

Meeting of the Finance, Planning & Resources Committee

**4pm – 6pm on Tuesday, 28 June 2016
in 1B16, 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 from the last meeting	FPR.20(16)	Chair
4.	Matters arising		Chair
5.	Employee engagement survey update	Presentation	EDOD
Finance			
6.	Management Accounts to 31 May 2016 (to discuss)	FPR.21(16)	CFO
7.	Student Recruitment update	FPR.22(16)	CFO
8.	Budget 2016/7 (to recommend)	FPR.23(16)	CFO
9.	Roadmaps (to note)	FPR.24(16)	CFO
10.	Five-Year Forecasts (to recommend)	FPR.25(16)	CFO
11.	Insurance renewals	FPR.26(16)	CFO
12.	Key Performance Indicators – strategic enablers	FPR.27(16)	COO
People and Organisation			
13.	Strategic HR report (to note)	FPR.28(16)	EDOD
Resources and Infrastructure			
14.	Chief Operating Officer's report (to note)	FPR.29(16)	COO
15.	Any other business		Chair
16.	Date of next meeting: 4pm on Tuesday, 27 September 2016		

Members: Andrew Owen (Chair), Jerry Cope (Chairman of the Board), David Phoenix (Vice Chancellor), Michael Cutbill, Neil Gorman, Mee Ling Ng, Temi Ahmadi (SU President-elect) and Jenny Owen (Staff Governor)

With: Chief Financial Officer, Chief Operating Officer, Deputy Vice Chancellor, Executive Director of Organisational Development and HR, Pro Vice Chancellor (Education and Student Experience), Pro Vice Chancellor (Research and External Engagement), University Secretary and Governance Assistant.

	PAPER NO: FPR.20(16)
Paper title:	Minutes of the meeting of May 5 2016
Board/Committee	Finance, Planning & Resources Committee
Date of meeting:	28 June 2016
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors
Board sponsor:	Andrew Owen, Chairman of the Committee
Purpose:	To approve the minutes of the last meeting as a correct record and to approve their publication.

Executive Summary

The Committee is asked to approve the minutes of its meeting of 5 May 2016 and their publication on the LSBU website. Suggested redactions for publication on LSBU's website are in grey.

Minutes of a Meeting of the Finance, Planning
and Resources Committee
held at 4pm on Thursday 5 May 2016
in room 1B16, Technopark, London Road, London SE1

Present

Andrew Owen	Chair
Jerry Cope	Chair of the Board
Prof David Phoenix	Vice Chancellor and Chief Executive
Michael Cutbill	
Mee Ling Ng	
Abdi Osman	SU President
Jenny Owen	Staff Governor

In attendance

Temi Ahmadu	SU President-elect (observing)
Pat Bailey	Deputy Vice Chancellor
Mandy Eddolls	Executive Director of Organisational Development and HR
Richard Flatman	Chief Financial Officer
Ian Mehrtens	Chief Operating Officer
James Stevenson	University Secretary and Clerk to the Board of Governors
Shân Wareing	Pro Vice Chancellor (Education and Student Experience)
Megan Evans	Governance Assistant

Apologies

Neil Gorman	
Paul Ivey	Pro Vice Chancellor (Research and External Engagement)

Welcome and Apologies

1. The Chairman welcomed members to the meeting. Apologies were received from Paul Ivey and Neil Gorman. Incoming Students' Union President, Temi Ahmadu, was welcomed as an observer.

Declaration of Interests

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

Minutes of previous meeting

3. The committee approved the minutes of the meeting of 1 March 2016 subject to review of minute 17.

Matters Arising

4. The committee noted that all matters arising had been actioned.

Staff Engagement

5. The Executive Director for Organisational Development and HR presented the headline findings from the employee engagement survey to the committee.
6. The committee noted that the response rate had increased to 71% of staff completing the survey, which is a notable improvement on the last survey (52% in 2013). The overall engagement score remained at 58% from 2013.
7. The committee noted that recent organisational change may have had an impact on the results. The committee noted that the results of the survey would be presented at the staff conference on 18 May 2016.
8. Further analysis would be undertaken to break down the data by different demographics. The committee requested more detailed analysis for the next meeting.

Management Accounts to 31 March 2016

9. The committee discussed an update on the Management Accounts to 31 March 2016 (paper **FPR.12(16)**).
10. The committee noted that the forecast surplus remained at £1m for 2015/16 and EBITDA at 11.8% (ahead of the target of 11.5%).
11. The committee noted that the difference in cost of professional and academic staff included the reorganisation of technical staff which transferred to Academic Related Resources.

12. The committee noted that Tribal benchmarking analysis had been recommissioned for autumn 2016.

HEFCE grant settlement

13. The committee discussed the HEFCE grant settlement (paper **FPR.13(16)**), also discussed at the recent Board Strategy Day.
14. The committee noted that funding was down by around £1.2m including a cut of £600,000 in student opportunity funding. However, funding is around £900,000 higher than expected, which would be held in reserve to mitigate any potential cuts during the year.

Student recruitment update

15. The committee discussed an update on student recruitment (paper **FPR.14(16)**). Home and EU data from earlier in the week show LSBU is 1.6% down on previous year (the competitor group is 6% down).
16. The committee noted that the conversion rate had increased by 1%. There is increased focus around conversion as the date for final decisions is 8 June 2016.
17. The committee noted that international marketing recruitment is down by c. 100 against last year. International marketing would be reviewed.

Key Performance Indicators Report

18. The Committee noted the Key Performance Indicators (paper **FPR.15(16)**), with the addition of appraisal completion rate of 91% for 2014/15.

Treasury Management Report

19. The Committee discussed the Treasury Management Report (paper **FPR.16(16)**). The bank balance as at 31 March 2016 is £47.1m (£50.5m at the same point in 2015). The committee noted that the deposit on Hugh Astor Court of £1.2m would be paid on exchange of contracts, expected shortly.
20. The committee noted that the Audit Committee regularly review the banking covenants for the loan portfolio.

Strategic HR Report

21. The Committee discussed the strategic HR report (paper **FPR.17(16)**)
22. The Executive Director of Organisational Development and HR reported that UCU have received a positive mandate for both a strike and industrial action short of a strike, likely during exam time. Detailed contingency planning was taking place.
23. The committee noted the adoption of the race action plan and that the University was on target to receive its Athena SWAN award.
24. The committee noted that the University had recently been awarded a bronze award for Health and Safety from the Royal Society for the Prevention of Accidents.
25. The committee requested a presentation on ICT once the new head had been recruited.

Chief Operating Officer's Report

26. The committee discussed the Chief Operating Officer's report (paper **FPR.18(16)**).
27. Following the resignation of the Director of Marketing, Recruitment & Admissions, a new head would be recruited. The committee noted interim arrangements.
28. The committee welcomed the recent accreditation visit by the Institute of Customer Service for four eligible services.

Committee Effectiveness

29. The Chair led a discussion on committee effectiveness (paper **FPR.19(16)**). The committee agreed to defer a detailed review of its effectiveness until it had completed a full business cycle next year.
30. The committee agreed that the terms of reference were appropriate, the quality of papers was good and there was an appropriate amount of time given to meetings to discuss items properly.

Any Other Business

31. The committee noted that this was Abdi Osman’s last meeting as a governor. The Chairman thanked him for his contribution to the committee and the Board.

The Chair closed the meeting.

