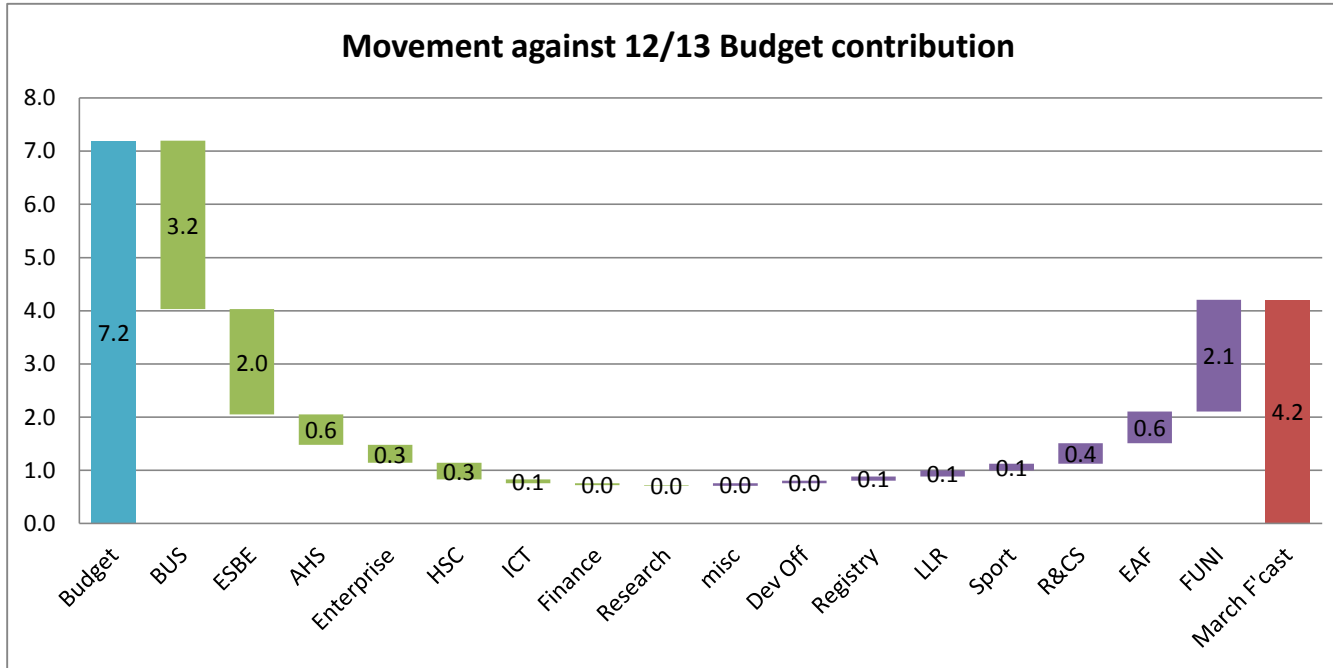
In terms of fees, the level of undergraduate income is skewed by the move to the new fee regime, in terms of postgraduates we are forecasting a 48% increase in the level of fees from Home and EU students as compared to the 2011 / 12 out turn. There is a slight increase in the level of post graduate fees from Overseas students and our overall level of Overseas income is approximately 8% down on our 2011 / 12 out turn. This decline is particularly marked in the faculty of Business.

## 7 Variance Analysis on surplus



With regard to the movement in this months surplus and with reference to Appx 4b the key driver for this months move is increasing income from the Faculties of Business and HSC, increased NSP income, reduced Enterprise Income and an increase in the provision of Bursary expenses within FUNI.

## 8 Contribution Analysis



Once we include the Fee Waivers held centrally, which should be charged to the faculties, the average Faculty contribution has remained steady year on year at 39% of income but has decreased by £800K compared to the 2011 / 12 outturn.

## Contribution by Faculty

	10 / 11 Actual	11 / 12 Actual	Jan 12 / 13 FYF
<b>AHS</b>			
Income	26.9	27.6	28.1
Expenditure	16.2	16.1	15.6
Contribution	10.7	11.5	12.6
	40%	42%	45%
<b>BUS</b>			
Income	24.5	22.3	21.8
Expenditure	15.8	14.2	13.6
Contribution	8.7	8.1	8.2
	36%	36%	37%
<b>ESBE</b>			
Income	35.5	33.5	34.4
Expenditure	23.1	21.9	22.1
Contribution	12.4	11.7	12.3
	35%	35%	36%
<b>HSC</b>			
Income	37.2	37.3	35.6
Expenditure	22.5	21.4	21.5
Contribution	14.7	15.9	14.1
	40%	43%	40%
<b>Total Income</b>	124.1	120.8	119.1
<b>Total Expenditure</b>	77.7	73.6	72.8
<b>Total Contribution</b>	46.5	47.2	46.4
	37%	39%	39%

LONDON SOUTH BANK UNIVERSITY / ENTERPRISES

Management Summary Report from August 2012 To The End Of May 2013

SMT Area: All

Cost Centre: %

REF MANSUM

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
			2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£) %		Note	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£) %		Note	
(138,741,166)	(121,365,970)	<b>Total Income</b>	(136,904,085)	(142,464,491)	(5,560,406)	(4%)		(125,086,473)	(129,720,096)	(4,633,623)	(4%)		(11,817,612)
74,910,667	61,564,679	<b>Total Staff Costs</b>	75,265,727	77,425,430	2,159,702	3%		62,038,575	64,537,179	2,498,604	4%		13,227,152
8,031,256	6,791,184	<b>Total Depreciation</b>	7,992,079	8,741,574	749,495	9%		6,530,564	7,268,141	737,577	10%		1,461,515
42,317,662	28,664,467	<b>Total Other Operating Expenses</b>	42,256,295	40,934,425	(1,321,870)	(3%)		29,747,827	31,169,522	1,421,694	5%		12,508,468
4,018,795	3,426,875	<b>Total Interest Payable</b>	4,953,157	4,942,262	(10,895)	(%)		3,015,285	4,118,552	1,103,266	27%		1,937,872
2,943,807	9	<b>Total Exceptional Items</b>	2,221,226	3,221,226	1,000,000	31%			2,591,414	2,591,414	100%		2,221,226
		<b>Total Internal Allocations</b>	228	635	407	64%		(3)	531	533	100%		231
(6,518,980)	(20,918,756)	<b>Contribution</b>	(4,215,373)	(7,198,940)	(2,983,567)	(41%)		(23,754,224)	(20,034,758)	3,719,466	19%		19,538,851
		Staff costs as % of income	55.0%	54.3%				49.6%	49.8%				
		Contribution %	3.1%	5.1%				19.0%	15.4%				

