

Decision of Group Audit and Risk Committee
by email on Tuesday, 28 January 2020

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Circulated to: Duncan Brown (Chair), John Cole, Mark Lemmon and Rob Orr

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Agenda Item 2

Paper title:	Transparent approach to costing (TRAC) return
Board/Committee	Audit committee
Date of meeting:	28 January 2020
Author:	David Kotula, Reporting Analyst
Executive/Operations sponsor:	Richard Flatman – Chief Financial Officer
Purpose:	<p>To obtain approval of the TRAC return, prior to final sign off by Professor David Phoenix, which is a mandatory return made to OfS annually in January. The purpose of the Transparency Review is to demonstrate the full costs of research and other publicly funded activities in higher education to improve the accountability for the use of public funds.</p> <p>Our return was prepared in accordance with the regulations set down by OfS for the preparation of the TRAC return.</p> <p>The completed return was reviewed by Ralph Sanders - Director of Planning, Information and Reporting FMI, Karen McLernon, Head of Performance Analysis, Planning and Assurance, and Duncan Brown, member of the Audit Committee.</p>
Recommendation:	The committee is requested to approve the report.

Introduction

The Transparent Approach to Costing return (TRAC) is a mandatory return made annually in January.

The key purpose of the TRAC analysis is to provide an analysis of the costs and income allocated by Teaching, Research and Other (Enterprise) activities.

The key risk is incorrect data analysis leading to erroneous results.

OfS guidance requires that the return is approved by a Committee of the Board of Governors. The purpose of this report is to provide assurance and request approval of the return for 2018/19.

Assurances regarding process

The following assurances are provided to Committee with regard to process:

1. Reconciliation to accounts

- The TRAC return is an annual return completed every January. The basis for the 2018/19 return was the financial accounts for year ending 31/07/2019. The return has been checked and reconciles to the published financial accounts
- This information includes costs down to individual staff level for teaching staff and to cost centre level for support staff. The individual staff costs are extracted from payroll data used in the Management Accounts and the staff cost data in Agresso. All figures have been reconciled back to the published accounts.

2. Compliance with guidelines/regulations

- The return has been prepared in accordance with the regulations set down by OfS for the preparation of the TRAC return (Ref. 2.4 – Jul 2019). This includes any updated regulations or issues raised at the TRAC self-help groups organised by the TRAC Development Group and the British Universities Finance Director's Group (BUFDG).
- Additional cost adjustments have made to the published accounts based on the Margin for Sustainability and Investment (MSI). This has been calculated based on the TRAC regulations, using a 6 year average of the EBITDA, and are designed to reflect the true cost of running LSBU.
- Cost drivers are based on Workload Planning datasets, student FTE derived from the HESA dataset, staff FTE's derived from Payroll and HESA staff return datasets, space allocation from the EAF Tribal K2 System, and library usage data from LLR.
- All cost data is derived from the Agresso finance system at a cost centre and source code level. This data is reconciled against the source files used by the Financial Accountant to produce the published accounts.

- The robustness and accuracy of the data was verified during a review process by Ralph Sanders – Director of Planning.

3 Prior Discussions and review.

- The completed return has been reviewed by Ralph Sanders - Director of Planning, Karen McLernon, Head of Performance Analysis, Planning and Assurance, and reviewed with Duncan Brown, member of the Audit Committee.
- The final sign-off by the Vice Chancellor will be by 31/01/2020.
- The report was submitted within the deadline set by OfS.

4 Variances.

- As TRAC, is based on teaching, research and Other/Enterprise activities undertaken at LSBU/SBUEL, I have *excluded* Lambeth income and expenditure from the consolidated income and costs in the return, as these costs have no bearing on the operational delivery of LSBU teaching and research activities.
- LSBU's target surplus for sustainable operations was £17.342 million, based on the Margin for Sustainability and Investment (MSI).

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Annual TRAC return reporting for AY 2018-19

Institution: London South Bank University
 UKPRN: 10004078
 TRAC Peer Group: E

Declaration by Accountable Officer*

I confirm that the costs, income and charge-out rate information reported in the attached return have been prepared in accordance with the TRAC requirements as set out in the TRAC guidance (Version 2.4, July 2019, <https://www.trac.ac.uk/tracguidance/>).

I confirm that a full self-assessment of compliance against each requirement listed in the guidance has been carried out since the last submission. I also confirm that a Board Committee has specifically reviewed the results of the tests for reasonableness and has either confirmed compliance or has drawn up an action plan for any areas where the institution is not fully compliant **before submission, in accordance with TRAC guidance section 2.1.4.3**. I confirm that the Board Committee has lay membership (TRAC guidance section 2.1.5.18).

With reference to the TRAC data loaded on: 27/01/20 10:09

Name of Board committee which confirmed compliance with the TRAC requirements.	Date of meeting at which compliance was confirmed (Please enter in the format of dd/mm/yyyy)
Audit Committee	28/01/20

Signed: (Accountable Officer*) _____
 Name: Professor David Phoenix _____
 Title: Vice Chancellor and Chief Executive _____
 Date: _____

To be returned no later than noon on 31 January 2020. Earlier submissions are encouraged.

The name and title of the Accountable Officer* must be completed before the return is uploaded to the OfS portal. The results file should then be printed and signed by the Accountable Officer*. Please scan the signed hard copy and upload electronically to the OfS/Funding councils via the OfS portal. The OfS/Funding Councils do not require a paper copy.

*The Accountable Officer is a person, normally the head of institution, who reports to the OfS/Funding Council on behalf of the institution. The OfS definition of Accountable Officer is provided in the 'Regulatory Framework for higher education institutions'. The HEFCW definition of Accountable Officer is provided in the 'Financial Management Code'. The SFC refers to the Chief Executive Officer, rather than the Accountable Officer, in the 'Financial Memorandum with Higher Education Institutions'. The DfE definition of Accountable Officer is provided in the 'Financial Memorandum between the Department for the Economy (DfE) and the Northern Ireland Universities'. Links to each document are provided in the glossary at section 6.1 of the TRAC guidance (Version 2.4, July 2019, <https://www.trac.ac.uk/tracguidance/>)

Annual TRAC return reporting for AY 2018-19

Institution: London South Bank University
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TRAC Peer Group: E

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To be returned no later than noon on 31 January 2020. Earlier submissions are encouraged.

This worksheet has passed all validation checks

Institutional results

Data collected for use by the OfS, HE Funding Councils and UKRI

		2018-19	
		£000	As a % of expenditure
<i>Actual Operating Surplus</i>			
Total income* (derived from audited financial statements)	<i>Calculated in Section A1</i>	149,512	
Total expenditure* (derived from audited financial statements)	<i>Calculated in Section A1</i>	146,504	
Operating surplus/(deficit)		3,008	2.1%
<hr/>			
Sustainability adjustment (EBITDA for MSI)	<i>Calculated in Section C1</i>	17,342	11.8%
<hr/>			
Full economic cost (total expenditure + sustainability adjustments)		163,845	111.8%
<hr/>			
TRAC surplus/deficit		-14,333	

* The income and expenditure lines as reported in the Consolidated Statement of Comprehensive Income should be adjusted, where appropriate, in respect of pension costs, gains or losses on disposal of fixed assets, gains or losses on investments, the share of surpluses/deficits in joint ventures and associates, taxation charges or credits and non-controlling interests in line with section 3.1.4.8 of the TRAC guidance.

Is your institution eligible for and applying dispensation from 1 April 2020? Please select Yes/No from the drop-down box.