Confirmed as a true record:

..... (Chair)

DRAFT



Committee Action Points

21 June 2016

11:33:50

Committee	Date	Minute	Action	Person Res	Status	
Finance, Planning and Resources	05/05/2016	5	Further analysis of the employee engagement survey to be brought to the next meeting	EDHR	On agenda	<input checked="" type="checkbox"/> Completed
Finance, Planning and Resources	05/05/2016	28	IT update to be brought to the September meeting	EDHR		<input type="checkbox"/> Completed

	CONFIDENTIAL
	PAPER NO: FPR.21(16)
Paper title:	Management Accounts (May 2016)
Board/Committee	Finance, Planning & Resources Committee
Date of meeting:	28 June 2016
Author:	Ralph Sanders, Director of Planning, Information & Reporting
Executive/Operations sponsor:	Richard Flatman, CFO
Purpose:	To brief the Committee on the University current financial position
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Corporate Delivery Plan – Goal 8 Resources & Infrastructure (<i>We will grow our income by 25% to £170m annually delivering an operating surplus of 5% and an EBITDA margin (our ability to generate cash) of 15%</i>)
Recommendation:	The Committee is asked to note the current position

Matter previously considered by:		
Further approval required?	No	On:

Executive Summary

The full year forecast as at 31 May 2016 is trending towards a surplus of £1.4M. This is an increase of £0.4M as compared to last month and would deliver the University ahead of budget.

There has been another reduction in forecast income this month as the Schools have continued to review closely their Enterprise and Research activities. This reduction in income has been more than offset by a reduction in forecast staffing costs which had assumed significant increases toward the end of the year. In reality, as a result of close control, staff costs have been managed at a relatively stable level throughout the year. As a result, the total contribution from the Schools has improved and the School of Health & Social Care is now forecast to deliver ahead of budget.

London South Bank University

The net position of the Professional Functions has worsened as compared to last month.

May Executive Summary

1) This Executive Summary reports on the Financial position of London South Bank University as at 31 May 2016 and summarises the changes since the April forecast

2) RAG Status

Income Growth	0.5%	Staff Cost Growth	1.3%	Staff Cost %	55.0%	Opex Growth	-1.6%	FYF Surplus	1.0%	EBITDA	11.8%
<i>excluding EDISON</i>		<i>excluding EDISON & restructuring</i>		<i>excluding restructuring</i>		<i>excluding EDISON</i>					

3) Summary

The full year forecast as at 31 May 2016 is trending towards a surplus of £1.4M, this is an increase of £0.4M as compared to last month and would deliver the University ahead of budget.

There has been a significant reduction in forecast income this month as a number of Schools have reviewed their Enterprise and Research activities. This resulting decrease of £836K in income has been mitigated by an increase in HSC Contract income and Post Graduate income and as a result the total School's income reduction has been contained at £299K.

This reduction in income has been accompanied by a thorough review of staffing costs within the Schools and savings against forecast of £592K have been identified. There has also been a review of OPEX and savings of £183K have been identified. As a result the total contribution from the Schools has improved by £476K compared to last month and the School of Health & Social Care is now forecast to deliver ahead of budget.

In terms of Professional Functions, as indicated last month the Academy of Sport has reduced its income forecast by £150K to bring its forecast in line with its YTD position. There has been a review of activity within ICT and the Innovation team and savings against the staff forecast of £120K have been identified. Opex savings against forecast of £55K have also been identified within ICT and that area is now forecast to deliver to budget. A review of activity within HR has also identified staff savings although these have been offset by additional investments in Opex and so the net position of the Professional Functions has worsened as compared to last month.

4) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	14/15 Actuals	15/16 Budget	Change %
Funding Grants	14.8	13.4	-10%
Health - Contract	24.8	24.9	1%
Home / EU UG Fees	54.2	58.7	8%
Home / EU PG Fees	6.4	7.7	20%
Overseas Fees	10.6	10.9	3%
Research Activities	3.9	4.0	3%
Enterprise Activities	8.5	10.2	21%
Student Related Income	10.7	11.2	4%
Other Operating Income	7.0	1.5	-79%
Endowments & Interest	0.3	0.2	-39%
Income	141.1	142.7	1%

Apr 15/16	Monthly Move	May 15/16	variance to Budget	Budget variance	variance to 14/15
13.4	0.0	13.4	0.0	0%	-9%
25.2	0.2	25.4	0.5	2%	3%
57.1	0.0	57.2	-1.5	-3%	6%
7.6	0.2	7.8	0.1	2%	22%
8.8	-0.1	8.7	-2.2	-20%	-18%
3.9	-0.1	3.7	-0.3	-7%	-5%
9.6	-0.7	8.9	-1.3	-12%	6%
10.9	-0.0	10.9	-0.2	-2%	2%
1.0	0.1	1.1	-0.4	-27%	-84%
0.2	0.0	0.2	0.0	0%	-39%
137.8	-0.4	137.4	-5.3	-3.7%	-3%

May 14 / 15 YTD	May 15 / 16 YTD	variance to 14/15	variance to 14/15
12.9	11.5	-1.4	-11%
20.4	20.8	0.4	2%
54.4	57.5	3.1	6%
6.4	7.7	1.3	21%
10.6	8.8	-1.9	-17%
3.3	3.0	-0.3	-9%
6.7	7.0	0.3	4%
8.9	9.1	0.2	2%
1.6	0.9	-0.7	-44%
0.3	0.2	-0.1	-29%
125.5	126.4	0.9	1%

in £'m			
Academic Staff Costs	42.1	41.8	-1%
Support & Technicians	32.2	37.0	15%
Third Party Staff	7.2	2.1	-71%
Depreciation	8.8	10.6	21%
Operating Expenses	46.7	43.7	-6%
Interest Payable	3.0	4.7	58%
Exceptional Items	0.0	1.8	0%
Expenditure	139.9	141.7	1%

39.4	-0.5	38.8	-3.0	-7%	-8%
35.9	-0.3	35.6	-1.4	-4%	11%
2.5	0.0	2.6	0.5	25%	-64%
10.3	-0.1	10.1	-0.4	-4%	16%
42.2	0.2	42.4	-1.3	-3%	-9%
4.6	0.0	4.6	-0.1	-1%	56%
1.9	-0.1	1.8	-0.0	-1%	0%
136.8	-0.8	136.0	-5.7	-4.0%	-3%

32.4	31.5	-0.8	-3%
25.8	27.7	1.9	7%
3.0	2.0	-0.9	-32%
7.3	8.1	0.8	11%
31.8	30.7	-1.2	-4%
2.6	4.0	1.5	57%
0.0	0.0	0.0	0%
102.8	104.0	1.2	1%