Management Summary Report from August 2012 To The End Of May 2013

SMT Area: All

Cost Centre %

REF MANSUM

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
			2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	%	Note	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£)		%	Note
(45,433,613)	(36,334,543)	Funding Grants	(34,574,502)	(33,196,788)	1,377,713	4%		(28,667,331)	(27,669,413)	997,918	4%		(5,907,171)
(27,714,759)	(23,156,480)	Health Contract	(27,490,124)	(28,009,016)	(518,892)	(2%)		(22,676,754)	(23,394,180)	(717,426)	(3%)		(4,813,370)
(26,838,677)	(26,927,314)	Home & EU Fees - UG	(37,037,369)	(41,615,952)	(4,578,583)	(11%)		(38,246,628)	(41,583,028)	(3,336,399)	(8%)		1,209,259
(4,935,801)	(4,952,051)	Home & EU Fees - PG	(7,296,293)	(9,412,300)	(2,116,007)	(22%)		(7,248,427)	(9,408,828)	(2,160,400)	(23%)		(47,866)
(5,607,536)	(5,633,769)	Other Fees	(4,179,114)	(4,049,052)	130,062	3%		(4,075,411)	(3,864,603)	210,808	5%		(103,703)
(6,371,577)	(6,378,042)	Overseas Fees - UG	(5,385,840)	(5,842,258)	(456,418)	(8%)		(5,397,037)	(5,842,258)	(445,221)	(8%)		11,197
(3,202,576)	(3,188,063)	Overseas Fees - PG	(3,435,436)	(3,368,079)	67,357	2%		(3,442,424)	(3,367,159)	75,264	2%		6,988
(4,067,302)	(3,456,590)	Research Grants & Contracts	(3,046,995)	(3,911,110)	(864,114)	(22%)		(2,608,771)	(3,259,091)	(650,320)	(20%)		(438,224)
(8,873,998)	(7,961,296)	Other Income - student related	(8,811,993)	(8,883,750)	(71,757)	(1%)		(8,143,596)	(8,097,675)	45,921	1%		(668,397)
(5,006,817)	(3,005,515)	Other Operating Income	(5,183,487)	(3,852,886)	1,330,601	35%		(4,170,290)	(2,965,061)	1,205,229	41%		(1,013,197)
(688,509)	(372,306)	Endowment Income & Interest Receivable	(462,931)	(323,300)	139,631	43%		(409,803)	(268,800)	141,003	52%		(53,128)
(138,741,166)	(121,365,970)	<b>Total Income</b>	(136,904,085)	(142,464,491)	(5,560,406)	(4%)		(125,086,473)	(129,720,096)	(4,633,623)	(4%)		(11,817,612)
39,230,655	32,104,244	Academic - Permanent staff	38,095,998	40,047,872	1,951,873	5%		31,505,106	33,434,247	1,929,140	6%		6,590,892
3,647,963	2,668,870	Academic - Temporary staff	3,586,355	3,267,138	(319,217)	(10%)		2,788,061	2,597,962	(190,099)	(7%)		798,294
		Interdepartmental Delivery staff	1	0	(1)	(833%)			0	0	(100%)		1
2,837,741	2,374,222	Technicians staff	2,740,207	2,823,940	83,733	3%		2,284,504	2,353,814	69,310	3%		455,703
25,931,564	21,755,276	Support - Permanent staff	27,086,197	28,839,103	1,752,905	6%		22,410,490	24,060,956	1,650,466	7%		4,675,707
523,883	381,384	Support - Temporary staff	500,482	574,685	74,203	13%		374,781	442,505	67,724	15%		125,701
2,738,862	2,280,683	Third party staff	3,256,486	1,872,692	(1,383,794)	(74%)		2,675,633	1,647,696	(1,027,937)	(62%)		580,853
74,910,667	61,564,679	<b>Total Staff Costs</b>	75,265,727	77,425,430	2,159,702	3%		62,038,575	64,537,179	2,498,604	4%		13,227,152
8,031,256	6,791,184	Depreciation	7,992,079	8,741,574	749,495	9%		6,530,564	7,268,141	737,577	10%		1,461,515
8,031,256	6,791,184	<b>Total Depreciation</b>	7,992,079	8,741,574	749,495	9%		6,530,564	7,268,141	737,577	10%		1,461,515
1,614,567	1,170,300	Staff Related	2,107,883	1,754,113	(353,770)	(20%)		1,848,507	1,494,684	(353,823)	(24%)		259,377
2,268,935	1,502,219	Marketing and PR	2,480,024	2,520,607	40,583	2%		1,947,232	2,138,847	191,615	9%		532,792
1,332,647	648,908	Student Recruitment	1,182,367	1,426,496	244,129	17%		545,811	1,154,406	608,595	53%		636,556
4,357,183	2,275,789	Bursaries and Scholarships	3,596,814	2,530,401	(1,066,413)	(42%)		1,881,688	1,357,535	(524,153)	(39%)		1,715,127
5,293,073	3,875,497	Student Related	5,956,586	5,822,870	(133,717)	(2%)		4,246,944	4,341,369	94,425	2%		1,709,643
713,974	545,743	Equipment	795,117	683,431	(111,687)	(16%)		616,410	574,223	(42,187)	(7%)		178,708
2,402,445	1,777,163	Computing	2,331,466	2,066,346	(265,121)	(13%)		1,875,330	1,736,547	(138,782)	(8%)		456,137
3,921,021	3,603,620	Utilities	3,543,693	3,612,161	68,468	2%		2,892,543	2,946,900	54,357	2%		651,151
7,825,502	4,009,605	Maintenance & Other Estate	7,329,323	7,211,798	(117,525)	(2%)		4,740,473	4,625,372	(115,101)	(2%)		2,588,850
4,439,259	3,666,644	Cleaning & Security	4,508,634	4,459,398	(49,236)	(1%)		3,696,994	3,658,882	(38,112)	(1%)		811,640
1,169,596	308,753	Financial	236,333	203,000	(33,333)	(16%)		(505,157)	173,500	678,657	391%		741,490
815,371	611,147	Communications	832,997	853,021	20,025	2%		739,866	709,420	(30,446)	(4%)		93,131
2,876,010	2,140,609	Legal & Professional	2,805,371	2,824,764	19,393	1%		2,234,809	2,081,931	(152,878)	(7%)		570,561
611,194	509,857	Subscriptions and Membership Fees	718,080	682,636	(35,444)	(5%)		548,114	555,929	7,814	1%		169,966
1,027,421	739,015	Photocopying and Stationery	1,026,648	979,196	(47,452)	(5%)		844,661	774,043	(70,618)	(9%)		181,987
1,649,464	1,224,772	Other	2,724,031	3,238,541	514,510	16%		1,593,997	2,733,703	1,139,706	42%		1,130,035
	54,825	Internal recharges	80,926	65,646	(15,280)	(23%)		(393)	112,233	112,626	100%		81,319
42,317,662	28,664,467	<b>Total Other Operating Expenses</b>	42,256,295	40,934,425	(1,321,870)	(3%)		29,747,827	31,169,522	1,421,694	5%		12,508,468
4,018,795	3,426,875	Interest Payable	4,953,157	4,942,262	(10,895)	(%)		3,015,285	4,118,552	1,103,266	27%		1,937,872
4,018,795	3,426,875	<b>Total Interest Payable</b>	4,953,157	4,942,262	(10,895)	(%)		3,015,285	4,118,552	1,103,266	27%		1,937,872
2,943,807	9	Exceptional Items	2,221,226	3,221,226	1,000,000	31%			2,591,414	2,591,414	100%		2,221,226
2,943,807	9	<b>Total Exceptional Items</b>	2,221,226	3,221,226	1,000,000	31%			2,591,414	2,591,414	100%		2,221,226
		Internal Allocations	228	635	407	64%		(3)	531	533	100%		231
		<b>Total Internal Allocations</b>	228	635	407	64%		(3)	531	533	100%		231
(6,518,980)	(20,918,756)	<b>Contribution</b>	(4,215,373)	(7,198,940)	(2,983,567)	(41%)		(23,754,224)	(20,034,758)	3,719,466	19%		19,538,851
		Staff costs as % of income	55.0%	54.3%				49.6%	49.8%				
		Contribution %	3.1%	5.1%				19.0%	15.4%				