No

(Eligibility is defined as institutions with less than £3,000,000 annual research income from public sources. A rolling average of research income (over five years) is used to assess whether £3,000,000 has been reached or not. More information on dispensation can be found in annex 1.2b of the TRAC guidance (Version 2.4, July 2019, <https://www.trac.ac.uk/tracguidance/>)).

Analysis of TRAC results

(A) TRAC income and full economic costs by activity

Data collected for use by the OfS, HE Funding Councils and UKRI

2018-19

	Teaching		Research £000	Other		Total £000
	Publicly funded £000	Non-publicly funded £000		Income generating activity £000	Non-commercial activity £000	
Income	109,245	10,691	8,320	20,879	376	149,512
TRAC full economic costs	115,483	9,611	17,843	20,749	160	163,845
TRAC surplus/deficit	-6,238	1,081	-9,523	130	216	-14,334
Recovery of full economic costs (income as a % of full economic costs)	94.6%	111.2%	46.6%	100.6%	234.9%	91.3%

Income allocation guidance is contained in Annex 3.5a and 3.5b of the TRAC guidance and can be found here: <https://www.trac.ac.uk/tracguidance/>

(B) Research income and full economic costs by research sponsor type

Data collected for use by the OfS, HE Funding Councils and UKRI

2018-19

	Recurrent research funding from the funding councils/ Research England		Training and supervision of postgraduate research students	Research Councils	Other govt departments	European Union ¹	UK-based Charities	Industry ²	Total Research
	£000	Institution-own funded £000							
Income	1,924	285	1,360	698	1,110	1,018	390	1,535	8,320
TRAC full economic costs		896	10,520	929	1,464	1,875	536	1,622	17,842
TRAC surplus/deficit		-611	-9,160	-231	-354	-857	-146	-87	-9,522
Recovery of full economic costs (income as a % of full economic costs)		31.8%	12.9%	75.1%	75.8%	54.3%	72.8%	94.6%	46.6%

¹ European Union covers EU government bodies including the Commission. This is the same as that defined under column 8 in Table 5 of the OfS annual financial return.

² Industry should include all other organisations such as UK industry, commerce and public corporations, UK Other, EU non-government organisations (i.e. EU-based charities, EU industry and EU other) and Overseas organisations (Non-EU based charities, Non-EU industry and Non-EU other).

For further details of definitions please see sections 3.1.4.1 and 1.3.2 of the TRAC guidance (<https://www.trac.ac.uk/tracguidance/>).

It is not currently a TRAC requirement to reallocate income and costs relating to PGR activity away from the external research sponsor type to the PGR category. However it is possible this could become mandatory, at least for research intensive institutions in the future. Please indicate in the box on the right whether your institution already reallocates income and costs to the PGR category. If you do not have any PGR income or costs please select "N/A".

No, we do not reallocate income and costs away from the external research sponsor type to the PGR category.

Annual TRAC return reporting for AY 2018-19

Institution: London South Bank University UKPRN: 10004078 TRAC Peer Group: E

Annual TRAC return reporting for AY 2018-19

Institution: London South Bank University
UKPRN: 10004078
TRAC Peer Group: E

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Further analysis of TRAC results

(A1) Derivation of TRAC income and expenditure figures

Data collected for use by the OfS and HE Funding Councils

	2018-19 £000
Total income ¹	149,481
+ gain on disposal of fixed assets	0
+ gain on investments	31
+ share of operating surplus in joint ventures	0
+ share of operating surplus in associates	0
+ taxation credit	0
TRAC income	149,512
Total expenditure ²	146,504
- cost OR + credit attributable to the periodic revaluation of [USS and SAUL]	
pension scheme liabilities	0
+ [USS and SAUL] employer pension deficit contributions excluded from expenditure in financial statements	0
+ loss on disposal of fixed assets	0
+ loss on investments	0
+ share of operating deficit in joint ventures	0
+ share of operating deficit in associates	0
+ taxation charges ³	0
+ surplus OR - deficit attributable to non-controlling interests	0
TRAC expenditure	146,504

¹ From FRS 102 accounts - income as reported in the Consolidated Statement of Comprehensive Income

² From FRS 102 accounts - expenditure as reported in the Consolidated Statement of Comprehensive Income

³ Taxation charges should include all charges reported in the Consolidated Statement of Comprehensive Income, including taxation on research and development expenditure credit (RDEC)

(A2) TRAC income and full economic costs by activity - Further analysis

Please select which model has been applied to account for government grants:

Government revenue grants [Accrual model](#)
Government capital grants (excluding grants for land) [Accrual model](#)

2018-19

	Teaching		Research	Other		Total
	Publicly funded £000	Non-publicly funded £000		Income generating activity £000	Non-commercial activity £000	
Items included in income						
TRAC income	109,245	10,691	8,320	20,879	376	149,512
<i>Donations and endowments (note 1)</i>						
New endowments received and included in total income	0	0	0	0	0	0
New donations included in total income	0	0	0	0	0	0
<i>New capital grants received in the year (note 2)</i>						
New government capital grants included in total income	0	0	0	0	0	0
New non government capital grants included in total income	0	0	0	0	0	0
<i>Material (exceptional) income (note 3)</i>						
Other material items (included in total income)***	0	0	0	0	0	0
Total income after adjusting for the above items	109,245	10,691	8,320	20,879	376	149,512
Items included in full economic costs						
TRAC full economic costs (from Section A)	115,483	9,611	17,843	20,749	160	163,845
<i>Material (exceptional) expenditure (note 3)</i>						
Staff restructuring costs (included in total expenditure)	958	228	0	0	0	1,186
Costs of fundamental reorganisation or restructuring (included in total expenditure)	0	0	0	0	0	0
(Gain) or loss on sale or termination of an operation (included in total income or total expenditure as appropriate)	0	0	0	0	0	0
Other material items (included in total expenditure)***	0	0	0	0	0	0
Total full economic costs after adjusting for the above items	114,524	9,383	17,843	20,749	160	162,659

***To include where separately analysed on the face of the Consolidated Statement of Comprehensive Income

Income allocation guidance is contained in Annex 3.5a and 3.5b of the TRAC guidance and can be found here: <https://www.trac.ac.uk/tracguidance/>

Annual TRAC return reporting for AY 2018-19

Institution: London South Bank University
 UKPRN: 10004078
 TRAC Peer Group: E

(B1) Research income and full economic costs by research sponsor type - Further analysis

2018-19

	Recurrent research funding from the funding councils £000	Institution-own funded £000	Postgraduate research £000	Research Councils £000	Other govt departments £000	European Union* £000	UK-based Charities £000	Industry** £000	Total Research £000
Items included in income									
TRAC income	1,924	285	1,360	698	1,110	1,018	390	1,535	8,320
<i>Donations and endowments (note 1)</i>									
New endowments received and included in total income	0	0	0	0	0	0	0	0	0
New donations included in total income	0	0	0	0	0	0	0	0	0
<i>New capital grants received in the year (note 2)</i>									
New government capital grants included in total income	0	0	0	0	0	0	0	0	0
New non government capital grants included in total income	0	0	0	0	0	0	0	0	0
<i>Material (exceptional) income (note 3)</i>									
Other material items (included in total income)***	0	0	0	0	0	0	0	0	0
Total income after adjusting for the above items	1,924	285	1,360	698	1,110	1,018	390	1,535	8,320
Items included in full economic costs									
TRAC full economic costs (from Section A)		896	10,520	929	1,464	1,875	536	1,622	17,842
<i>Material (exceptional) expenditure (note 3)</i>									
Staff restructuring costs (included in total expenditure)		0	0	0	0	0	0	0	0
Costs of fundamental reorganisation or restructuring (included in total expenditure)		0	0	0	0	0	0	0	0
(Gain) or loss on sale or termination of an operation (included in total income or total expenditure as appropriate)		0	0	0	0	0	0	0	0
Other material items (included in total expenditure)***		0	0	0	0	0	0	0	0
Total full economic costs after adjusting for the above items		896	10,520	929	1,464	1,875	536	1,622	17,842