Surplus for the year	1.2	1.0	-17%
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1.0	0.4	1.4	0.4	0.0%	-17%
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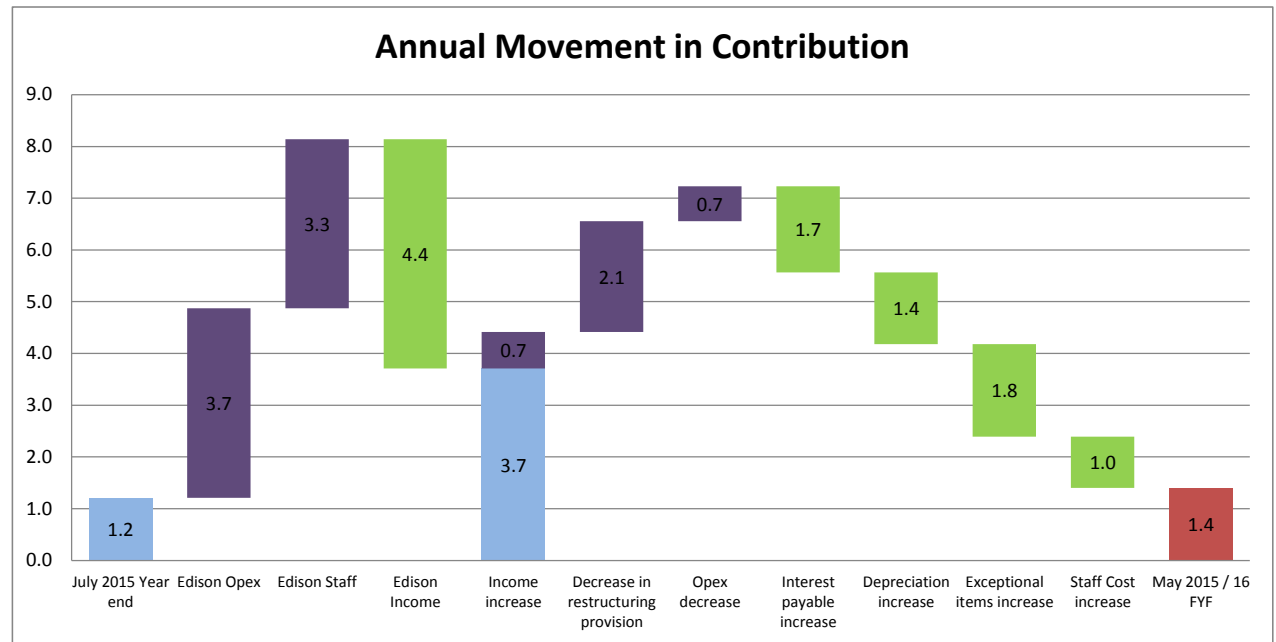
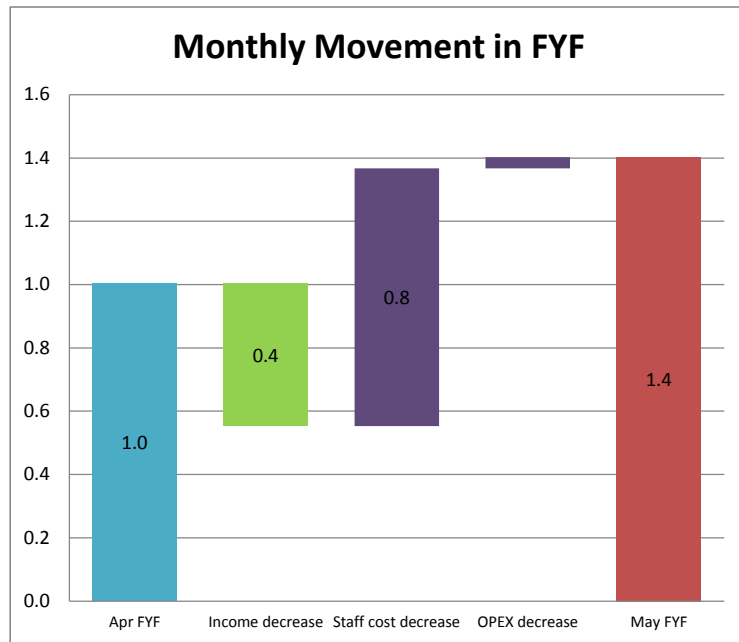
22.7	22.4	-0.3	-1%
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Surplus as % of income	0.9%	0.7%	0.7%	1.0%
Surplus per student FTE	£82.0	£71.5	£75.7	£105.9

75%	76%	YTD Staff Cost %
68%	70%	YTD OPEX Cost %
73%	73%	Total YTD Cost %

5) Forecast Summary

The monthly movement in Full Year forecast is primarily due to the reduction in Enterprise income which has been more than offset by a reduction in staffing costs. There was also a movement of £90K from Opex to staffing costs as a result of funds being transferred from the Investment Pot and so other Opex have increased slightly in the month.



Even after this month's downward revision in income the University is still forecast to grow its normal operating income by £0.7M year on year, an increase of 0.5%. Staffing costs are growing faster than income at 1.3% and so the university will be investing an additional £1.0M compared to 14/15. The main beneficiary of this investment has been in Support and Technician staff although this investment is probably overstated as YTD savings of £1.9M have been generated within this category of which just £1.4M has been reported. The University has £1.8M remaining in Exceptional items to support Research and Enterprise activity and committed investment funds. Following the 3.5% Operating Expense reduction, the University is expected to spend over £0.7M less on recurring Operating Expenses than last year.

The University is benefitting from a year on year £2.1M reduction in the restructuring provision for the year which currently stands at a forecast £1.5M as compared to last year's £3.6M, this however has been offset by a forecast £1.7M increase in interest payable relating to FRS17 Pension costs and a £1.4M increase in depreciation due to our investments in capital expenditure.

6) Risks and Contingencies

The Full Year Forecast contains a number of risks primarily now to do with retention and the forecast level of bad debt. This month we have refunded just £109K in tuition fees and have £318K incorporated into our forecast for further refunds which is why our YTD Home / EU UG Fee income of £57.5M is higher than the Full Year Forecast of £57.2M. Our bad debt provision has been estimated at £330K for the year, a significant reduction to the 14/15 outturn position, and is covered by the remaining £0.5M Opex contingency. The risk to our Research Grant income has been reduced as our forecast has been revised down and we have billed £3.3M against a £3.7M forecast, an increase of £0.3M for the month. In terms of Enterprise activities we billed an additional £0.5M this month to take our YTD position to £6.7M but at this rate we would still be significantly behind our revised £8.9M forecast. There are funds in exceptional items to mitigate some of this risk.

To balance some of these risks, we do still hold a staff restructuring provision of £1.5M. There have been no charges this month to the restructuring provision in 15/16 and we may have slightly overprovided in 14/15. We continue to review this provision although it is expected that there will be some significant charges in the last few months of the year. There are no funds remaining in the £1M general Investment Pot.

We do not now expect any negative changes to the HEFCE grant for 15/16 following the recent BIS budget settlement and have accrued sufficient funds to cover the recently reported review of our 12/13 and 13/14 submissions.

7) Contribution Analysis

The current forecast contribution for the year is £0.2M ahead of the 2014/15 final outturn but £2.3M behind the directly comparable position once we strip out the costs of the EDISON programme and last year's extraordinary levels of voluntary redundancy. EBITDA at 11.8% is ahead of target. Following the 3rd Tuition Fee payment from the SLC, our balance of cash and investments now stands at £66.7M the highest level since May 2013. Our recurring staff cost expressed as a % of income, once we have adjusted for the £1.5M restructuring provision, is also on the 55% target set by the Board of Governors.

Contribution per Student and per Staff

excluding School admin
and Technicians

	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	14 / 15 Actual	May 15/16 FYF	14 / 15 Actual	May 15/16 FYF	14 / 15 Actual	May 15/16 FYF	14 / 15 Actual	May 15/16 FYF	14 / 15 Actual	May 15/16 FYF	14 / 15 Actual	May 15/16 FYF	14 / 15 Actual	May 15/16 FYF	14 / 15 Actual	May 15/16 FYF
Income (M)	£10.7	£11.2	£9.4	£9.5	£15.0	£16.2	£17.9	£16.4	£18.2	£18.9	£32.8	£33.0	£14.6	£14.6	£118.6	£119.7
Expenditure (M)	£5.7	£5.4	£3.8	£4.3	£7.1	£6.7	£8.7	£7.6	£9.9	£9.0	£18.6	£18.3	£6.9	£6.7	£60.8	£58.1
Contribution (M)	£5.0	£5.8	£5.6	£5.2	£7.8	£9.4	£9.2	£8.7	£8.3	£9.9	£14.2	£14.7	£7.7	£7.9	£57.8	£61.6
Contribution %	46%	52%	60%	55%	52%	58%	51%	53%	45%	53%	43%	45%	53%	54%	49%	51%
Student FTE	1,128	1,181	1,040	1,033	1,596	1,721	2,622	2,124	1,437	1,681	3,592	3,847	1,694	1,663	13,109	13,250
Contribution per Stud FTE	£4,400	£4,900	£5,400	£5,000	£4,900	£5,500	£3,500	£4,100	£5,800	£5,900	£4,000	£3,800	£4,500	£4,700	£4,400	£4,700
Academic / HPL FTE	52	47	35	37	65	60	106	81	56	64	183	190	69	71	566	551
Student / Acad. Staff ratio	22	25	29	28	25	29	25	26	26	26	20	20	25	23	23	24
Contribution per Staff FTE	£95,300	£121,600	£158,900	£139,900	£120,300	£158,100	£86,900	£107,400	£148,100	£154,800	£77,500	£77,400	£111,400	£110,400	£102,000	£111,800