## Student Numbers and Income Analysis (as at 31/05/2013)

### Student Head Count

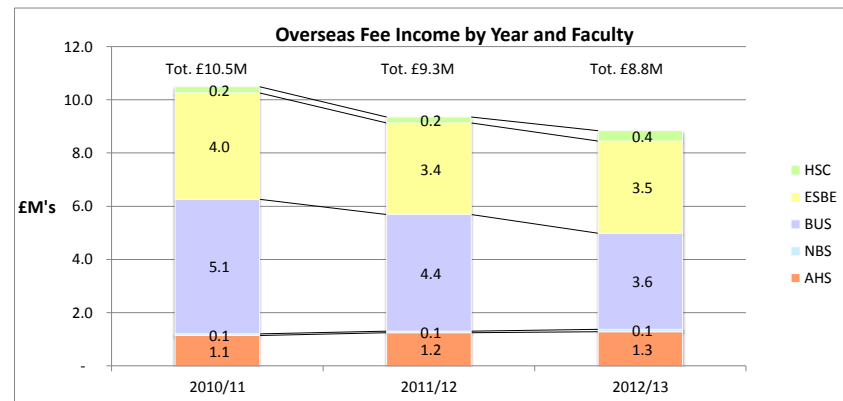
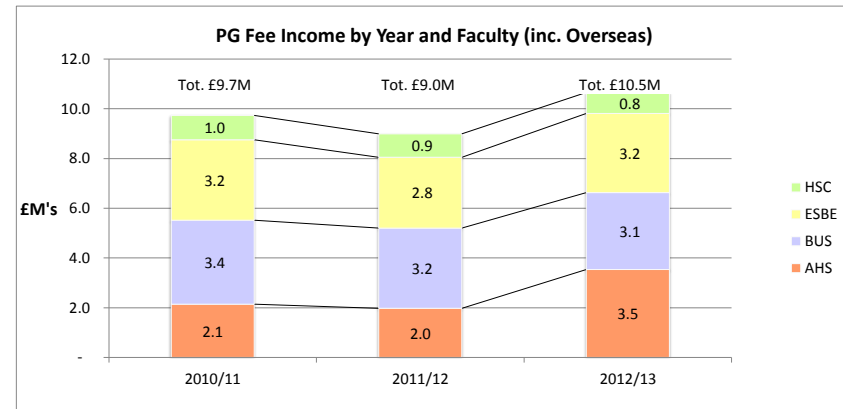
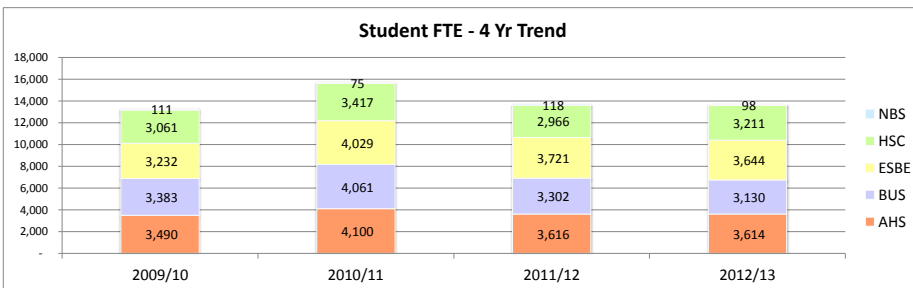
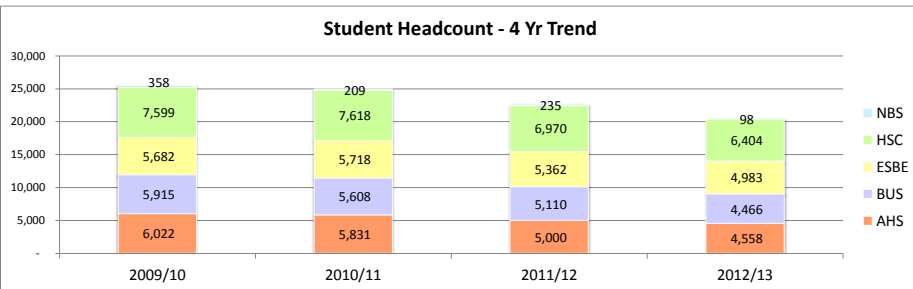
Status	Level/Mode	AHS	BNBS	BUS	ESBE	HSC	Total
Home/EU	UGFT	2,998	89	2,449	2,305	2,690	10,531
	UGPT	161	-	253	1,378	2,480	4,272
	PGFT	472	-	285	326	335	1,418
	PGPT	581	-	626	515	767	2,489
	<b>Total Home/EU</b>	<b>4,212</b>	<b>89</b>	<b>3,613</b>	<b>4,524</b>	<b>6,272</b>	<b>18,710</b>
Oseas	UGFT	149	9	425	271	20	874
	UGPT	3	-	8	9	83	103
	PGFT	106	-	380	154	16	656
	PGPT	88	-	40	25	13	166
	<b>Total Oseas</b>	<b>346</b>	<b>9</b>	<b>853</b>	<b>459</b>	<b>132</b>	<b>1,799</b>
<b>Total Student HCT</b>		<b>4,558</b>	<b>98</b>	<b>4,466</b>	<b>4,983</b>	<b>6,404</b>	<b>20,509</b>

### Student FTE

Status	Level/Mode	AHS	BNBS	BUS	ESBE	HSC	Total
Home/EU	UGFT	2,844	89	2,191	2,114	2,080	9,318
	UGPT	88	-	129	729	541	1,486
	PGFT	280	-	132	220	296	927
	PGPT	173	-	232	216	252	874
	<b>Total Home/EU</b>	<b>3,385</b>	<b>89</b>	<b>2,684</b>	<b>3,279</b>	<b>3,168</b>	<b>12,606</b>
Oseas	UGFT	106	9	236	248	18	616
	UGPT	1	-	3	3	7	13
	PGFT	92	-	196	105	14	407
	PGPT	30	-	11	9	5	55
	<b>Total Oseas</b>	<b>229</b>	<b>9</b>	<b>446</b>	<b>364</b>	<b>43</b>	<b>1,092</b>
<b>Total Student FTE</b>		<b>3,614</b>	<b>98</b>	<b>3,130</b>	<b>3,644</b>	<b>3,211</b>	<b>13,698</b>

### Student Income

Status	Level/Mode	AHS	BNBS	BUS	ESBE	HSC	Total
Home/EU	UGFT	£13.1	£0.5	£10.1	£10.1	£16.0	£49.7
	UGPT	£0.2	£0.0	£0.5	£2.5	£4.5	£7.7
	PGFT	£2.4	£0.0	£0.6	£1.1	£2.7	£6.8
	PGPT	£0.6	£0.0	£0.9	£0.9	£4.5	£6.9
	<b>Total Home/EU</b>	<b>£16.3</b>	<b>£0.5</b>	<b>£12.0</b>	<b>£14.6</b>	<b>£27.8</b>	<b>£71.2</b>
<b>NHS Contracts</b>						<b>£27.4</b>	<b>£27.4</b>
Oseas	UGFT	£0.8	£0.1	£2.0	£2.3	£0.0	£5.2
	UGPT	£0.0	£0.0	£0.0	£0.0	£0.1	£0.2
	PGFT	£0.5	£0.0	£1.6	£1.1	£0.1	£3.2
	PGPT	£0.0	£0.0	£0.0	£0.1	£0.0	£0.2
	<b>Total Oseas</b>	<b>£1.4</b>	<b>£0.1</b>	<b>£3.6</b>	<b>£3.4</b>	<b>£0.3</b>	<b>£8.8</b>
<b>income (£m)</b>		<b>£17.7</b>	<b>£0.6</b>	<b>£15.6</b>	<b>£18.1</b>	<b>£28.0</b>	<b>£80.0</b>



Sources: QLS report SNV09 dd 31 May 2013 & QLS Report SNV09 for full years 2010/11 & 2011/12