***To include where separately analysed on the face of the Consolidated Statement of Comprehensive Income

Notes for A2 and B1:

- Both unrestricted donations and restricted donations (endowments) are typically recorded in income when received and form part of the TRAC data income in the year the income is received (associated expenditure is recorded in the year it is made).
- The total income figure reported in the consolidated financial statements will include income from capital grants as well as from revenue grants. If the accrual model is adopted for government capital grants, on recognition the capital grant element will be shown as deferred income and then released as funding body, research or other income as appropriate; whereas if the performance model is adopted for government capital grants the capital grant will be recognised as funding body, research, or other income, as appropriate, when performance conditions are met. The total income figure reported under TRAC does not adjust the total income figure reported in the consolidated financial statements for the government capital grant accounting policy adopted by the institution. There is no such accounting policy choice for non-government capital grants which are recognised as income when performance conditions are met.
- Exceptional items are not defined by FRS 102. Under FRS 102 items previously classified as exceptional items (as defined by FRS 3 in previous UKGAAP) are known as material items and are included in the main income and expenditure headings. Such items should be included in TRAC income or cost but may be separately analysed in the Annual TRAC return other than those previously analysed "below the line": fundamental restructuring costs and losses on sale or termination of an operation.

Annual TRAC return reporting for AY 2018-19

Institution: London South Bank University
UKPRN: 10004078
TRAC Peer Group: E

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(C) Calculation of the Margin for Sustainability and Investment

Data collected for use by the OfS, HE Funding Councils and UKRI

The MSI is given by the institution's average required level of cash generation (EBITDA) over six years, divided by the adjusted income for the current year. All numbers used in the table below should be taken from either the audited financial statements or the financial forecast as approved by your Governing Body.

C.1 Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for MSI

	Actual 2016-17 £000	Actual 2017-18 £000	Actual 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	6 year average £000	
Surplus/(deficit) ¹	1,893	1,613	3,009	1,500	2,850	4,600	2,578	Enter surpluses as positive values and deficits as negative values
Research Development Expenditure Credit	0	0	0	0	0	0	0	Enter as a negative value
Share of surplus/(deficit) in joint venture(s) and associates	0	0	0	0	0	0	0	Enter surpluses as positive values and deficits as negative values
Finance charges ²	4,369	4,298	4,360	4,633	5,800	5,800	4,877	Enter as a positive value
Depreciation	9,620	9,626	9,352	10,500	12,500	13,500	10,850	Enter as a positive value
Amortisation (including impairment charges)	0	0	0	0	0	0	0	Enter as a positive value
Capital grants received/receivable (for non-government capital grants and for government capital grants where the performance model is adopted) ³	0	0	0	0	0	0	0	Enter as a negative value
Release of deferred capital grants from all sources (accruals model only)	-1,126	-964	-952	-888	-922	-922	-962	Enter as a negative value
New permanent endowments	0	0	0	0	0	0	0	Enter as a negative value
Staff charges/(credits) arising from pension provisions (including both self-administered trust defined benefit schemes and deficit recovery provisions on multi-employer schemes)	0	0	0	0	0	0	0	Enter charges as a positive value and credits as a negative value
Fair value changes to financial instruments (where hedge accounting policy choice is NOT applied)	0	0	0	0	0	0	0	Enter gains as a negative value and reductions as a positive value
EBITDA for MSI	14,756	14,573	15,769	15,745	20,228	22,978	17,342	

¹ This should be taken from the statement of comprehensive income and is the surplus/(deficit) before other gains/losses and share of surplus/(deficit) in joint ventures and associates.

² This should include interest payable on debt, finance leases and service concessions, pension deficits and the unwinder of discount rates with respect to the valuation of provisions (e.g. provisions for multi-employer pension schemes).

³ Capital grants taken to income (for all non government capital grants, and government capital grants where the performance model is adopted) (please enter as negative).

C.2 Margin for Sustainability and Investment (MSI)

	£000
Total income (per audited financial statements 2018-19)	149,481
Research and Development Expenditure Credit 2018-19 (Gross Income) ⁴	0
Release of deferred capital grants 2018-19 (accrual model only)	-952
Capital grants included in income 2018-19	0
New permanent endowments 2018-19 ⁵	0
Adjusted total income 2018-19	148,529
MSI	11.7%

⁴ All Research and Development Expenditure Credits included in research grants and contracts income (or other income lines) in 2018-19 – gross of any tax deduction.

⁵ New permanent endowments included in income should be deducted. New expendable endowments or other donations should not be adjusted for here.

C.3 Apportionment of the 'EBITDA for MSI' between TRAC categories

The MSI should be allocated between the TRAC categories (T, R and O) on the basis of apportionment of TRAC expenditure between T, R and O.

	Teaching	Research	Other	Total
TRAC expenditure (£000)	111,879	15,945	18,680	146,504
EBITDA for MSI (£000)	13,243	1,887	2,211	17,342

C.4 Analysis of the annual sustainability gap

	£000	As a % of expenditure
Sustainability adjustment (EBITDA for MSI)	17,342	
Actual EBITDA for MSI 2018-19	15,769	
Annual sustainability gap (difference between EBITDA for MSI and Actual EBITDA for MSI 2018-19)	1,573	1.1%

Annual TRAC return reporting for AY 2018-19

Institution: London South Bank University
 UKPRN: 10004078
 TRAC Peer Group: E

(D) Calculation of indirect and estates cost charge-out rates for Research

Data collected for use by UKRI

Please select box (shown on the right) if you do not calculate an estates laboratory rate or an estates non-laboratory rate

2018-19 charge-out rate indexed two years

			Indirect	Estates non-laboratory	Estates laboratory
Cost per TRAC allocated to research ¹			6,795	861	1,561
Academic staff	FTEs	(i)	632.7	272.0	360.7
% research time of academic staff		(ii)	12.7%	12.7%	12.7%
Resulting in direct time of academic staff		(i) * (ii)	80.4	34.5	45.8
Research assistants and fellows	FTEs		45.5	15.0	30.5
PGRs	FTEs		247.5	122.5	125.0
	weighted by		0.2	0.5	0.8
	weighted FTEs		49.5	61.3	100.0
Total FTEs			175.4	110.8	176.3
Rate (£)			38,750	7,771	8,854
Indexation (two years) %			5.1%	5.1%	5.1%
Indexed year 1 rate (£)			40,727	8,167	9,305

¹ Indirect cost pools should include staff restructuring costs other than the costs of a fundamental reorganisation or restructuring. See TRAC guidance 3.2.5.7. The laboratory estates costs should exclude all costs of laboratory technicians and research facilities (which are reported under E.1 below). The non-laboratory estates costs should include relevant elements of these costs, unless you are charging them separately (when again they would then be reported under E.1). The cost in the numerator of the Research indirect cost charge-out rate should be reduced by any income received from the Apprenticeship Service Account for research staff (see TRAC guidance 4.2.4.3).