The Schools are now £4.7M behind their income target but only £1.3M behind their contribution target and 3 schools are now expected to deliver to Budget; the School of Health & Social Care, the School of Engineering and the School of the Built Environment and Architecture. The total contribution from the Schools at £61.6M is £3.9m higher than in 14/15 and every School is improving its financial position except for the School of Arts & Creative Industries which is benefitting from extra investment in 15/16 and the School of Business which has transferred the Division of Informatics to the School of Engineering

8) Student Number Analysis

In 2013 / 14 we refunded a total of £3.0M in income to students who Withdrew or Interrupted. In 2014/15 we refunded £3.7M and we have increased our forecast in 15/16 to £3.6M following last month's refunds. This month we have refunded just £109K which is in line with this month's activity in previous years. As identified earlier we have assumed a further £300K of refunds in our current UG tuition Fee forecast.

9) Student Withdrawal Analysis

Academic year	Total Students	Total Withdrawals	% of Total	Comparable at 31/5
12/13	19,262	1,020	5.3%	936
13/14	19,734	1,092	5.5%	999
14/15	19,495	1,102	5.7%	975
15/16	20,363			875

'Lost Income'	May	15/16 YTD	Ma' 15/16 YTD
Applied Science	£16,000	£419,000	Engineering £11,000 £479,000
Arts and Creative Industries	£4,000	£403,000	Health & Social Care £10,000 £126,000
Built Environment & Architecture	£7,000	£494,000	Law & Social Sciences £30,000 £657,000
Business	£31,000	£708,000	Total £109,000 £3,286,000

10) Income Analysis

As detailed above, the key movement in forecast Income this month was the reduction due to Research and Enterprise activity in the School's. This was particularly pronounced in the School of Applied Sciences which reduced its forecast by £219K and the School of Health & Social Care which reduced its forecast by £500K. in HSC this was offset by an increase of £226K in NHS contract income and an increase of £196K in Post Graduate income. There was a further reduction in our Home/EU UG tuition fee forecast in both the School of Arts & Creative Industries and the School of Law & Social Sciences. The decline in the income forecast for the Academy of Sport is due to decreased activity during the year and was signalled last month,

11) Staff Cost Analysis

In terms of staffing we have recognised £3.9M savings against budget and are now expected to grow staff costs by just £1.0M year on year. This is a 1.3% increase so staff costs are growing faster than income although they are still considered to be overstated. Staff costs are currently £4.6M behind the budgeted YTD position and to deliver to the current forecast would mean an average spend of £7.5M per month in the last 2 months of the year as compared to the current run rate of £6.2M. The team are actively working with budget holders with regard to reviewing their staffing forecasts.

12) Operating Expense Analysis

In terms of Operating Expenses, every area had delivered the 3.5% reduction in operating expenses required by the Executive to move the University into a balanced position for the year although this month HR have recognised savings within their staffing forecast which they have invested in Opex. We are 83% of the way through the year but have spent only 75% of our total Expense forecast. Given the forecast expenditure is £11.7M for the last 2 months of the year against a typical monthly spend of £3M, we shall monitor expenditure closely to ensure departments are just not spending to use up their budget

13) Budget Analysis

There are 33 distinct areas of the University that have separate budgets and each area is expected to deliver to their Budget. 3 of the 7 Schools are now expected to deliver to budget, 23 other areas are forecast to deliver better than budget but the Academy of Sport, Innovation and the Confucius Institute are in a deficit position.

14) Capital Expenditure

There was no significant movement in our Capital Expenditure this month. There are no live Capital projects that are trending to an overspend and the ICT capital program has been expanded to cover the phase 2 of the Data Centre Outsourcing project within the current capital budget.

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
			2015 Forecast (£)	2015 Budget (£)	Variance - Forecast to Budget (£) %		Note	2015 Actuals (£)	2015 Budget (£)	Variance - Actuals to Budget (£) %		Note	
-141,122,532	-125,469,245	Total Income	-137,394,976	-142,690,999	(5,296,022)	(4%)		-126,413,826	-130,360,286	(3,946,460)	(3%)		-10,981,151
81,457,831	61,114,722	Total Staff Costs	77,039,458	80,895,751	3,856,293	5%		61,233,869	65,825,468	4,591,599	7%		15,805,589
8,758,726	7,298,293	Total Depreciation	10,149,624	10,599,520	449,896	4%		8,131,635	8,859,275	727,640	8%		2,017,989
46,732,524	31,836,436	Total Other Operating Expenses	42,397,200	43,704,418	1,307,218	3%		30,667,813	35,421,862	4,754,048	13%		11,729,387
2,961,894	2,556,205	Total Interest Payable	4,623,104	4,692,374	69,270	1%		4,012,309	3,879,639	(132,670)	(3%)		610,795
		Total Exceptional Items	1,783,029	1,797,935	14,906	1%			666,696	666,696	100%		1,783,029
		Total Internal Allocations											
-1,211,558	-22,663,589	Contribution	-1,402,562	-1,001,000	401,562	40%		-22,368,199	-15,707,346	6,660,853	42%		20,965,638
57.7%		Staff costs as % of income	56.1%	56.7%				48.4%	50.5%				
0.9%		Contribution %	1.0%	0.7%				17.7%	12.0%				

	CONFIDENTIAL
	PAPER NO:FPR.23(16)
Paper title:	Budget paper
Board/Committee	Finance, Planning & Resources Committee
Date of meeting:	28 June 2016
Author:	Ralph Sanders, Director of Planning, Information & Reporting
Executive/Operations sponsor:	Richard Flatman, CFO
Purpose:	To approve the group budget for 16/17
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Corporate Delivery Plan – Goal 8 Resources & Infrastructure (<i>We will grow our income by 25% to £170m annually delivering an operating surplus of 5% and an EBITDA margin (our ability to generate cash) of 15%</i>)
Recommendation:	The Committee is requested to review and recommend approval of the consolidated group budget (incorporating both LSBU and SBUEL) for 2016/17.

Matter previously considered by:		
Further approval required?	No	On:

Executive Summary

Following the detailed planning and budgeting process, the University is proposing a budget for 2016/17 with income of £144.7M and a surplus of £1M.

At the time of the Board strategy day in April we were looking at deficit of £1.2m in 2016/17. We have closed this gap through the budget process and are now presenting a surplus for 2016/17 of £1M consistent with previous year's forecasts. Although we considered carefully the question raised by Board as to whether surplus of £1M was appropriate, on balance we agreed to hold the surplus at this level to preserve the increased investment made in recent years to help drive income growth and TEF outcomes.

London South Bank University

The £1M level of surplus is consistent with the level which we have been indicating to the Board is the likely outcome for 2016/17 since May 2014 but on a reduced level of income to last year's plan for 2016/17.

As part of this year's Planning & Budgeting process the University reviewed a range of scenarios including:

- last year's plan for 16/17 as presented to HEFCE in July 2015 with the higher Overseas & Enterprise targets for 2016/17 that were agreed by the Board in Spring 2015,
- the plan as presented to the Board of Governors in February 2016 with a deficit of £1.2M
- a revised plan, developed with the School's and Professional Functions, which held back investments in Staff and Opex that would need to be funded by above 3% rises in Overseas and Undergraduate income.

It is this latter prudent scenario of tempered income growth with investments held back until that income has been realised that forms the basis for next year's budget proposal and the corresponding submission to HEFCE of our revised 5 year forecast. Given the uncertainty over public funding streams in 2016/17 we have also taken the decision to reduce our forecast HEFCE grant income by £0.5M and so we are presenting a budget with a surplus of £1M for approval that has been actively reviewed for risk.