\*Including NHS contract income. CPD Split based on Student FTE's Data

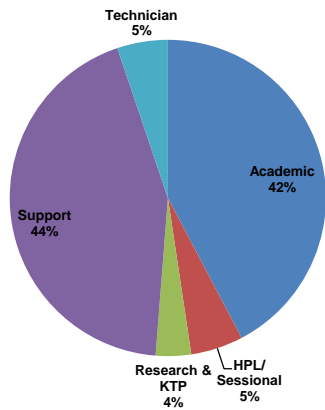


Appdx 2 - Staff info

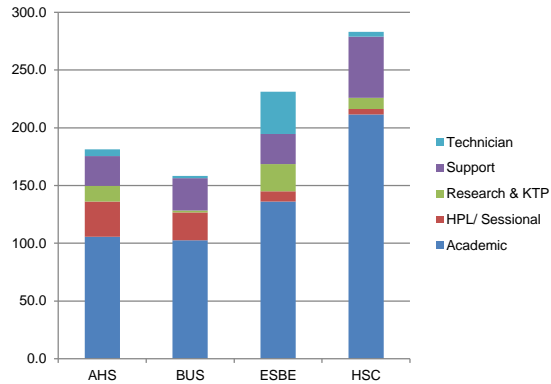
HR STAFF INFORMATION

Oracle Parent Organisation Name	Academic	HPL/ Sessional	Research & KTP	Support	Technician	TOTAL FTE by Staff Assignment/Contract										YonY Change	Prior Year May 2012
						May 2013	Apr 2013	Mar 2013	Feb-2013	Jan-2013	Dec-2012	Nov-2012	Oct-2012	Sep-2012			
Academic Quality and Development Office Department			0.1		6.4		6.5	6.4	8.4	8.4	8.4	8.5	8.5	8.4	8.4	- 1.9	8.4
Academy of Sport					15.1		15.1	15.1	16.1	17.0	17.9	17.9	18.9	18.2	18.2	- 2.9	17.9
Central Research Support Department					4.2		4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.3	- 0.1	4.3
Confucius Institute Department					3.0		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-	3.0
Development Office Department		1.0			6.8		7.8	7.8	7.8	6.8	6.8	6.8	6.8	6.8	5.8	0.8	7.0
Estates and Facilities					49.0		49.0	50.0	50.0	49.0	50.0	51.0	52.0	52.0	51.0	- 1.6	50.6
AHS	105.5	30.7	13.3	26.0	5.7	181.3	179.0	181.3	178.5	180.6	185.8	185.5	185.2	179.0	- 4.9	186.2	
BUS	102.6	24.2	1.6	28.0	2.0	158.3	157.5	158.3	158.8	165.2	163.8	163.3	166.5	170.5	- 17.7	176.0	
ESBE	136.0	9.1	23.4	26.2	36.6	231.3	231.1	229.7	230.6	229.1	230.3	229.5	227.7	224.1	- 2.4	233.6	
HSC	211.7	4.7	9.7	52.9	4.0	283.0	282.9	284.0	283.7	280.8	280.2	280.1	277.0	277.3	0.5	282.4	
Finance					49.3		49.3	50.1	50.7	51.2	46.2	46.2	46.2	48.2	- 1.9	51.2	
Human Resources					25.3		25.3	25.3	27.3	25.3	26.3	26.3	25.3	25.3	25.3	1.6	23.7
Information Communication Technology					43.8	20.6	64.4	65.4	66.4	67.0	65.7	66.3	66.3	63.3	61.7	- 1.3	65.7
International Office Department					15.0		15.0	15.0	15.0	14.0	14.0	14.0	14.0	14.0	14.0	2.0	13.0
Library & Learning Resources					69.9		69.9	69.2	66.7	66.2	66.7	66.3	65.9	65.3	63.9	4.4	65.5
Marketing and UK Recruitment					46.4		46.4	46.0	44.8	44.8	45.8	42.8	41.8	41.2	41.2	7.4	39.0
Registry					30.7		30.7	31.1	30.1	31.1	32.1	31.1	32.1	32.1	33.1	1.6	29.1
Residential and Catering Services					36.5		36.5	35.8	35.8	35.4	36.4	35.4	36.1	35.4	40.5	- 1.4	37.9
Student Services	2.5	2.4			27.1		32.0	32.2	31.9	32.7	34.4	33.7	34.7	33.7	35.7	2.0	30.0
University Enterprise					4.0		4.0	4.6	4.6	5.6	5.6	5.6	7.6	6.6	- 6.6	10.6	
University Executive Department		2.0			6.0		8.0	7.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	0.5	8.5
University Secretary's Office Department					6.0		6.0	6.0	7.0	8.0	7.0	7.0	7.0	7.0	- 1.0	7.0	
Academic Staff Development Unit Department		1.0			2.0		3.0	3.0									
<b>TOTAL LSBU STAFF FTE FOR ALL ABOVE:</b>	<b>562.3</b>	<b>71.2</b>	<b>48.0</b>	<b>579.5</b>	<b>68.9</b>	<b>1,329.9</b>	<b>1,328.1</b>	<b>1,331.5</b>	<b>1,330.7</b>	<b>1334.7</b>	<b>1334.7</b>	<b>1335.1</b>	<b>1328.6</b>	<b>1,327.2</b>	<b>-23.8</b>	<b>1,350.7</b>	
<b>YTD staff costs</b>	<b>31.5</b>	<b>2.8</b>	<b>2.4</b>	<b>22.8</b>	<b>2.3</b>												
<b>YTD staff costs</b>																	
<b>Annualised YTD staff costs in £m</b>	37.8	3.4	2.9	27.3	2.7	61.9	55.8	49.6	43.6	37.4	30.4	24.2	18.0	12.3			
<b>Average staff cost in £</b>	67,237	47,293	59,950	47,181	39,796	£55,872	£56,016	£55,869	£56,231	£55,985	£54,660	£54,425	£54,218	£55,504			
Data Source HR Establishment Reports																	

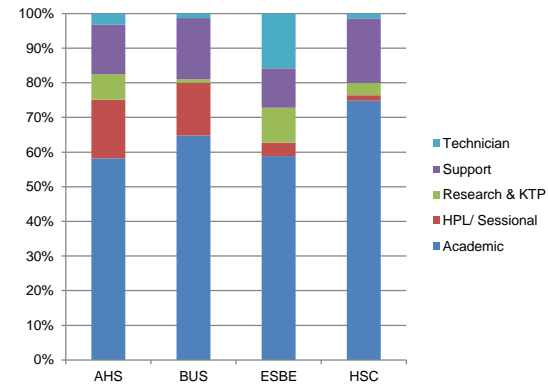
TOTAL LSBU STAFF FTE



Staff FTEs by Faculty



Staff FTEs by Faculty -%



<b>Aged debt by Academic Year</b>	<b>12/13</b>	<b>11/12</b>	<b>10/11</b>	<b>09/10</b>	<b>08/09</b>	<b>07/08</b>	<b>06/07</b>	<b>05/06</b>	<b>04/05</b>	<b>03/04</b>	<b>Total</b>
Self Pay	3,204,032	430,475	672,548	737,222	543,267	527,780	503,023	265,397	167,025	122,641	<b>7,173,409</b>
SLC	16,899,411	34,190	-64,587	-123,093	-194,215	-168,169	-142,471	-52,673	-71,749	-19,373	<b>16,097,270</b>
USLC	0	0	0	0	0	0	0	1,175	10,350	0	<b>11,525</b>
Sponsors	176,120	-174,294	-79,232	-102,488	-96,052	-139,504	-83,643	-20,497	-24,652	-16,614	<b>-560,856</b>
<b>Closing Balance at 31/04/13</b>	<b>20,279,563</b>	<b>290,371</b>	<b>528,728</b>	<b>511,641</b>	<b>253,000</b>	<b>220,107</b>	<b>276,908</b>	<b>193,403</b>	<b>80,974</b>	<b>86,653</b>	<b>22,721,349</b>
%	89.25%	1.28%	2.33%	2.25%	1.11%	0.97%	1.22%	0.85%	0.36%	0.38%	100.00%
Self Pay	2,636,398	436,649	677,086	733,457	541,400	527,223	502,110	265,248	166,767	122,621	<b>6,608,958</b>
SLC	1,277,892	27,115	-64,082	-119,996	-194,215	-168,169	-141,911	-52,673	-71,749	-19,373	<b>472,839</b>
USLC	0	0	0	0	0	0	0	1,175	10,350	0	<b>11,525</b>
Sponsors	47,532	-175,457	-81,626	-102,488	-96,052	-139,504	-83,643	-20,497	-24,652	-16,614	<b>-693,001</b>
<b>Closing Balance at 31/05/13</b>	<b>3,961,821</b>	<b>288,306</b>	<b>531,377</b>	<b>510,973</b>	<b>251,133</b>	<b>219,550</b>	<b>276,555</b>	<b>193,253</b>	<b>80,717</b>	<b>86,633</b>	<b>6,400,320</b>
%	61.90%	4.50%	8.30%	7.98%	3.92%	3.43%	4.32%	3.02%	1.26%	1.35%	100.00%
								<b>To be written off</b>			
<b>Overall Debtor Movement in Month</b>	<b>-16,317,742</b>	<b>-2,065</b>	<b>2,649</b>	<b>-668</b>	<b>-1,867</b>	<b>-557</b>	<b>-353</b>	<b>-150</b>	<b>-258</b>	<b>-20</b>	<b>-16,321,029</b>
%	-80.46%	-0.71%	0.50%	-0.13%	-0.74%	-0.25%	-0.13%	-0.08%	-0.32%	-0.02%	100%

The University is currently owed £2.4M in debts relating to 2003 - 2012. Over the last month we have collected £3.3K of this aged debt. It is expected that debts that are older than 2006 will be written off this year. This is a total of £361K

For the current year the University is owed £3.96M. We have collected £27.5M over the last 4 months.