Do you calculate and apply different indirect rates for each department? Please select Yes/No from the drop-down box
 If Yes please list the departments and the rates in table D(a) in the worksheet "UKRI Departmental rates"

 No

Do you calculate and apply different estates rates for each department? Please select Yes/No from the drop-down box
 If Yes please list the departments and the rates in table D(a) in the worksheet "UKRI Departmental rates"

 No

(E) Calculation of laboratory technician and research facility charge-out rates for Research

Institution: London South Bank University
 UKPRN: 10004078
 TRAC Peer Group: E

Data collected for use by UKRI

In section E, it is not a TRAC requirement to identify laboratory technician costs in non-laboratory departments separately from estates costs. If you do identify laboratory technician costs separately, please respond using the drop-down box (this will provide you with cells to enter data in the tables below)

Please choose an option from the drop-down box to inform us if you have no lab technicians and/or no research facilities

 No research facilities

	Research	
	Laboratory £000	Total £000
E.1 Total costs allocated to Research		
1. Research facilities ¹		
2. Laboratory technicians		
a. DI ²	150	150
b. Pool	0	0
c. Infrastructure	0	0
Total	150	150
Total costs	150	150

¹ The row titled Research facilities should include all costs included in the calculations of the charge-out rates for research facilities, whether charged as DI or DA.

² Please enter the costs of all DI technicians allocated to research irrespective of whether their salary was allocated wholly to DI, or partly to Support and partly to DI.

Please describe the rates that you calculate and apply on research facilities on table E(a) in the worksheet "UKRI Departmental rates"

Annual TRAC return reporting for AY 2018-19

Institution: London South Bank University
UKPRN: 10004078
TRAC Peer Group: E

E.2 Analysis of total estates costs allocated to Research

(this table will automatically be completed with information from sections D and E.1.)

	Laboratory £000	Total £000
1. Estates costs included in the estates cost rate calculation	1,561	2,422
2. Gross estates costs (i.e. estates plus all technicians and all research facilities.)	1,711	2,572
3. % of gross estates costs		
a. Research facilities		
b. Laboratory technicians		
i. DI	8.8%	5.8%
ii. Pool	0.0%	0.0%
iii. Infrastructure	0.0%	0.0%
Total	8.8%	5.8%
Total	8.8%	5.8%

It is assumed here, for benchmarking purposes only, that all research facility and laboratory technician costs were originally part of a gross estates cost (even though in practice some of these costs would have been DI and not in the estates cost total at all and some of these costs may have been in indirect costs). The gross estates cost is calculated for you on row E.2.2. No research facility or laboratory technician cost (whether DI or DA) are in the estates cost total that is used for the estates cost rate calculation - row E.2.1.

E.3 Calculation of laboratory technician infrastructure rate

2018-19 charge-out rate indexed two years

	Laboratory	Total
Total laboratory technician infrastructure costs (£000)	0	0
Academic/researcher/PGR FTEs	0.0	0.0
Laboratory technician infrastructure rate per FTE (£)	0	0
Indexation (Two years) %	0.0%	0.0%
Indexed year 1 rate (£)	0	0

¹ Many institutions will not have identified these costs separately from estates costs in non-laboratory research disciplines. It is not a TRAC requirement.

Do you calculate and apply laboratory technician infrastructure rates separately for each department?

No

If Yes please list the departments and the rates in table D(a) in the worksheet "UKRI Departmental rates"

(F) Analysis

Data collected for use by UKRI

F.1 Analysis of Support costs

Estates costs and indirect costs

	Teaching £000	Research £000	Other - academic department activities £000	Other - standalone enterprise activities such as residences, catering and (most) trading companies ¹ £000	Total £000
Estates costs					
Estates costs (excluding research facilities and lab technicians)	17,117	855	361	2,416	20,749
EBITDA for MSI	5,632	1,567	69	448	7,716
Indirect costs ²					
Support time of academic staff	15,342	2,280	446	0	18,068
Central services	55,401	3,249	32	502	59,184
Support staff in academic departments	1,940	277	41	0	2,258
Non-staff costs in academic departments	1,703	491	181	0	2,375
EBITDA for MSI	4,315	498	73	482	5,368
Total indirect costs	78,701	6,795	773	984	87,253
Total Estates and Indirect costs	101,450	9,217	1,203	3,848	115,718

¹ Please refer to section 1.3.3 of the TRAC guidance (<https://www.trac.ac.uk/tracguidance/>)

² Indirect cost pools should include staff restructuring costs other than the costs of a fundamental reorganisation or restructuring. See TRAC guidance 3.2.5.7. The indirect cost pool should also be reduced by any income received from the Apprenticeship Service Account for research staff (see TRAC guidance 4.2.4.3).

F.2 Analysis of staff time

Number of academic and research staff in the year (FTEs)

Academic staff covered by Time Allocation Survey ³	632.7
Research assistants & fellows (wholly charged to R)	45.5
Other academic staff (wholly charged to T or O)	13.2
Total academic and research staff FTEs	691.4

³ Academic staff covered by the time allocation survey reported in the table above should be the total number of academic staff who are covered by the current AST percentages, irrespective of whether they provided time estimates this year or in either of the two prior years, or whether they were actually part of the sample selected to provide data or not.

Academic staff covered by Time Allocation Surveys for the whole institution

This table shows the institutional total of the department percentages that have been used to allocate academic staff costs.

	Teaching	Research	Other	Support ⁴	Total
% time unweighted for salaries ⁵	65.7%	12.7%	5.6%	16.0%	100.0%
% time weighted for salaries	63.5%	12.6%	4.7%	19.2%	100.0%
Academic staff costs (£000)	12,961	3,612	1,622	18,068	36,262

⁴ Support for Teaching, Support for Research, Support for Other should all be shown under Support.

⁵ See section 4.2.4.4 of the TRAC guidance (<https://www.trac.ac.uk/tracguidance/>).

Annual TRAC return reporting for AY 2018-19

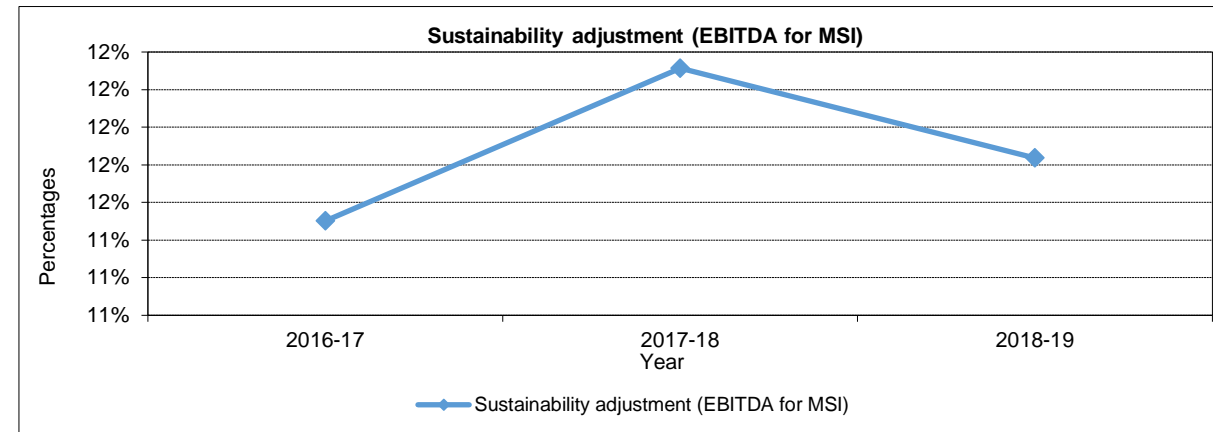
Institution: London South Bank University
UKPRN: 10004078
TRAC Peer Group: E

The data in this worksheet will be automatically completed as the data in the other sheets of this workbook are completed. Please review the summary analysis after completion of the workbook and prior to submission as part of your reasonableness checks. Note: data may not be displayed in the charts in the summary worksheet until the workbook has been saved, closed and re-opened.