The Budget does assume that we will recruit 2,760 Home/EU Full Time Undergraduate students and that we continue to see improvement in their progression. The budget delivers the minimum targets for Research, Enterprise and International Tuition Fees as presented to the Board of Governors in April 2016 and exceeds the Post Graduate Income target given strong performance in this area.

The Budget also continues to include some specific funds for Investment that can be reduced should there be an issue with income generation. These include the general £1M Investment fund, a £0.5M People & Organisation fund and a £1.0M Research Investment Fund. The budget also includes a provision for restructuring of £1.5M.

The committee is requested to review the budget and recommend approval to the Board

LONDON SOUTH BANK UNIVERSITY / ENTERPRISES
2016/17 Budget Proposals v June 8

	University All 2015/16 April FYF	University All 2016/17 Budget Proposal	University All Variance to April FYF
Funding Grants	£13,441,142	£11,900,039	-£1,541,103
Health - Contract	£25,206,262	£25,480,079	£273,817
Fees - Home & EU UG	£57,119,538	£60,718,325	£3,598,787
Fees - Home & EU PG	£7,604,614	£8,246,165	£641,551
Overseas Fees	£8,827,116	£9,224,032	£396,917
Research inc QR	£3,868,459	£4,359,818	£491,359
Enterprise inc HEIF	£9,624,086	£11,577,538	£1,953,452
Other - Student Related Income	£10,946,474	£11,443,676	£497,202
Other - Operating Income	£1,017,970	£1,560,895	£542,925
Endowment Income & Interest Receivable	£189,200	£186,200	-£3,000
Total Income	£137,844,861	£144,696,767	£6,851,906
Academic	£40,057,525	£43,502,448	£3,444,924
Technicians	£1,940,342	£2,561,264	£620,922
Support	£34,351,068	£35,495,373	£1,144,306
Restructuring Provision	£1,500,000	£1,500,000	£0
Total Staff Costs	£77,848,934	£83,059,085	£5,210,151
	% of Income (excl restructuring) 55.4%	56.4%	
Total Operating Expenses	£42,217,891	£42,909,456	£691,565
	% of Income 30.6%	29.7%	
Depreciation	£10,279,311	£11,051,058	£771,747
Internal Allocations	£0	£10	£10
Interest Payable	£4,623,104	£4,777,158	£154,054
Exceptional Items	£1,875,620	£1,900,000	£24,380
	£16,778,035	£17,728,226	£950,190
Contribution	£1,000,000	£1,000,000	£0
	% of Income 0.7%	0.7%	
Contribution against Budget target			
Annual change in Income		£6,851,906	
Annual change in Income		5%	
Annual Change in Academic Staffing Costs		£3,444,924	
Annual % Change in Academic Staffing costs		9%	
Annual Change in Support / Tech Staffing Costs		£1,765,227	
Annual % Change in Support Staffing costs		5%	
Annual Change in OPEX		£691,565	
Annual % Change in OPEX		2%	
Annual change in Contribution		£0	
Annual % change in Contribution		0%	
Recurring Academic Staff Costs % of income	29%	30%	
Recurring Support + Tech Staff Costs % of income	26%	26%	
Recurring Academic Staff Costs % of recurring staff cost	52%	53%	
Recurring Support Staff Costs % of recurring staff cost	48%	47%	

London South Bank University

	CONFIDENTIAL
	PAPER NO:FPR.24(16)
Paper title:	Corporate Strategy 2016/7 roadmaps
Board/Committee	Finance Planning & Resources Committee
Date of meeting:	28 th June 2016
Compiler:	John Baker – Corporate & Business Planning Manager
Executive sponsor:	Dave Phoenix – Vice Chancellor & Chief Executive
Purpose:	Information
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	The Corporate Strategy roadmaps 2016/7 indicate the priorities across the institution toward each goal of the Corporate Strategy for 2016/17.
Recommendation:	To note the Corporate Strategy roadmaps

Matter previously considered by:	Exec	May
Further approval required?	Board (for noting)	14 July 2016

Executive Summary

The Corporate Strategy roadmaps document outlines the key priorities for 16/17 for each of the goals of the Corporate Strategy, alongside a summary of key aspects of the Corporate Strategy, and selected KPI performance to date.

These priorities will be used as the basis for reporting to the Board progress against the strategy during the 16/17 performance year.

(interim report in May 2017, final report in November 2017, in line with the slightly lagging annual KPI cycle)

The corporate strategy roadmaps have been approved by the Executive and are provided to the committee for information. The 2016/7 budget has been developed in line with the priorities set out in the Corporate Strategy roadmaps.

The 16/17 Corporate Strategy Road Map document is attached.



**London
South Bank
University**

Corporate Strategy 2016/17 Road Maps





Only by each of us playing our part
can we deliver on our ambition.



Our ambition is to become the top modern university in London and in our corporate strategy we have outlined a clear approach to enable us to achieve this.

But creating this vision was the easy part. Now we need to deliver it and responsibility for doing so falls upon every one of us - only by each of us playing our part can we deliver on our ambitions.

Day-to-day we can easily be distracted from our vision for the future by the pressing issues of today. These roadmaps serve as a reminder and guide of what we need to do to achieve our goals for 16/17. We will use them to report progress at year end, and they'll be reviewed and updated annually to ensure objectives and projects remain current and appropriate.

As you read these roadmaps, I hope you develop a good understanding of the improvements we are making across the whole of LSBU. I would also like you to think about the role you can play in helping us deliver our vision for 2020.

How we do things is just as important as what we do and I hope that all colleagues, at every level, will embody the LSBU Values of Excellence, Professionalism, Integrity, Inclusivity, Creativity as we carry out this important work.

Professor David Phoenix, Vice Chancellor
OBE DL FAcSS DSc FRCP (Edin) FRSC, FSB, FIMA, SFHEA

Teaching and Learning



By building on existing achievement and innovation we will provide a consistently excellent and distinctive LSBU educational experience.



Professor Shân Wareing – Pro Vice Chancellor, Education and Student Experience

Our Goal

We will ensure that our teaching remains highly applied, professionally accredited and demonstrably linked to research and enterprise, developing attributes that will make our graduates highly sought after.

2020 Targets

- 80% of our graduates will be in graduate level employment
- Top 50% of UK universities for both graduate employment and starting salaries

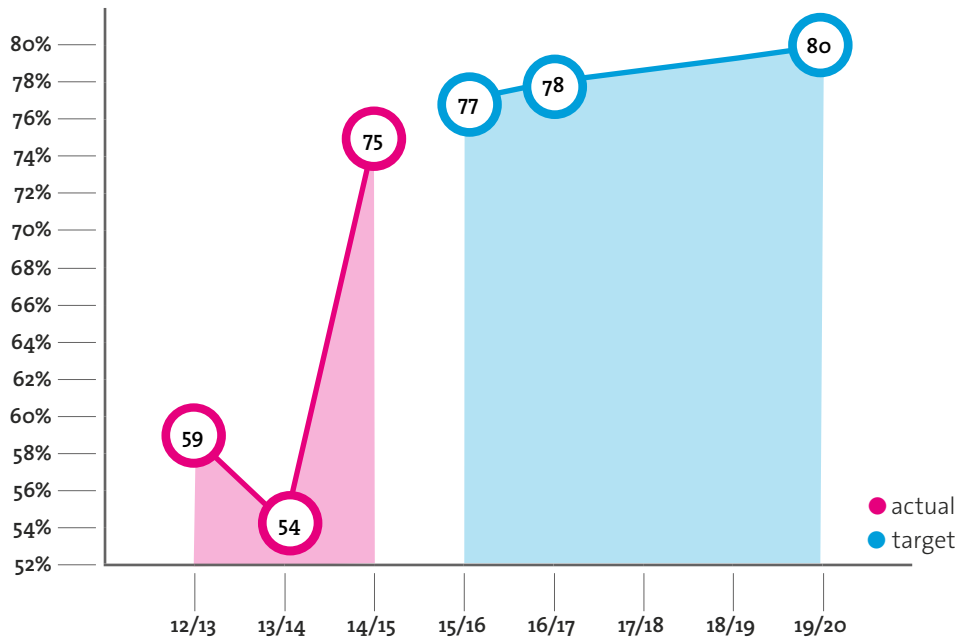
Our Approach

- Developing, recognising and rewarding excellent teaching
- Building on our existing strengths to create and implement a distinctive LSBU curriculum
- Providing opportunities and incentives for colleagues to engage with best practice and develop networks to support innovation
- Developing the infrastructure and support for technology that underpins modern learning