**Monthly Summary of Closing Bank Balances & Deposits  
as at 31-May-13**

Bank / Title	Type of Account	Agresso Account	Previous Mouth Balance	31 May 2013			31 May 2013	
				Balance Currency	Balance Sterling		Interest	
				€	£		Earned	Rates
			£	£		£	%	
NatWest [LSBU's Main Trading Account]	Business Current Account	7160	17,855		11,251.00	✓		
	Special Interest Bearing Account	7160	5,397,105		18,491,508.45	✓	9,144	0.55
	Euro Currency Account	7163	1,235,095	<b>€ 1,585,166.89</b>	1,357,363.00	✓		
NatWest [Charitable Funds]	Business Current Account	7161	0		40.00	✓		Nil
	Special Interest Bearing Account	7161	2,389,002		2,426,687.76	✓	1,118	0.55
HSBC	Business Current Account	7100	6,582		6,581.94	✓		0.05
	Euro Currency Account	7111	289,850	<b>€ 801,296.14</b>	686,142.00	✓		0.20
	Euro Liquidity Fund Class A	7115	65	<b>€ 76.93</b>	66.00	✓		0.02
Lloyds TSB	Corporate Special Account	7166	238		238.15	✓		0.50
	Treasury Deposit [3Mth Fixed Dep.]		10,357,711		<b>10,373,874.96</b>	✓	<b>16,164</b>	<b>0.64</b>
Bank of Scotland	Corporate Deposit Account	7165	5,516,607		5,518,421.12	✓	<b>1,814</b>	<b>0.40</b>
	<b>3 Month Fixed Term Dep.</b>		5,196,252		<b>5,205,967.88</b>	✓	<b>9,716</b>	<b>0.75</b>
	<b>3 Month Fixed Term Dep.</b>							
	Corporate Instant Access	7164	196,410		196,491.21	✓	81	0.50
Prime Rate Capital Management	Sterling Liquidity Fund 3	7105	1,818		1,818.30	✓	1	0.82
	Sterling Cash Plus GBP		5,127,374		5,130,393.36	✓	3,019	1.01
Barclays	Business Account	7116	18,312		18,258.01	✓		Nil
	Platinum Account	7116	8,220,183		<b>8,220,182.71</b>	✓	<b>0</b>	<b>0.65</b>
Scottish Widows Bank Plc	Deposito Account	7104	5,049,117		5,049,117.10	✓	0	<b>1.00</b>
		7114	5,186,277		<b>5,191,996.60</b>	✓	<b>5,719</b>	<b>1.35</b>
<b>Total LSBU Funds at Bank</b>			<b>54,205,853</b>		<b>67,886,399.55</b>		<b>46,776</b>	
NatWest [Access Fund Account]	Business Current Account	7162	0.00		0.00	✓		Nil
	Special Interest Bearing Account		594,237.73		504,814.33	✓	254	0.55
NatWest [SBU Enterprises Ltd]	Business Current Account	#	0.00		0.00	✓		Nil
	Special Interest Bearing Account		1,237,727.20		1,307,457.82	✓	598	0.55
<b>Total Access &amp; Enterprises Funds</b>			<b>1,831,965</b>		<b>1,812,272.15</b>		<b>852</b>	
<b>Total of all Fund at Bank</b>			<b>56,037,818</b>		<b>69,698,671.70</b>		<b>47,628</b>	
<b>Difference between Financial Periods</b>			<b>13,660,853.38</b>					

Best Fixed Deposit Rate

Best Instant Access Rate

Faculty/Department	Full Year														
	INCOME			STAFF COSTS			OTHER COSTS			SPACE CHARGE			Contribution		
	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)
Company Secretary	0	0	0	522,023	537,069	15,046	450,151	445,151	-5,000	68,564	68,564	0	1,040,738	1,050,784	10,046
Arts & Human Sciences	-28,145,319	-28,531,658	-386,339	10,411,530	10,452,515	40,985	2,784,493	2,560,191	-224,302	2,390,632	2,390,632	0	-12,558,664	-13,128,320	-569,656
LLU Plus	0	0	0	0	27	27	0	0	0	0	0	0	0	27	27
Bakery School	-925,605	-808,820	116,785	355,004	323,028	-31,976	141,580	63,480	-78,100	151,440	151,440	0	-277,581	-270,872	6,709
Faculty of Business	-21,792,398	-24,702,639	-2,910,241	9,078,922	9,035,319	-43,603	2,305,150	2,090,874	-214,276	2,238,502	2,238,501	-1	-8,169,824	-11,337,945	-3,168,121
Confucius Institute	-527,333	-550,322	-22,989	233,645	264,926	31,281	237,000	237,000	0	46,725	46,725	0	-9,963	-1,671	8,292
Engineering Science & the Built Environm	-34,385,014	-36,842,806	-2,457,792	13,173,678	13,668,438	494,760	3,600,014	3,580,879	-19,135	5,286,491	5,286,899	408	-12,324,831	-14,306,590	-1,981,759
Health & Social Care	-35,606,253	-36,360,570	-754,317	16,221,321	16,704,676	483,355	2,705,703	2,664,120	-41,583	2,560,499	2,560,499	0	-14,118,730	-14,431,275	-312,545
Enterprise	-1,087,952	-2,278,455	-1,190,503	793,480	1,756,217	962,737	621,819	514,755	-107,064	118,588	118,588	0	445,935	111,105	-334,830
Finance	-612,544	-487,386	125,158	2,867,333	2,677,444	-189,889	1,198,947	1,227,363	28,416	213,238	213,238	0	3,666,974	3,630,659	-36,315
Unallocated Infrastructure	362,650	1,760,200	1,397,550	234,600	234,600	0	6,328,550	7,028,550	700,000	0	0	0	6,925,800	9,023,350	2,097,550
Human Resources	0	0	0	1,413,463	1,443,463	30,000	652,924	622,924	-30,000	169,114	169,114	0	2,235,501	2,235,501	0
Information Communication Technology D	-108,104	-60,495	47,609	3,325,322	3,288,765	-36,557	3,206,150	3,120,342	-85,808	411,841	411,841	0	6,835,209	6,760,453	-74,756
Library and Learning	-243,036	-241,150	1,886	2,714,489	2,826,284	111,795	2,185,006	2,185,184	178	2,046,515	2,046,515	0	6,702,974	6,816,833	113,859
Nat Puri Institute	-250,000	-250,000	0	200,668	200,668	0	50,000	50,000	0	0	0	0	668	668	0
Estates & Facilities	-1,752,280	-1,758,801	-6,521	2,589,113	2,611,181	22,068	21,708,169	22,292,777	584,608	-20,602,299	-20,602,299	0	1,942,703	2,542,858	600,155
R & CS	-9,031,200	-8,793,900	237,300	1,544,877	1,553,003	8,126	2,846,950	2,985,350	138,400	3,294,772	3,294,772	0	-1,344,601	-960,775	383,826
Marketing & UK Student Recruitment	-980,934	-1,021,784	-40,850	2,284,399	2,266,056	-18,343	2,107,843	2,169,054	61,211	105,784	105,784	0	3,517,092	3,519,110	2,018
International Office	-22,560	-7,200	15,360	828,786	853,121	24,335	637,583	604,704	-32,879	213,599	213,599	0	1,657,408	1,664,224	6,816
Academic Quality & Development Office	-23,000	-6,000	17,000	509,928	518,516	8,588	348,201	347,501	-700	38,085	38,085	0	873,214	898,102	24,888
Research	-99,816	-98,541	1,275	266,484	243,640	-22,844	241,166	254,056	12,890	13,435	13,435	0	421,269	412,590	-8,679
Development Office & Alumni Relations	-130,101	-18,800	111,301	390,919	418,914	27,995	361,803	267,900	-93,903	29,920	29,920	0	652,541	697,934	45,393
Registry	-12,000	-12,000	0	1,676,355	1,757,021	80,666	372,424	372,424	0	130,580	130,580	0	2,167,359	2,248,025	80,666
Academy of Sport	-1,312,462	-1,184,192	128,270	775,274	845,980	70,706	744,250	668,849	-75,401	472,489	472,489	0	679,551	803,126	123,575
Student Support	-218,822	-209,172	9,650	1,993,141	2,090,415	97,274	467,024	360,100	-106,924	229,636	229,636	0	2,470,979	2,470,979	0
Student Union	0	0	0	0	0	0	650,000	650,000	0	290,360	290,360	0	940,360	940,360	0
Executive Office	0	0	0	860,972	854,146	-6,826	469,856	475,956	6,100	81,718	81,718	0	1,412,546	1,411,820	-726
<b>Grand Total</b>	<b>-136,904,083</b>	<b>-142,464,491</b>	<b>-5,560,408</b>	<b>75,265,726</b>	<b>77,425,432</b>	<b>2,159,706</b>	<b>57,422,756</b>	<b>57,839,484</b>	<b>416,728</b>	<b>228</b>	<b>635</b>	<b>407</b>	<b>-4,215,373</b>	<b>-7,198,940</b>	<b>-2,983,567</b>