In addition to the data in this summary sheet, you are reminded that benchmarking analysis comparing your 2016-17 and 2017-18 data to that of other TRAC peer groups and the UK sector is available to download from the OfS portal. Benchmarking of 2018-19 data will be made available after publication of the 2018-19 sector and peer group results (official statistics).

Institutional results

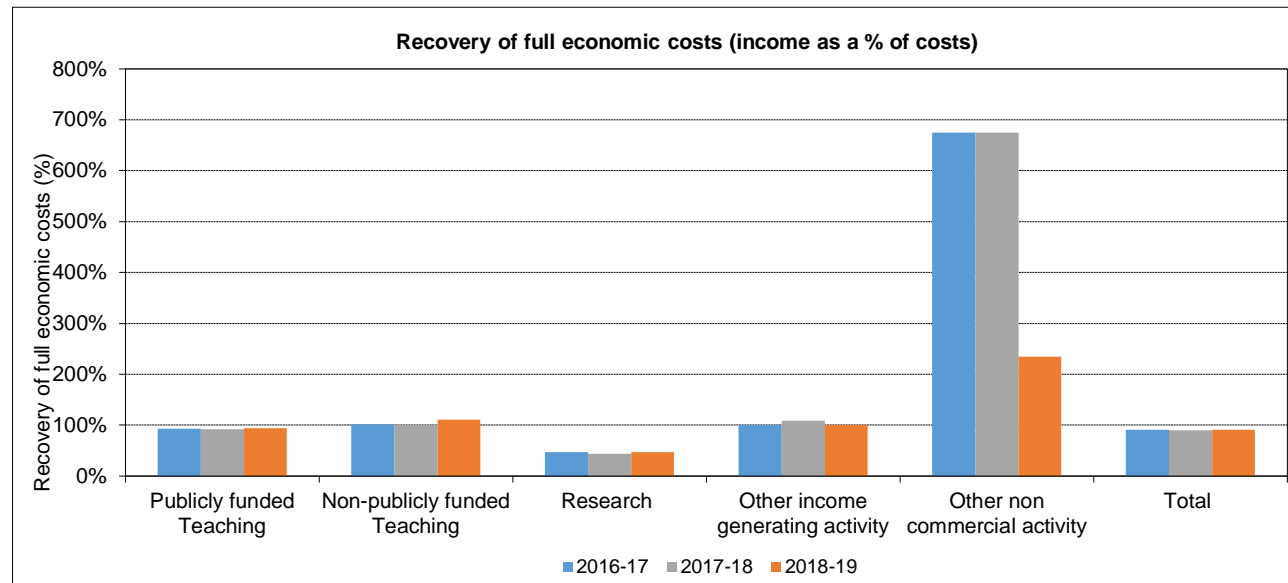
	2016-17	2017-18	2018-19	% difference 2016-17 to 2017-18	% difference 2016-17 to 2018-19	% difference 2017-18 to 2018-19
Total expenditure	142,636	143,688	146,504	0.7%	2.7%	2.0%
Sustainability adjustment (EBITDA for MSI)	16,406	17,694	17,342	7.8%	5.7%	-2.0%
As a % of total expenditure						
Sustainability adjustment (EBITDA for MSI)	11.5%	12.3%	11.8%			



TRAC income and full economic costs by activity

Source: Section A

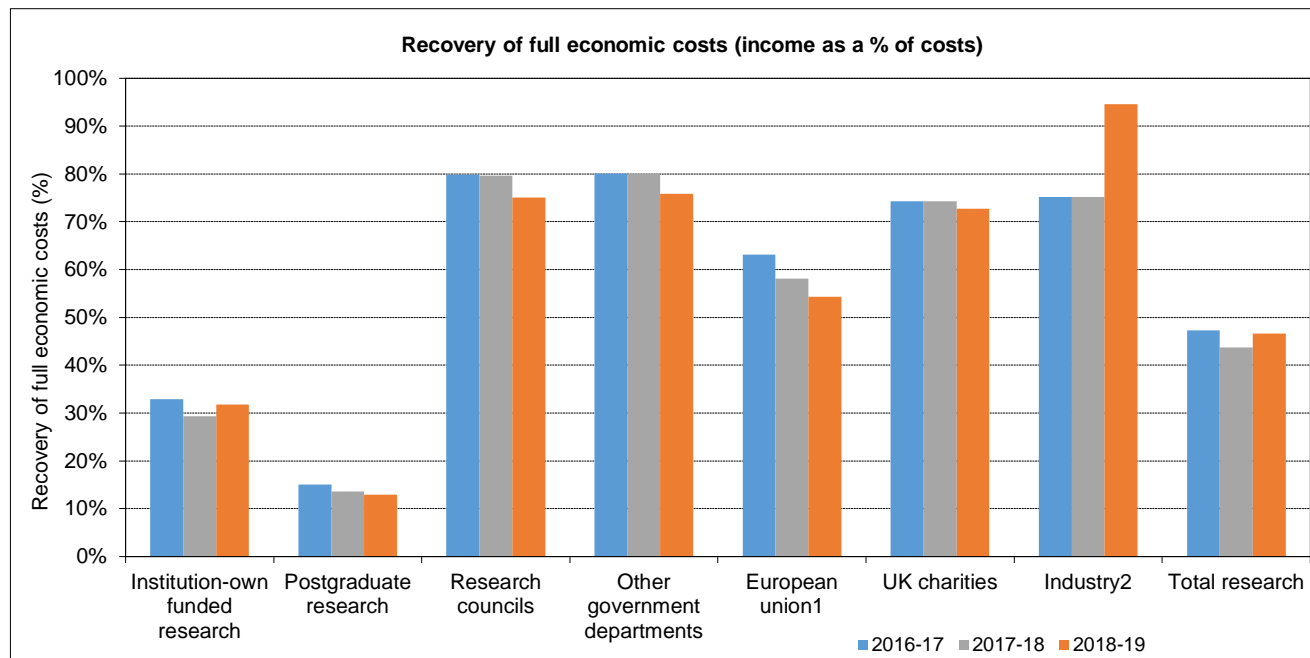
	2016-17	2017-18	2018-19
Recovery of full economic costs (income as a % of costs)			
Publicly funded Teaching	93.0%	92.3%	94.6%
Non-publicly funded Teaching	101.5%	100.1%	111.2%
Research	47.3%	43.8%	46.6%
Other income generating activity	100.4%	109.0%	100.6%
Other non commercial activity	675.4%	675.2%	234.9%
Total	90.8%	90.0%	91.3%



Research income and full economic costs by research sponsor type

Source: Section B

	2016-17	2017-18	2018-19
Recovery of full economic costs (income as a % of costs)			
Recurrent research funding from the funding councils/Research England			
Institution-own funded research	32.9%	29.3%	31.8%
Postgraduate research	15.1%	13.7%	12.9%
Research councils	79.9%	79.7%	75.1%
Other government departments	80.1%	80.1%	75.8%
European union ¹	63.1%	58.1%	54.3%
UK charities	74.3%	74.3%	72.8%
Industry ²	75.2%	75.2%	94.6%
Total research	47.3%	43.8%	46.6%



¹ European Union covers EU government bodies including the Commission. This is the same as that defined in the under column 8 in Table 5 of the OfS annual financial return.

² Industry should include all other organisations such as UK industry, commerce and public corporations, UK Other, EU non-government organisations (i.e. EU-based charities, EU industry and EU other) and Overseas organisations (Non-EU based charities, Non-EU industry and Non-EU other).

For further details of definitions please see sections 3.1.4.1 and 1.3.2.4 of the TRAC guidance (<https://www.trac.ac.uk/tracguidance/>).