16/17 Priorities

- Establish a Centre for Research Informed Teaching, and develop professional development opportunities for staff
- Connect academic and professional service staff and students to collaborate on strategic projects
- Establish a more co-ordinated and strategic approach to digitally enhanced learning
- Establish mechanisms for employers to make a greater contribution to the curriculum, including involvement in articulating discipline specific graduate attributes within our overarching EPIC values

DHLE entry to employment or further study (EPI)



Progress



Maintain a **Student:Staff ratio of 17:1**

Student Experience



By listening to our students and treating them as partners, we will enable more students to successfully complete their courses, and achieve their career goals



Professor Shân Wareing – Pro Vice Chancellor, Education and Student Experience

Our Goal

We will ensure that students are seen as participants in their learning and that the student voice is encouraged and listened to.

2020 Targets

- Our Students will rate us in the top quartile of all universities in the NSS, with 89% overall satisfaction
- 81% of our international students will recommend LSBU

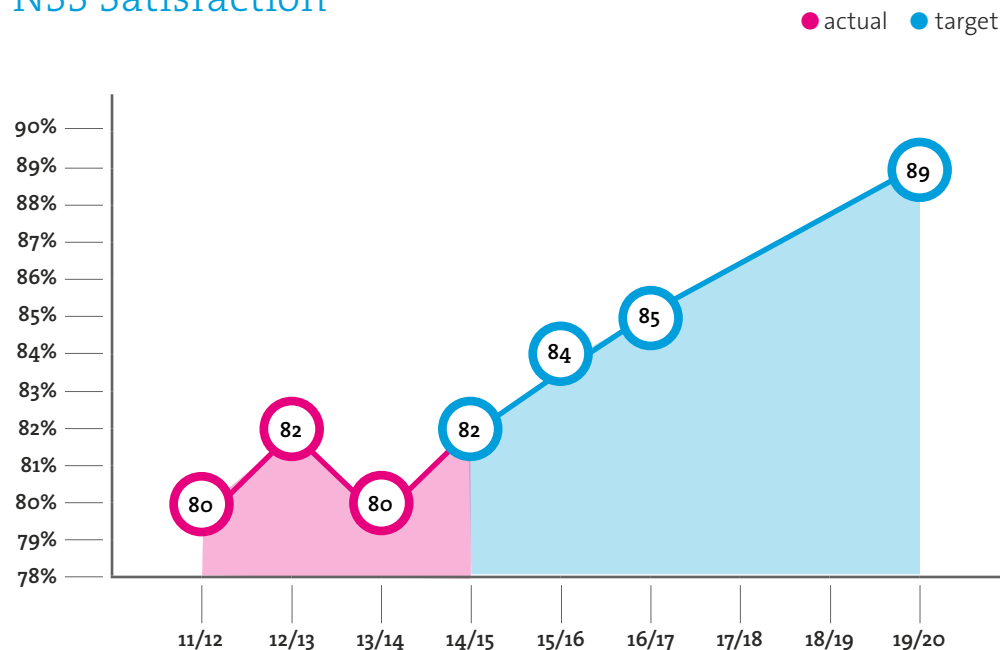
Our Approach

- Listening to students, acting on their comments and providing effective feedback
- Involving students as partners in the design of processes
- Working towards the best possible university experience for students on and off campus
- Strengthening the personal tutor system so all students have access to personal individualised support
- Developing peer assisted learning

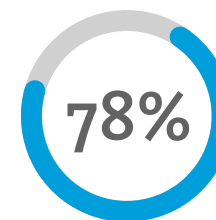
16/17 Priorities

- Improve our approach to student appeals and withdrawals
- Pilot improvements to personal tutoring and peer assisted learning
- Collaborate with IBM to implement learning analytics
- Review and redesign assessment procedures to be inclusive and to maximise student learning
- Increase the range of sports and activities available to our students
- Explore opportunities through Estates and ICT for professional, inspiring, accessible space and systems
- Embed the EPIIC values in student administration and services
- Deliver the Induction and Student Attendance Monitoring projects

NSS Satisfaction



Progress



of our **international students will continue to recommend LSBU** in 2016/17

Employability



Our students will develop discipline-based expertise that they can apply in real world situations.



Professor Shân Wareing – Pro Vice Chancellor, Education and Student Experience

Our Goal

We will provide students with an individualised learning experience to develop the skills and aspirations that enable them to enter employment, further study or start their own business.

2020 Targets

- 95% of our students will be in employment or further study within 6 months of graduating
- One of the ten best UK universities for supporting and fostering student start-ups with 150 new start-ups per year

Our Approach

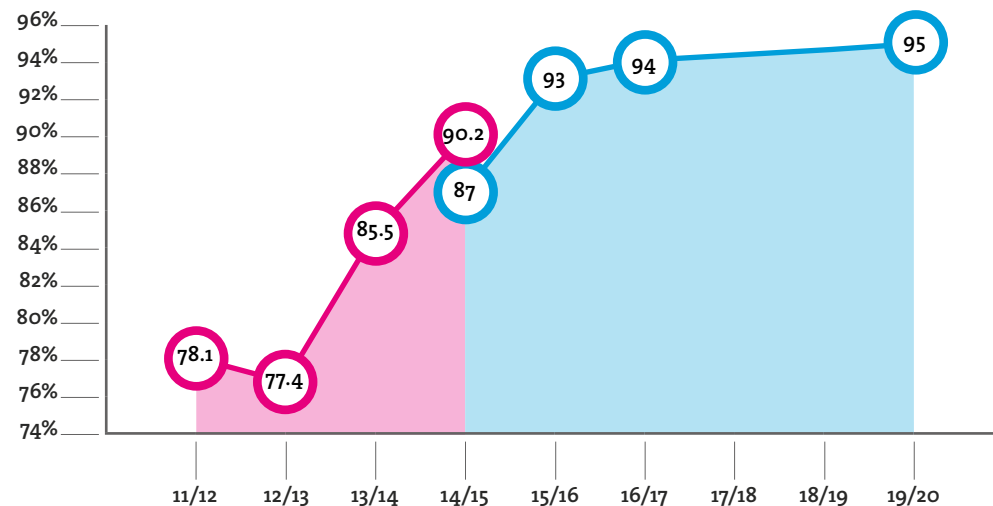
- Work with industry to build on our existing professionally focused curricula
- Create new opportunities for students to gain relevant work experience
- Build our relationships with alumni and employers
- Encourage and support students to start their own businesses
- Increase the support we provide to help students find work after graduation

16/17 Priorities

- Progress the LSBU Curriculum, to support students' intellectual development, confidence & employability
- Establish the infrastructure to support work related learning, including placements & study abroad, in all UG courses by 2018/9
- Implement the Higher Education Achievement Report (HEAR)
- Establish an LSBU employment and temping agency
- Implement a strategic approach to the engagement of employers and alumni
- Invest in industry standard specialist facilities

DHLE entry to employment or further study

● actual ● target



Progress

60

new student start-ups in 2015/16, with a target of 80 in 2016/17

Research and Enterprise



Only by unlocking the skills and talents of everyone at LSBU will we be able to put our knowledge into practice and deliver real world impact.