Faculty/Department	Full Year														
	INCOME			STAFF COSTS			OTHER COSTS			SPACE CHARGE			Contribution		
	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)	2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget (£)
Company Secretary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arts & Human Sciences	0	0	0	-2,000	0	2,000	2,000	0	-2,000	0	0	0	0	0	0
LLU Plus	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bakery School	0	0	0	2,180	0	-2,180	13,100	0	-13,100	0	0	0	15,280	0	-15,280
Faculty of Business	-279,000	0	279,000	0	0	0	195,050	0	-195,050	0	0	0	-83,950	0	83,950
Confucius Institute	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Engineering Science & the Built Environm	-21,002	0	21,002	-28,000	0	28,000	95,160	57,160	-38,000	0	0	0	46,158	57,160	11,002
Health & Social Care	-76,670	0	76,670	-42,229	0	42,229	-5,000	0	5,000	0	0	0	-123,899	0	123,899
Enterprise	253,131	0	-253,131	-95,732	0	95,732	-9,250	0	9,250	0	0	0	148,149	0	-148,149
Finance	-2,940	0	2,940	64,398	0	-64,398	112,509	113,269	760	0	0	0	173,967	113,269	-60,698
Unallocated Infrastructure	-200,000	0	200,000	0	0	0	103,281	-196,719	-300,000	0	0	0	-96,719	-196,719	-100,000
Human Resources	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Information Communication Technology D	0	0	0	5,000	0	-5,000	-8,153	17,280	25,433	0	0	0	-3,153	17,280	20,433
Library and Learning	0	0	0	-5,181	0	5,181	5,664	0	-5,664	0	0	0	483	0	-483
Nat Puri Institute	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estates & Facilities	0	0	0	-7,500	0	7,500	-30,000	0	30,000	0	0	0	-37,500	0	37,500
R & CS	0	0	0	-35,500	0	35,500	0	0	0	0	0	0	-35,500	0	35,500
Marketing & UK Student Recruitment	40,850	0	-40,850	54,344	0	-54,344	-103,211	0	103,211	0	0	0	-8,017	0	8,017
International Office	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Academic Quality & Development Office	0	0	0	2,500	0	-2,500	-1,500	0	1,500	0	0	0	1,000	0	-1,000
Research	-1,275	0	1,275	12,620	5,500	-7,120	7,020	3,510	-3,510	0	0	0	18,365	9,010	-9,355
Development Office & Alumni Relations	-65,386	0	65,386	-9,002	0	9,002	53,195	0	-53,195	0	0	0	-21,193	0	21,193
Registry	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Academy of Sport	-85,963	0	85,963	-26,537	0	26,537	75,401	0	-75,401	0	0	0	-37,099	0	37,099
Student Support	0	0	0	-21,196	0	21,196	21,196	0	-21,196	0	0	0	0	0	0
Student Union	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Executive Office	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total	-438,255	0	438,255	-131,835	5,500	137,335	526,462	-5,500	-531,962	0	0	0	-43,628	0	43,628
	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok

Faculty/Department	Year to date														
	INCOME			STAFF COSTS			OTHER COSTS			SPACE CHARGE			Contribution		
	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£)	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£)	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£)	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£)	2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget (£)
Company Secretary	0	0	0	395,132	448,666	53,534	386,477	375,820	-10,657	57,137	57,137	0	838,746	881,623	42,877
Arts & Human Sciences	-26,678,386	-27,038,990	-360,604	8,383,301	8,692,014	308,713	1,681,346	1,643,961	-37,385	2,008,006	2,081,846	73,840	-14,605,733	-14,621,169	-15,436
LLU Plus	0	0	0	447	27	-420	-336	0	336	0	0	0	111	27	-84
Bakery School	-878,118	-763,017	115,101	305,754	269,693	-36,061	55,025	56,183	1,158	126,200	126,200	0	-391,139	-310,941	80,198
Faculty of Business	-20,900,150	-23,735,918	-2,835,768	7,542,307	7,533,974	-8,333	1,546,934	1,607,972	61,038	1,851,476	1,987,555	136,079	-9,959,433	-12,606,417	-2,646,984
Confucius Institute	-445,722	-457,829	-12,107	160,406	220,265	59,859	172,031	197,500	25,469	38,937	38,937	0	-74,348	-1,127	73,221
Engineering Science & the Built Environm	-31,881,130	-34,206,091	-2,324,961	10,955,833	11,395,287	439,454	2,394,481	2,804,509	410,028	4,419,016	4,519,672	100,656	-14,111,800	-15,486,623	-1,374,823
Health & Social Care	-30,181,100	-31,182,380	-1,001,280	13,539,496	13,945,612	406,116	2,018,235	2,004,953	-13,282	2,187,761	2,151,005	-36,756	-12,435,608	-13,080,810	-645,202
Enterprise	-984,416	-1,898,713	-914,297	637,243	1,441,727	804,484	299,980	436,072	136,092	98,823	98,823	0	51,630	77,909	26,279
Finance	-541,390	-416,438	124,952	2,377,464	2,266,372	-111,092	408,847	737,217	328,370	177,699	177,699	0	2,422,620	2,764,850	342,230
Unallocated Infrastructure	-247,010	1,824,300	2,071,310	472,703	195,500	-277,203	1,429,198	5,764,184	4,334,986	0	0	0	1,654,891	7,783,984	6,129,093
Human Resources	0	0	0	1,114,901	1,199,821	84,920	534,641	539,603	4,962	140,928	140,928	0	1,790,470	1,880,352	89,882
Information Communication Technology C	-109,818	-50,449	59,369	2,714,782	2,742,461	27,679	2,710,277	2,608,403	-101,874	343,201	343,201	0	5,658,442	5,643,616	-14,826
Library and Learning	-287,330	-268,008	19,322	2,217,065	2,360,739	143,674	1,660,287	1,724,745	64,458	1,705,429	1,705,429	0	5,295,451	5,522,905	227,454
Nat Puri Institute	-74,612	-208,330	-133,718	62,985	167,335	104,350	11,627	41,666	30,039	0	0	0	0	671	671
Estates & Facilities	-1,488,542	-1,465,667	22,875	2,159,163	2,156,544	-2,619	16,510,840	17,077,021	566,181	-17,238,265	-17,511,549	-273,284	-56,804	256,349	313,153
R & CS	-8,062,733	-7,786,500	276,233	1,294,966	1,272,693	-22,273	2,390,245	2,557,441	167,196	2,745,643	2,745,643	0	-1,631,879	-1,210,723	421,156
Marketing & UK Student Recruitment	-755,870	-771,820	-15,950	1,859,268	1,893,025	33,757	1,855,287	1,831,428	-23,859	88,153	88,153	0	3,046,838	3,040,786	-6,052
International Office	-26,794	-6,000	20,794	638,605	710,551	71,946	651,231	483,226	-168,005	177,999	177,999	0	1,441,041	1,365,776	-75,265
Academic Quality & Development Office	-25,650	-6,000	19,650	415,469	439,455	23,986	92,800	172,866	80,066	31,738	31,738	0	514,357	638,059	123,702
Research	-78,382	-74,118	4,264	220,129	204,161	-15,968	165,520	211,252	45,732	11,196	11,196	0	318,463	352,491	34,028
Development Office & Alumni Relations	-117,225	-18,800	98,425	322,506	352,626	30,120	270,225	215,917	-54,308	24,933	24,933	0	500,439	574,676	74,237
Registry	-11,274	-10,000	1,274	1,383,938	1,521,457	137,519	231,971	240,500	8,529	108,817	108,817	0	1,713,452	1,860,774	147,322
Academy of Sport	-1,113,561	-998,187	115,374	635,917	705,416	69,499	641,823	569,328	-72,495	393,741	393,741	0	557,920	670,298	112,378
Student Support	-197,260	-181,144	16,116	1,512,408	1,682,182	169,774	294,312	301,731	7,419	191,364	191,364	0	1,800,824	1,994,133	193,309
Student Union	0	0	0	0	0	0	571,238	541,667	-29,571	241,967	241,967	0	813,205	783,634	-29,571
Executive Office	0	0	0	716,384	719,573	3,189	309,140	402,463	93,323	68,098	68,098	0	1,093,622	1,190,134	96,512
<b>Grand Total</b>	<b>-125,086,473</b>	<b>-129,720,099</b>	<b>-4,633,626</b>	<b>62,038,572</b>	<b>64,537,176</b>	<b>2,498,604</b>	<b>39,293,682</b>	<b>45,147,628</b>	<b>5,853,946</b>	<b>-3</b>	<b>532</b>	<b>535</b>	<b>-23,754,222</b>	<b>-20,034,763</b>	<b>3,719,459</b>