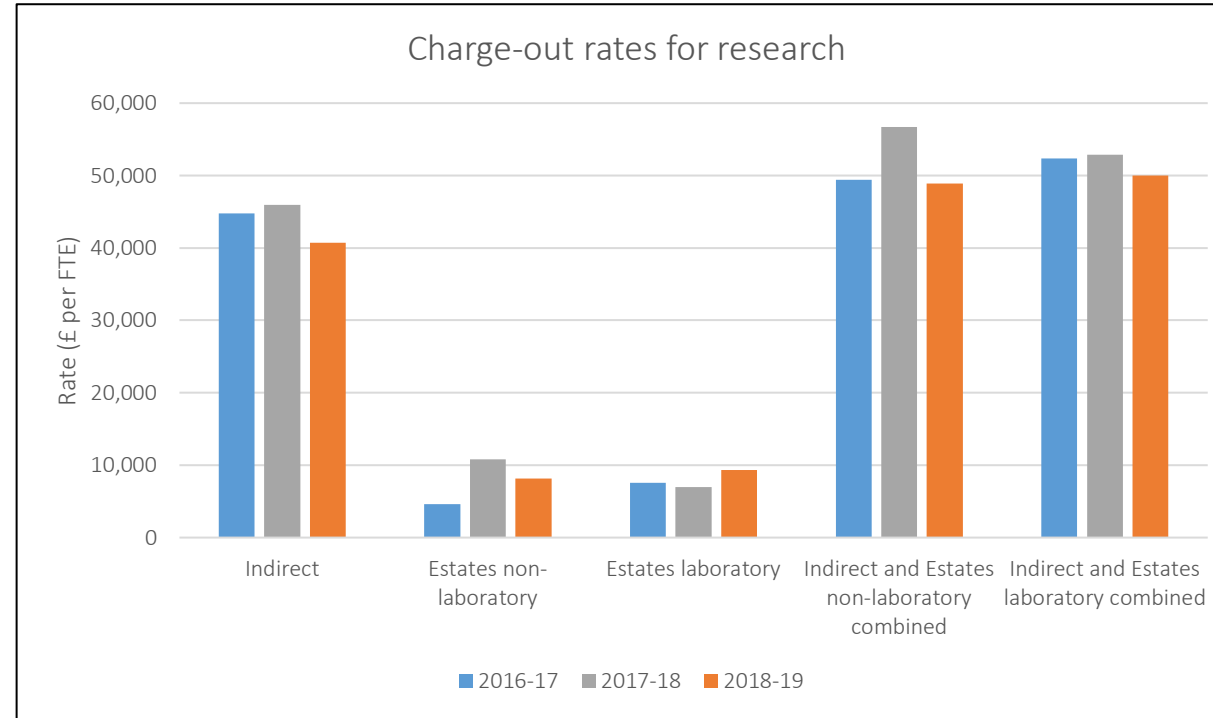
Annual TRAC return reporting for AY 2018-19

Institution: London South Bank University
 UKPRN: 10004078
 TRAC Peer Group: E

Charge-out rates for research (indexed year 1 rate)

Source: Section D

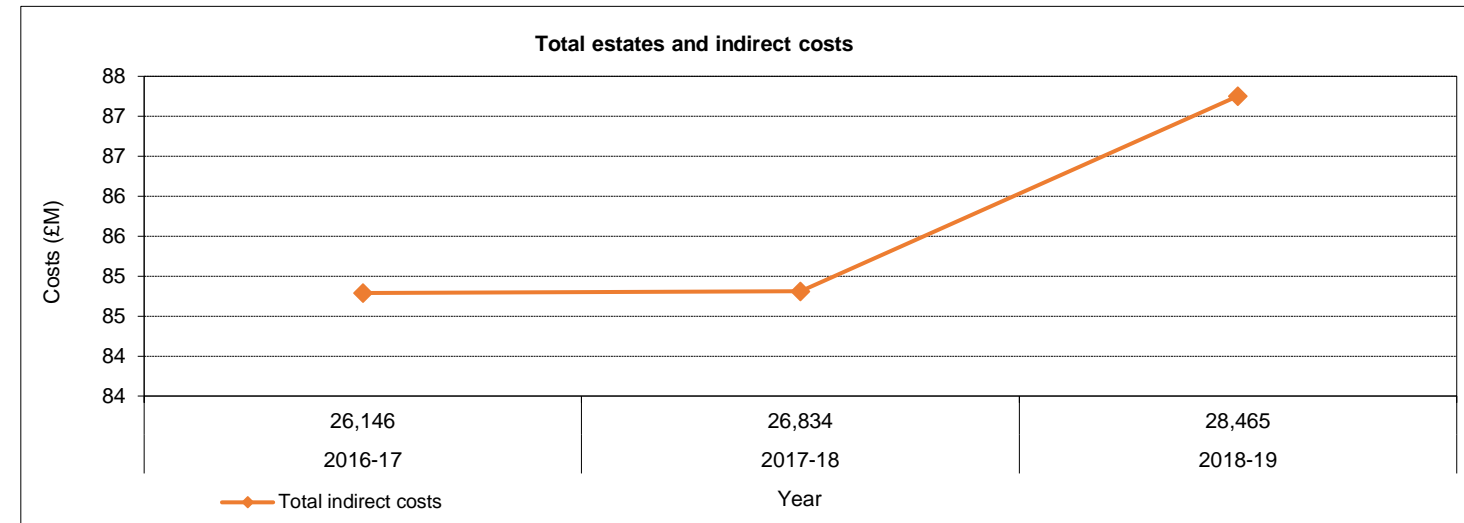
	2016-17	2017-18	2018-19	% difference 2016-17 to 2017-18	% difference 2016-17 to 2018-19	% difference 2017-18 to 2018-19
Indirect	44,786	45,925	40,727	2.5%	-9.1%	-11.3%
Estates non-laboratory	4,607	10,792	8,167	134.3%	77.3%	-24.3%
Estates laboratory	7,583	6,954	9,305	-8.3%	22.7%	33.8%
Indirect and Estates non-laboratory combined	49,393	56,717	48,894	14.8%	-1.0%	-13.8%
Indirect and Estates laboratory combined	52,369	52,879	50,032	1.0%	-4.5%	-5.4%



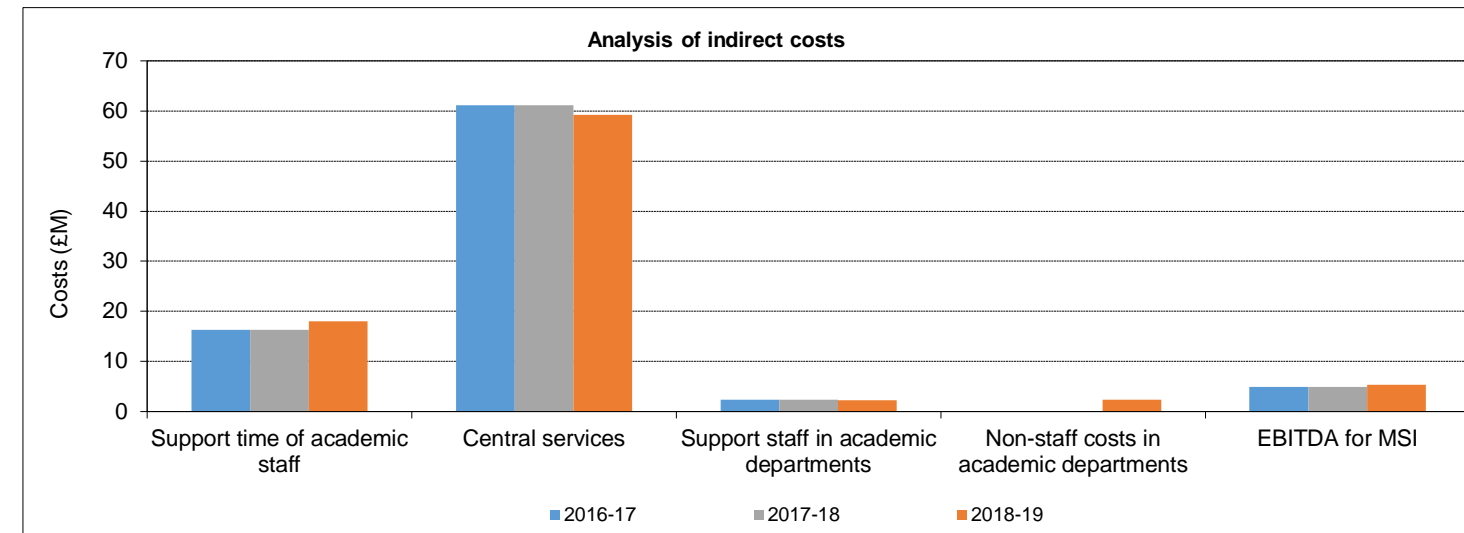
Analysis of support costs, indirect costs and estates costs