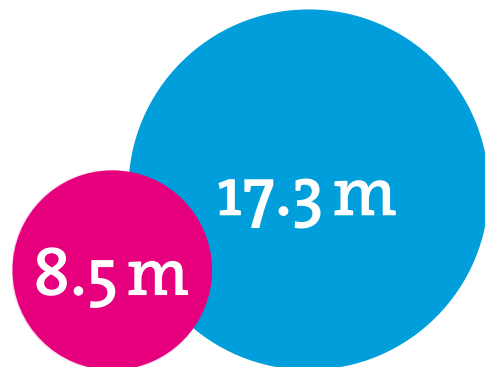
Professor Paul Ivey – Pro-Vice-Chancellor, Research and External Engagement

Our Goal

We will deliver outstanding economic, social and cultural benefits from our intellectual capital, by connecting our teaching and research to the real world through commercial activities and social enterprise.

Enterprise Income

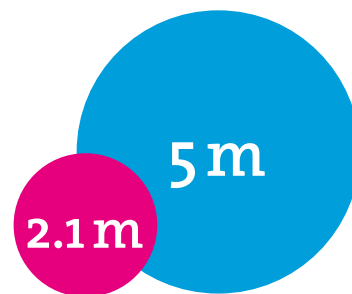
● 2015/2016 (forecast) ● 2020



2020 Targets

- We will be in the top 50% of UK universities for research and enterprise income
- Research income outside of QR funding will increase to £5m
- Enterprise income will increase to £17.3m

Research Income



Our Approach

- Supporting colleagues to increase the volume and quality of their research
- Developing interdisciplinary research themes that address societal issues and business needs
- Increasing the numbers of Postgraduate Research students
- Utilisation of collaborative funding schemes and community partnerships
- Developing a Ph.D programme to support teaching and research activities

Progress



Enterprise income
(Excluding TNE & HEIF)
will increase to £9.5m
in 2016/17

16/17 Priorities

- Audit post REF research outputs, develop Professorial numbers & comply with the RCUK Research Concordats.
- Transform Units of Assessment into named research centres, & strengthen impact of Enterprise Institutes
- Introduction of new pre and post award contract management processes
- Revision of governance of trading subsidiary (SBUEL) to support expansion of activities
- Build internal awareness of research by publication of outputs & impact
- Submission of >100 bids for research funding & build SME partnerships to > 350

Access



Our history is rooted in providing opportunity for our local community and we will build on this rich heritage to become London's top modern university for access to opportunity.

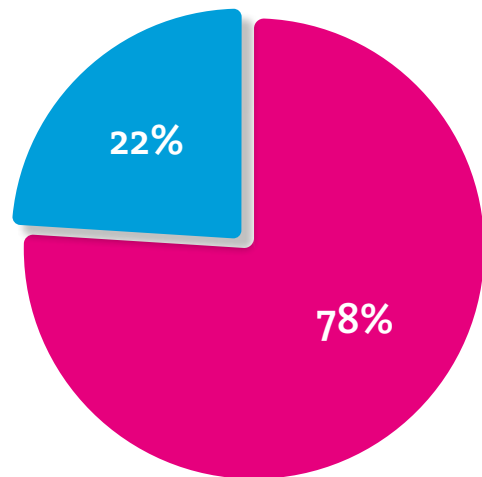


Ian Mehrtens - Chief Operating Officer

Our Goal

We will work with local partners to provide opportunities for students with the potential to succeed, and through active engagement ensure we retain them.

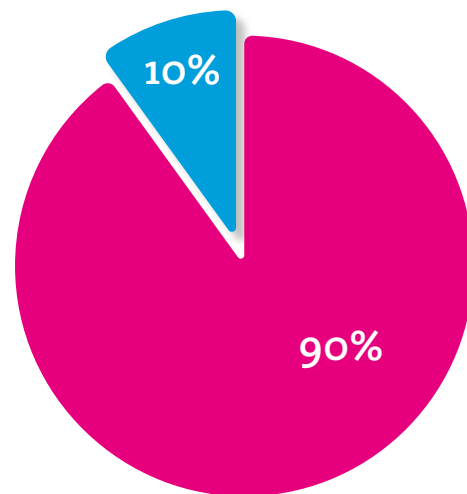
2014/2015



2020 Targets

- 7% of recruitment will come from low participation neighbourhoods
- 90% of our applicants will be recruited before Clearing

2020

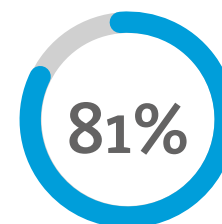


● Pre clearing ● From clearing

Our Approach

- Focusing our activities in areas of social exclusions
- Engaging with local communities to support more progression from colleges and applications from mature students
- Providing high quality support for students at risk of not progressing
- Understanding the needs of our applicants and the pathways they require to achieve success

Progress



of our 16/17 undergraduates will be **recruited before Clearing**

16/17 Priorities

- Focus on the recruitment of at least 2750 home/EU UG students
- Establish the University Technical College in Brixton
- Enhance our progression partnerships with feeder schools and colleges
- Maintain our increased student entry tariff
- Offer a range of "value add" packages for students
- Develop our work with employers for innovative Higher Apprenticeships and sponsored study
- Focus on a range of conversion activities

Internationalisation



By developing international partnerships we can enhance the teaching and learning we provide and develop our research and enterprise activities across the world.



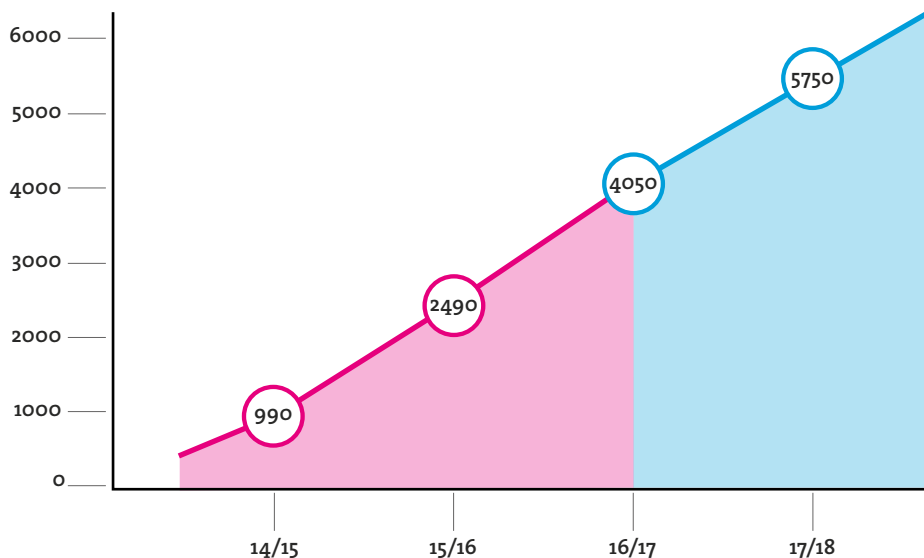
Professor Paul Ivey – Pro-Vice-Chancellor, Research and External Engagement

Our Goal

We will develop the multicultural community of students and staff, working through international alliances and partnerships to further build our capacity and capabilities in education, research and enterprise.

TNE student numbers

● actual ● target



2020 Targets

- We will achieve 4 QS Stars
- Grow overseas student income to £17.7m (including £3.7m of TNE)

Our Approach

- Developing overseas centres for research and enterprise to produce co-authored papers
- Increasing overseas student numbers
- Increasing opportunities for LSBU students to study abroad
- Enhancing opportunities for overseas visitors to contribute to academic conferences and seminars.