Description	Full Year	FORECAST FULL YEAR																
	2012 Forecast (£)	2012 Teaching Total (£)	2012 HEFCE (£)	2012 Franchise (£)	2012 Further Education (£)	2012 TDA (£)	2012 Health (£)	2012 Research Total (£)	2012 HEFCE R (£)	2012 Research (£)	2012 Enterprise Total (£)	2012 Enterprise activity (£)	2012 University Enterprise (£)	2012 SBUEL (£)	2012 Other Total (£)	2012 Residences (£)	2012 Catering (£)	2012 Other/Support (£)
Funding Grants	-34,574,502	-28,386,461	-27,619,208		-59,583	-707,670		-2,044,541	-2,044,541		-987,860		-480,592	-507,268	-3,155,641			-3,155,641
Health Contract	-27,490,124	-27,490,124					-27,490,124											
Home & EU Fees - UG	-37,037,369	-37,037,369	-37,003,429			-30,000	-3,940											
Home & EU Fees - PG	-7,296,293	-7,296,293	-5,262,593			-2,011,700	-22,000											
Other Fees	-4,179,114	-189,362	-68,362			-121,000		-3,040		-3,040	-3,946,826	-3,841,551	-105,275		-39,886			-39,886
Overseas Fees - UG	-5,385,840	-5,147,930	-5,116,430			-8,500	-23,000				-237,910	-237,910						
Overseas Fees - PG	-3,435,436	-3,435,436	-3,415,091			-11,345	-9,000											
Research Grants & Contracts	-3,046,995	147,919	147,919					-2,066,912		-2,066,912	-1,128,003	-728,867	-13,542	-385,594				
Other Income - student related	-8,811,993	-44,500	-44,500								-20,000			-20,000	-8,747,493	-7,070,800	-1,219,400	-457,293
Other Operating Income	-5,183,487	-978,665	-395,019	-318,500	-40,000	-16,150	-208,996				-1,119,233	-338,902		-780,331	-3,085,589	-642,000	-99,000	-2,344,589
Endowment Income & Interest Receivable	-462,931										-16,805			-16,805	-446,126			-446,126
<b>Total Income</b>	<b>-136,904,085</b>	<b>-109,858,221</b>	<b>-78,776,713</b>	<b>-318,500</b>	<b>-99,583</b>	<b>-2,906,364</b>	<b>-27,757,060</b>	<b>-4,114,493</b>	<b>-2,044,541</b>	<b>-2,069,952</b>	<b>-7,456,637</b>	<b>-5,147,230</b>	<b>-599,409</b>	<b>-1,709,998</b>	<b>-15,474,735</b>	<b>-7,712,800</b>	<b>-1,318,400</b>	<b>-6,443,535</b>
Total Staff Costs	75,265,727	45,589,097	31,543,850		2,683	1,326,510	12,716,055	3,018,262	1,714,978	1,303,284	2,241,391	1,053,471	395,433	792,486	24,416,978	522,617	670,776	23,223,585
Total Depreciation	7,992,079	304,784	293,648				11,136	37,048	37,048		686	686			7,649,561	1,029,204		6,620,357
Total Other Operating Expenses	42,256,295	8,709,770	6,399,882	540,955		264,133	1,504,801	1,040,835	531,636	509,199	1,830,727	1,181,848	209,907	438,972	30,674,963	356,650	676,900	29,641,412
Total Interest Payable	4,953,157	3,300,000	3,300,000												1,653,157	721,200		931,957
Total Exceptional Items	2,221,226														2,221,226			2,221,226
Total Internal Allocations	228	11,708,303	9,121,005			289,039	2,298,259	485,249	4,913	480,336	511,787	91,971	118,588	301,228	-12,705,110	2,814,833	430,780	-15,950,723
<b>Contribution</b>	<b>-4,215,373</b>	<b>-40,246,267</b>	<b>-28,118,328</b>	<b>222,455</b>	<b>-96,900</b>	<b>-1,026,683</b>	<b>-11,226,810</b>	<b>466,900</b>	<b>244,034</b>	<b>222,867</b>	<b>-2,872,046</b>	<b>-2,819,253</b>	<b>124,520</b>	<b>-177,312</b>	<b>38,436,039</b>	<b>-2,268,297</b>	<b>460,057</b>	<b>40,244,279</b>

Description	Full Year		BUDGET FULL YEAR																
	2012 Forecast	2012 Budget	2012 Teaching Total	2012 HEFCE	2012 Franchise	2012 Further Education	2012 TDA	2012 Health	2012 Research Total	2012 HEFCE R	2012 Research	2012 Enterprise Total	2012 Enterprise activity	2012 University Enterprise	2012 SBUEL	2012 Other Total	2012 Residences	2012 Catering	2012 Other/Support
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Funding Grants	-34,574,502	-33,196,788	-28,307,079	-27,790,930			-516,150		-1,974,541	-1,974,541		-1,027,516		-520,248	-507,268	-1,887,652			-1,887,652
Health Contract	-27,490,124	-28,009,016	-28,009,016					-28,009,016											
Home & EU Fees - UG	-37,037,369	-41,615,952	-41,615,952	-41,615,952															
Home & EU Fees - PG	-7,296,293	-9,412,300	-9,412,300	-7,315,300			-2,097,000												
Other Fees	-4,179,114	-4,049,052										-4,011,052	-3,459,695	-551,357		-38,000			-38,000
Overseas Fees - UG	-5,385,840	-5,842,258	-5,624,202	-5,624,202								-218,056	-218,056						
Overseas Fees - PG	-3,435,436	-3,368,079	-3,324,079	-3,324,079								-44,000	-44,000						
Research Grants & Contracts	-3,046,995	-3,911,110							-2,044,820	-2,044,820	-1,866,290	-767,708	-499,582	-599,000					
Other Income - student related	-8,811,993	-8,883,750	-70,000	-70,000								-20,000			-20,000	-8,793,750	-6,874,800	-1,356,100	-562,850
Other Operating Income	-5,183,487	-3,852,886	-282,797	-84,500	-21,651	-40,000	-16,150	-120,496				-1,138,658	-146,600		-992,058	-2,431,431	-462,000	-101,000	-1,868,431
Endowment Income & Interest Receivable	-462,931	-323,300										-8,300			-8,300	-315,000			-315,000
<b>Total Income</b>	<b>-136,904,085</b>	<b>-142,464,491</b>	<b>-116,645,426</b>	<b>-85,824,963</b>	<b>-21,651</b>	<b>-40,000</b>	<b>-2,629,299</b>	<b>-28,129,512</b>	<b>-4,019,361</b>	<b>-1,974,541</b>	<b>-2,044,820</b>	<b>-8,333,872</b>	<b>-4,636,059</b>	<b>-1,571,187</b>	<b>-2,126,626</b>	<b>-13,465,833</b>	<b>-7,336,800</b>	<b>-1,457,100</b>	<b>-4,671,933</b>
<b>Total Staff Costs</b>	<b>75,265,727</b>	<b>77,425,430</b>	<b>46,685,505</b>	<b>32,192,597</b>		<b>10,002</b>	<b>1,384,747</b>	<b>13,098,158</b>	<b>2,930,865</b>	<b>1,689,637</b>	<b>1,241,228</b>	<b>3,267,893</b>	<b>1,066,807</b>	<b>949,967</b>	<b>1,251,118</b>	<b>24,541,167</b>	<b>531,456</b>	<b>664,153</b>	<b>23,345,558</b>
<b>Total Depreciation</b>	<b>7,992,079</b>	<b>8,741,574</b>	<b>304,784</b>	<b>293,648</b>				<b>11,136</b>	<b>27,048</b>	<b>27,048</b>		<b>1,720</b>	<b>1,720</b>			<b>8,408,022</b>	<b>1,029,204</b>		<b>7,378,818</b>
<b>Total Other Operating Expenses</b>	<b>42,256,295</b>	<b>40,934,425</b>	<b>8,168,025</b>	<b>5,985,675</b>	<b>417,000</b>		<b>248,000</b>	<b>1,517,350</b>	<b>1,057,167</b>	<b>482,136</b>	<b>575,031</b>	<b>1,716,325</b>	<b>1,135,562</b>	<b>366,755</b>	<b>214,009</b>	<b>29,992,907</b>	<b>351,150</b>	<b>811,900</b>	<b>28,829,857</b>
<b>Total Interest Payable</b>	<b>4,953,157</b>	<b>4,942,262</b>	<b>3,300,000</b>	<b>3,300,000</b>												<b>1,642,262</b>	<b>721,200</b>		<b>921,062</b>
<b>Total Exceptional Items</b>	<b>2,221,226</b>	<b>3,221,226</b>														<b>3,221,226</b>			<b>3,221,226</b>
<b>Total Internal Allocations</b>	<b>228</b>	<b>635</b>	<b>11,708,303</b>	<b>9,147,005</b>			<b>289,039</b>	<b>2,272,259</b>	<b>485,249</b>	<b>4,913</b>	<b>480,336</b>	<b>512,195</b>	<b>91,971</b>	<b>118,588</b>	<b>301,636</b>	<b>-12,705,111</b>	<b>2,814,833</b>	<b>430,780</b>	<b>-15,950,724</b>
<b>Contribution</b>	<b>-4,215,373</b>	<b>-7,198,940</b>	<b>-46,478,809</b>	<b>-34,906,037</b>	<b>395,349</b>	<b>-29,998</b>	<b>-707,514</b>	<b>-11,230,610</b>	<b>480,968</b>	<b>229,193</b>	<b>251,775</b>	<b>-2,835,739</b>	<b>-2,339,999</b>	<b>-135,877</b>	<b>-359,863</b>	<b>41,634,640</b>	<b>-1,888,957</b>	<b>449,734</b>	<b>43,073,863</b>