Source: Section F

	2016-17	2017-18	2018-19	% difference 2016-17 to 2017-18	% difference 2016-17 to 2018-19	% difference 2017-18 to 2018-19
Total estates costs	26,146	26,834	28,465	2.6%	8.9%	6.1%
% of estates costs allocated to research	6.1%	8.5%	8.5%			
Total indirect costs	84,789	84,811	87,253	0.0%	2.9%	2.9%
% of indirect costs allocated to research	7.4%	8.6%	7.8%			



	2016-17	2017-18	2018-19	% difference 2016-17 to 2017-18	% difference 2016-17 to 2018-19	% difference 2017-18 to 2018-19
Analysis of indirect costs						
Support time of academic staff	16,333	16,333	18,068	0.0%	10.6%	10.6%
Central services	61,148	61,170	59,184	0.0%	-3.2%	-3.2%
Support staff in academic departments	2,401	2,401	2,258	0.0%	-6.0%	-6.0%
Non-staff costs in academic departments	0	0	2,375	0.0%	0.0%	0.0%
EBITDA for MSI	4,907	4,907	5,368	0.0%	9.4%	9.4%
Total indirect costs	84,789	84,811	87,253	0.0%	2.9%	2.9%



Annual TRAC return reporting for AY 2018-19

Your workbook has 2 validation warning(s)/failure(s). For details please see the messages below.

Checklist

Validation passed

Please ensure all aspects of the TRAC return have been completed in accordance with this checklist.

Select Yes, No or N/A from the drop-down boxes.

1. Has your institution used version 2.4 of the TRAC guidance published in July 2019 (<https://www.trac.ac.uk/tracguidance/>) in the preparation of this return and read the change log at Annex 1.1a?
2. Do academic and research assistant/fellow staff numbers reconcile with those used as cost drivers?
3. Do PGR numbers reconcile with those included in student number cost drivers?
4. Have research facility and laboratory technician costs been allocated to Teaching and Other activities where appropriate and excluded from the research facility or laboratory technician rates?
5. Have PGR scholarships, bursaries etc been excluded from the indirect costs for Research?
6. Have Teaching costs been taken into the TRAC(T) model?
7. Are total income and total expenditure (reported in section A1) consistent with the data reported in the financial statements and the OfS annual financial return?
8. Has a Board Committee confirmed the results have been prepared in accordance with the TRAC requirements based on a full self-assessment of compliance (TRAC guidance section 2.1.4.3, <https://www.trac.ac.uk/tracguidance/>)?
9. Do you currently use TRAC data for internal management purposes? If so, please provide examples in the comment box at the end of the checklist section.
10. Does your institution use a workload planning/management approach to time allocation data (see section 3.1.4.26 of the TRAC guidance, <https://www.trac.ac.uk/tracguidance/>)?
11. Do you consider that your time allocation data and TRAC cost data are robust and provide utility to your institution?
12. Has the MSI been calculated in accordance with the guidance provided at section 3.2 of the TRAC guidance (<https://www.trac.ac.uk/tracguidance/>)?

Yes
Yes
Yes
Yes
Yes
Yes
Yes
Yes
Yes
Yes
Yes
Yes
Yes

Comment box to provide examples of internal uses of TRAC data:

Used for Space Charge Calculations.

Please type directly into this comment box, rather than copying and pasting text. Pasting text may cause errors when you upload your return.

Commentary Section

Please upload an electronic commentary document along with your completed return to explain any of the following (if highlighted in purple):

Commentary documents should be submitted as a Word or PDF document via OfS portal.

1. Recovery of full economic costs on PFT is more than 105%.
2. Recovery of full economic costs on NPFT is less than 100%.
3. Recovery of Other -Income generating activity is less than 100%.
4. Recovery of Other -Non-commercial activity is less than 100%.
5. Recovery of full economic costs on Industry¹ activity is less than 75%.
6. Recovery of full economic costs on Research Councils activity is less than 30% or more than 80%.
7. Recovery of full economic costs on Research Council activity is less than the recovery of full economic costs on charities activity.
8. Recovery of full economic costs on Research Council activity is less than the recovery of full economic costs on European Union activity.
9. Recovery of full economic costs on Other Government Department activity is less than recovery of full economic costs on Research Council activity.
10. Recovery of full economic costs on Research Council activity, Charities activity, European Union activity and/or Other Government Department activity is more than 100%.
11. MSI is less than 4.5% or greater than 15.2%.

¹ Industry includes all other organisations such as UK industry, commerce and public corporations, UK Other, EU non-government organisations (i.e. EU-based charities, EU industry and EU other) and Overseas organisations (Non-EU based charities, Non-EU industry and Non-EU other).

Annual TRAC return reporting for AY 2018-19

Your workbook has 2 validation warning(s)/failure(s). For details please see the messages below.

Workbook validation checks

Please review the validation failures/warnings below to ensure that your data have been completed correctly before submitting your return to the OFS. If you have a genuine reason for a validation failure/warning, please provide a brief explanation in the box at the bottom of this page. Further detail can be provided in your commentary document if required.

Commentary documents should be submitted as a Word or PDF document via the OFS portal.

Declaration

1. The name of a Board Committee and a date of the meeting at which compliance with the TRAC requirements was confirmed should be entered in the "Signoff Sheet" worksheet.

Validation passed

2. The name and title of the Head of Institution should be entered on the "Signoff Sheet" worksheet.

Validation passed

Institutional Results

3. Only those institutions who have selected that they are not eligible for or applying dispensation should complete section D, E and F.

Validation passed

4. EBITDA for MSI would usually be greater than zero.

Validation passed

5. The question on whether your institution is eligible for and applying dispensation should be completed.

Validation passed

Section A

6. Total income recorded in section A should equal total income recorded in the institutional results section for each year.

Validation passed

7. Total full economic costs recorded in section A should equal the full economic cost recorded in the institutional results section for each year.

Validation passed

8. Both categories of 'Other' activities should be completed.

Other: Income-generating

Other: Non-commercial

Section A2

9. The questions on which models have been applied to account for government grants should be completed.

Validation passed

10. Please ensure you have completed Table A2.

Validation passed

Section B

11. Recurrent research funding from the funding council should be recorded in the income line of the first column in section B, and should reconcile to the funding you were allocated.