Description	TOTALS		ACTUALS YEAR TO DATE																
	2012 Annual Forecast	2012 YTD Actuals	2012 Teaching Total	2012 HEFCE	2012 Franchise	2012 Further Education	2012 TDA	2012 Health	2012 Research Total	2012 HEFCE R	2012 Research	2012 Enterprise Total	2012 Enterprise activity	2012 University Enterprise	2012 SBUEL	2012 Other Total	2012 Residences	2012 Catering	2012 Other/Support
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Funding Grants	-34,574,502	-28,667,331	-23,742,966	-22,998,202		-59,582	-685,182		-1,732,630	-1,732,630		-881,816		-434,657	-447,158	-2,309,919			-2,309,919
Health Contract	-27,490,124	-22,676,754	-22,676,754					-22,676,754											
Home & EU Fees - UG	-37,037,369	-38,246,628	-38,246,628	-38,243,202				-3,427											
Home & EU Fees - PG	-7,296,293	-7,248,427	-7,257,627	-5,267,766			-1,948,439	-41,423				9,199	9,199						
Other Fees	-4,179,114	-4,075,411	-339,482	-235,702			-93,094	-10,687	-19		-19	-3,697,910	-3,594,900	-103,010		-38,000			-38,000
Overseas Fees - UG	-5,385,840	-5,397,037	-5,168,546	-5,159,742				-8,804				-228,491	-228,491						
Overseas Fees - PG	-3,435,436	-3,442,424	-3,446,623	-3,446,623								4,199	4,199						
Research Grants & Contracts	-3,046,995	-2,608,771							-1,628,237	-1,628,237	-977,534	-575,863	-6,456	-395,216	-3,000				-3,000
Other Income - student related	-8,811,993	-8,143,596	-44,765	-44,765								-846		-846	-8,097,984	-6,511,117	-1,153,441		-433,426
Other Operating Income	-5,183,487	-4,170,290	-841,262	-271,585	-352,228	-30,237	9,237	-196,449				-1,074,935	-307,088	-5,304	-762,542	-2,254,093	-321,803	-17,411	-1,914,878
Endowment Income & Interest Receivable	-462,931	-409,803	-40	-40								-7,308		-7,308	-402,455				-402,455
<b>Total Income</b>	<b>-136,904,085</b>	<b>-125,086,473</b>	<b>-101,764,695</b>	<b>-75,667,628</b>	<b>-352,228</b>	<b>-89,819</b>	<b>-2,717,476</b>	<b>-22,937,544</b>	<b>-3,360,886</b>	<b>-1,732,630</b>	<b>-1,628,256</b>	<b>-6,855,441</b>	<b>-4,692,944</b>	<b>-549,427</b>	<b>-1,613,071</b>	<b>-13,105,451</b>	<b>-6,832,920</b>	<b>-1,170,853</b>	<b>-5,101,678</b>
<b>Total Staff Costs</b>	<b>75,265,727</b>	<b>62,038,575</b>	<b>37,375,450</b>	<b>25,915,768</b>	<b>2,459</b>	<b>4,721</b>	<b>866,996</b>	<b>10,585,507</b>	<b>2,501,820</b>	<b>1,351,172</b>	<b>1,150,648</b>	<b>1,857,378</b>	<b>893,116</b>	<b>363,154</b>	<b>601,107</b>	<b>20,303,928</b>	<b>427,852</b>	<b>540,176</b>	<b>19,335,899</b>
<b>Total Depreciation</b>	<b>7,992,079</b>	<b>6,530,564</b>	<b>191,462</b>	<b>179,108</b>				<b>12,354</b>	<b>55,465</b>	<b>55,465</b>		<b>686</b>	<b>686</b>		<b>6,282,951</b>	<b>869,825</b>	<b>427</b>	<b>5,412,699</b>	
<b>Total Other Operating Expenses</b>	<b>42,256,295</b>	<b>29,747,827</b>	<b>5,377,421</b>	<b>3,831,005</b>	<b>238,644</b>		<b>135,368</b>	<b>1,172,403</b>	<b>680,067</b>	<b>351,251</b>	<b>328,815</b>	<b>1,004,911</b>	<b>728,441</b>	<b>48,784</b>	<b>227,686</b>	<b>22,685,429</b>	<b>187,083</b>	<b>690,505</b>	<b>21,807,841</b>
<b>Total Interest Payable</b>	<b>4,953,157</b>	<b>3,015,285</b>	<b>1,644,167</b>	<b>1,644,167</b>											<b>1,371,118</b>	<b>601,168</b>		<b>769,950</b>	
<b>Total Exceptional Items</b>	<b>2,221,226</b>																		
<b>Total Internal Allocations</b>	<b>228</b>	<b>-3</b>	<b>9,826,598</b>	<b>7,544,897</b>			<b>229,260</b>	<b>2,052,442</b>	<b>404,374</b>	<b>4,094</b>	<b>400,280</b>	<b>426,301</b>	<b>76,643</b>	<b>98,823</b>	<b>250,834</b>	<b>-10,657,275</b>	<b>2,345,694</b>	<b>358,984</b>	<b>-13,361,953</b>
<b>Contribution</b>	<b>-4,215,373</b>	<b>-23,754,224</b>	<b>-47,349,597</b>	<b>-36,552,683</b>	<b>-111,125</b>	<b>-85,098</b>	<b>-1,485,853</b>	<b>-9,114,838</b>	<b>280,839</b>	<b>29,352</b>	<b>251,487</b>	<b>-3,566,165</b>	<b>-2,994,058</b>	<b>-38,665</b>	<b>-533,443</b>	<b>26,880,699</b>	<b>-2,401,298</b>	<b>419,238</b>	<b>28,862,758</b>

Monthly summary of closing bank balances and deposits  
as at 31 May 2013

Bank / Title	Type of Account	Agresso Account	31 May 2013		31 March 2013	
			Balance Currency	Balance Sterling	Balance Currency	Balance Sterling
			€	£	€	£
<b>NatWest</b> [LSBU's Main Trading Account]	Business Current Account	7160		11,251		22,192
	Special Interest Bearing Account	7160		18,491,508		11,661,805
	Euro Currency Account	7163	€ 1,585,167	1,357,363	€ 1,379,475	1,162,732
<b>NatWest</b> [Charitable Funds]	Business Current Account	7161		40		720
	Special Interest Bearing Account	7161		2,426,688		2,344,154
<b>HSBC</b>	Business Current Account	7100		6,582		6,581
	Euro Currency Account	7111	€ 801,296	686,142	€ 343,865	289,837
	Euro Liquidity Fund Class A	7115	€ 77	66	€ 77	65
<b>Lloyds TSB</b>	Corporate Special Account	7166		238		238
	<b>Treasury Deposit [3Mth F/Dep.]</b>   0.64%			<b>10,373,875</b>		<b>10,357,711</b>
<b>Bank of Scotland</b>	Corporate Deposit Account	7165		5,518,421		5,514,855
	<b>Treasury Deposit [3Mth F/Dep.]</b>   0.75%			<b>5,205,968</b>		<b>5,196,252</b>
	Corporate Instant Access	7164		196,491		196,332
<b>Prime Rate</b>	<b>Sterling Liquidity Cash Plus [T1 Inst Access]</b>	7105		<b>5,130,393</b>		<b>5,123,348</b>
	<b>Sterling Liquidity Fund [Inst Access]</b>			1,818		1,817
<b>Barclays</b>	Business Account	7116		94,048		430,868
	FIBCA / Platinum Account	7116		8,220,183		8,216,131
<b>Scottish Widows Bank Plc</b>	<b>Deposit Account No Notice</b>	7104		5,049,117		5,038,504
	<b>Deposit Account 7 Day Notice</b>	7114		<b>5,191,997</b>		<b>5,180,374</b>
<b>Total LSBU Funds at Bank</b>			<b>€ 2,386,540</b>	<b>67,962,189</b>	<b>€ 1,723,417</b>	<b>60,744,517</b>
<b>NatWest</b> [Access Fund Account]	Business Current Account	7162		0		0
	Special Interest Bearing Account			504,814		667,748
<b>NatWest</b> [SBU Enterprises Ltd]	Business Current Account	7160[SBUEL]		0		0
	Special Interest Bearing Account			1,307,458		1,122,415
<b>Total Access &amp; Enterprises Funds</b>			<b>0</b>	<b>1,812,272</b>	<b>0</b>	<b>1,790,163</b>
<b>Total Funds at Bank</b>			<b>€ 2,386,540</b>	<b>69,774,461</b>	<b>€ 1,723,417</b>	<b>62,534,680</b>
<b>Difference Between Financial Periods</b>			<b>663,122.99</b>	<b>7,239,781.49</b>		