Validation passed

Comment box to explain discrepancies:

12. Total research income recorded in section B should equal total research income recorded in section A.

Validation passed

13. Total research costs recorded in section B should equal total research costs recorded in section A.

Validation passed

14. The question on the reallocation of income and costs relating to PGR activity away from the external research sponsor type should be completed.

Validation passed

Section B1

15. Total research income recorded in section B1 should equal total research income recorded in section A2.

Validation passed

16. Total research costs recorded in section B1 should equal total research costs recorded in section A2.

Validation passed

17. If the "Accrual model" has been selected for government capital grants then 'New Government Capital Grants included in total income' in Tables A2 and B1 should be zero. Please put in a comment below to explain any discrepancies.

Validation passed

Comment box to explain discrepancies:

18. Please ensure you have completed Table B1.

If you have no figures to enter into Table B1, please select 'Confirm'.

Section C

19. All years of data (actual and forecast) should be completed in Table C1.

Validation passed

20. The total TRAC expenditure in Table C3 should be equal to the total expenditure recorded in the institutional results section.

Validation passed

21. If the "Performance model" has been selected for the model applied to account for Government capital grants in Table A2, then the 'Release of deferred capital grants from all sources (accruals model only)' in Table C1 would usually be zero.

Validation passed

22. If there are new government capital grants in Table A2 and B1, then the 'Release of deferred capital grants from all sources (accruals model only)' in Table C1 would usually be zero.

Validation passed

Annual TRAC return reporting for AY 2018-19

Your workbook has 2 validation warning(s)/failure(s). For details please see the messages below.

Section D

23. If you have identified that you do not calculate an estates laboratory rate or an estates non-laboratory rate in the drop-down box in section D, then the relevant columns should be left blank.

Validation passed

24. Academic staff numbers allocated to estates should be equal to or within 10% of those allocated to indirect costs.

Validation passed

25. The % research time of academic staff (any column in row ii) would usually be less than 50%.

Validation passed

26. The % research time of academic staff in the indirect column should not be greater than both of the % research time returned in the two estates columns or less than both of the % research time returned in the two estates columns.

Validation passed

27. Direct time of academic staff in estates should be equal to or within 10% of those allocated to indirect costs.

Validation passed

28. If academic staff numbers (estates) equals indirect staff numbers (row (i)), then the direct time of academic staff (indirect) should equal the direct time of academic staff in the estates columns (row (i)*(ii)).

Validation passed

29. Research assistant/fellows numbers allocated to estates should be equal to or within 10% of those allocated to indirect costs.

Validation passed

30. PGR student numbers allocated to estates should be equal to or within 10% of those allocated to indirect costs.

Validation passed

31. Indexation should not be negative or 0 and would usually be less than 10%.

Validation passed

Section E

32. If you do not identify laboratory technician costs in non-laboratory departments (i.e. you have left the first drop-down box at the top of section E blank), then the relevant column in all of section E should be left blank.

Validation passed

33. Please ensure you have recorded whether you have lab technicians and/or research facilities consistently in table E.1. and the second drop-down box at the top of section E.

Validation passed

34. Institutions recording laboratory estates costs in section D should identify some laboratory costs in table E.1.

Validation passed

35. Laboratory technician infrastructure rate per FTE (£) in table E.3 should be completed.

Validation passed

36. Academic/researcher/PGR FTEs in table E.3 should be equal to the total FTEs in section D (for both laboratory and non-laboratory columns).

Validation passed

37. Research-intensive institutions (those in TRAC peer groups A or B) would usually report laboratory technician infrastructure rates in table E.3.

Validation passed

38. Research-intensive institutions (those in TRAC peer groups A or B) would usually report research facilities in table E.1.

Validation passed

39. If you calculate a laboratory technician infrastructure rate, please enter an indexed rate i.e. indexation should not be negative or 0 and would usually be less than 10%.

Validation passed

Section F

40. Research Indirect costs in table F.1 should equal those recorded in the first line of section D.

Validation passed

41. Research estates costs in table F.1 should equal those recorded in the first line of section D.

Validation passed

42. Total support time for academic staff from table F.1 should be equal to the academic staff costs for support reported in table F.2.

Validation passed

43. Academic staff FTEs allocated to indirect costs in section D should be within 10% of Academic staff covered by Time Allocation Survey in table F.2.

Validation passed

44. Research assistants and fellows in table F.2 should equal those in section D.

Validation passed

45. Percentage time unweighted for salaries for research in table F.2 should be equal to the percentage research time for academic staff recorded in section D.

Validation passed

46. Percentage time weighted for salaries should be completed in table F.2.

Validation passed

47. The total % time of academic staff (both weighted and unweighted for salaries) in table F.2 should equal 100%.

Validation passed

48. Please check that costs in table F.1 have been correctly split between 'Other - academic department activities' and 'Other - standalone enterprise activities such as residences, catering and (most) trading companies'.

Validation passed

Other

49. Contact details for one person who can respond to any questions regarding your return should be entered in the box on the contacts page.

N/A in results file

50. Monetary values in the workbook should be entered in pounds thousands (£000).

Validation passed

51. Total percentages in UKRI Rates Analysis F.2 must add up 100%

Validation passed

Annual TRAC return reporting for AY 2018-19

Your workbook has 2 validation warning(s)/failure(s). For details please see the messages below.

Post submission validation section

Data will be subject to some additional validation checks on submitting the data to the OfS. The results of these will appear below in the results package.

If, for any reason, you get any validation failures/warnings, you should review your figures to ensure they have been completed correctly. If this is a data error then please correct your figures in the annual TRAC return and resubmit your workbook to the OfS.

52. Total income reported in the Annual TRAC return (Section A1) should be consistent with data in Table 1 of the OfS annual financial return returned in December 2019.

Total income returned in your OfS annual financial return is £181,044K for 2018-19.

Validation warning

53. Total expenditure reported in the Annual TRAC return (Section A1) should be consistent with data in Table 1 of the OfS annual financial return returned in December 2019.

Total expenditure returned in your OfS annual financial return is £161,779K for 2018-19.

Validation warning

54. The net of gains and losses on disposal of fixed assets reported in the Annual TRAC return (Section A1) should be consistent with data in Table 1 of the OfS annual financial return returned in December 2019.

Validation passed

55. The net of gains and losses on investments reported in the Annual TRAC return (Section A1) should be consistent with data in Table 1 of the OfS annual financial return returned in December 2019.

Validation passed

56. The net of surpluses and deficits in joint venture(s) reported in the Annual TRAC return (Section A1) should be consistent with data in Table 1 of the OfS annual financial return returned in December 2019.

Validation passed

57. The net of surpluses and deficits in associates reported in the Annual TRAC return (Section A1) should be consistent with data in Table 1 of the OfS annual financial return returned in December 2019.

Validation passed

58. The net of taxation credits and taxation charges reported in the Annual TRAC return (Section A1) should be consistent with data in Table 1 of the OfS annual financial return returned in December 2019.

Validation passed

59. The surplus/deficit attributable to non-controlling interests reported in the Annual TRAC return (Section A1) should be consistent with data in Table 1 of the OfS annual financial return returned in December 2019.

Validation passed

60. The 2018-19 RDEC figure reported in the Annual TRAC return (Section C1) should be consistent with data in Table 5 of the OfS annual financial return returned in December 2019.

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
52	The LSBU Group Accounts includes consolidated accounts for Lambeth College from 2018/19. The Lambeth College teaches FE students that do not form part of the TRAC calculations. I have therefore excluded income to the value of £31.995M
53	The LSBU Group Accounts includes consolidated accounts for Lambeth College from 2018/19. The Lambeth College teaches FE students that do not form part of the TRAC calculations. I have therefore excluded expenditure to the value of £16.2M

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