Progress



Maintain **overseas student income at 9.5m** in 2016/17

16/17 Priorities

- Stronger internal processes to ensure UKVI compliance
- Establish new Director of Service on Operations Board
- Develop an LSBU partnership model, to review current arrangements, closing where necessary, and to inform a campaign to grow progression partners
- Creation of ‘framework’ partnerships with BUE and ASU, including in country soft landing zones
- Strong recruitment campaigns to grow OS numbers in both semesters, and introduce Business Partners for Schools
- Development of LSBU “Internationalisation” approach

People and Organisation



LSBU aspires to become seen as a leading employer with staff who are committed, motivated and proud.



Mandy Eddolls - Executive Director of Organisational Development and HR

Our Goal

We will create an environment which attracts and fosters the very best staff, and within which all staff feel their achievements are equally and fairly valued and rewarded, feel proud of their university and take appropriate responsibility for its development.

2020 Targets

- Our average employee engagement score will be 75%

Our Approach

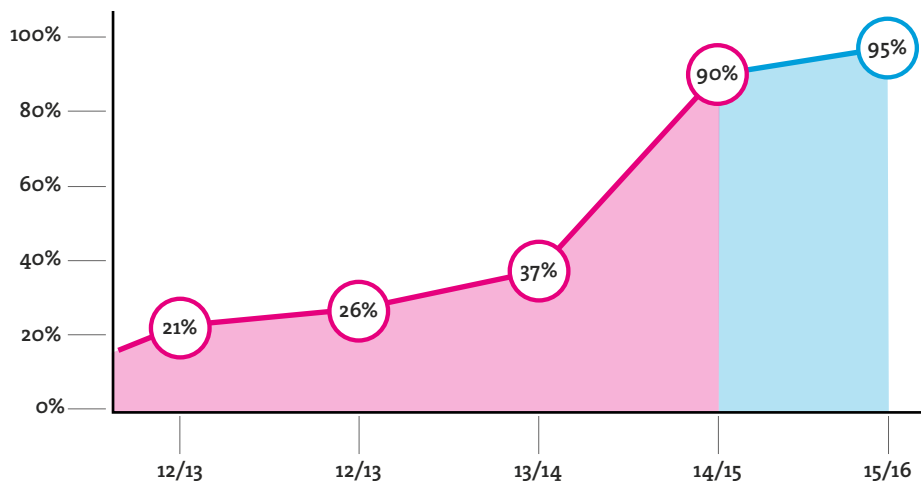
- Fostering a diverse and inclusive culture which embeds the LSBU Values
- Promoting a culture of staff empowerment and devolved responsibility
- Ensuring effective communications across LSBU
- Instilling an ethos of customer service in everything we do

16/17 Priorities

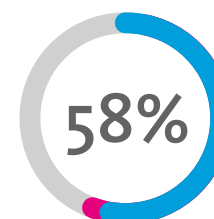
- Develop clear pathways for professional services staff.
- Implement a modern human resource IT system.
- Deliver a fit for purpose intranet
- Embed the principles of the Athena Swan Charter & the Race Equality charter mark
- Develop LSBU Customer Service Strategy and standards.
- Embed Health and Safety best practice throughout the organisation and with contracting partners.

Appraisal completion rates

● actual ● target



Progress



We achieved an average engagement score of **58%** in 2015/16

Resources and Infrastructure



We need to create an environment that facilitates learning and supports our colleagues to deliver the very best student experience.



Ian Mehrrens - Chief Operating Officer

Our Goal

We will strategically invest in the creation of first class facilities and infrastructure services which are responsive to academic needs and outcome focused.

2020 Targets

- 90% of our students will be satisfied with our facilities
- Our teaching utilisation rate will increase to 48%
- We will achieve a positive environmental impact

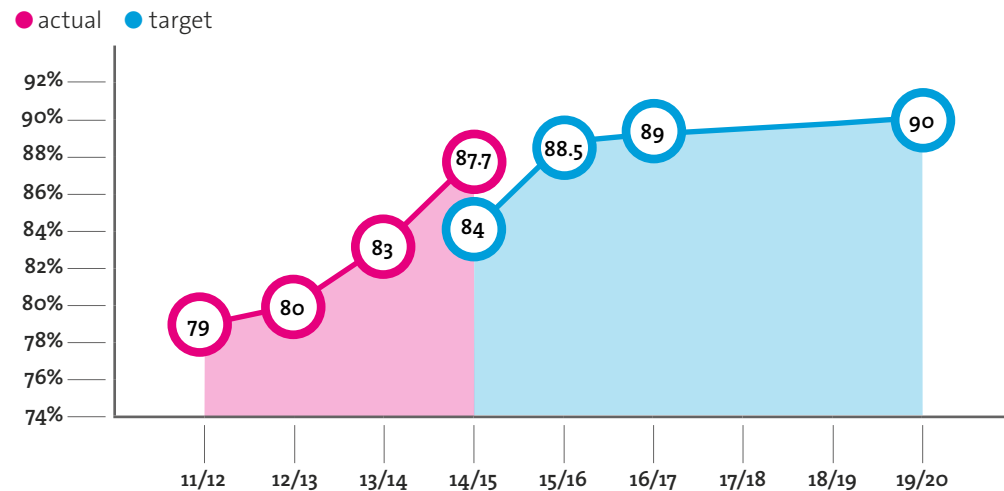
Our Approach

- Continuing the investment in our academic environment to deliver enhanced and more adaptable learning facilities
- Developing our data, systems and infrastructure to support more efficient operations and effective processes
- Generating 3-5% surpluses to enable strategic investment
- Growing and diversifying our income streams
- Embedding sustainability within the three “C’s” of Campus, Curriculum and Community, and developing clear related objectives

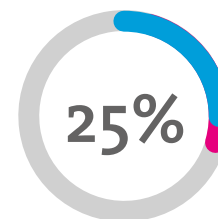
16/17 Priorities

- Finalise brief for the redevelopment of the campus, including external opportunities and partnerships
- Continue to invest in technology to support effective service delivery
- Reduce our carbon footprint by more than 4%
- Identify innovative ways to increase income

Student satisfaction ratings with facilities and environment



Progress



Room utilisation rate to 25% in 2015/16 and 30% in 2016/17

	CONFIDENTIAL
	PAPER NO: FPR.25(16)
Paper title:	Financial results and Forecasts 2016 – HEFCE July 2016 Submission
Board/Committee	Finance Planning & Resources Committee
Date of meeting:	28 June 2016
Author:	Ralph Sanders, Director of Planning, Information & Reporting
Executive/Operations sponsor:	Richard Flatman, Chief Financial Officer,
Purpose:	To demonstrate the financial sustainability of the University
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Corporate Delivery Plan – Goal 8 Resources & Infrastructure (<i>We will grow our income by 25% to £170m annually delivering an operating surplus of 5% and an EBITDA margin (our ability to generate cash) of 15%</i>)
Recommendation:	The Committee is requested to note and recommend approval of the 5 year forecasts.

Matter previously considered by:	Board of Governors	April 21 2016 Board Strategy Day
Further approval required?	Board of Governors	On: 14 July 2016

Executive Summary

The university is currently preparing its July 2016 submission to HEFCE which outlines our Statement of Income and expenditure, Balance Sheet and Cash flow forecast for the period 2014 – 2019.

The forecast, attached and recommended for approval, is as per the 5 Year forecast presented to the Board of Governors in April but substitutes the proposed budget for 2016/17 and its accompanying surplus of £1M rather than the forecast in April of a £1.2M deficit.

The forecast assumes that over the period 2015/16 to 2018/19 the university will grow its income from £138K to £163K and increase its surplus from the current £1M

London South Bank University

in 15/16 and 16/17 to £4.1M by 2018/19. This is consistent with the previous target to grow income to £170M by 2020 and deliver higher levels of surplus (5% by 2020).

Forecast Income and Expenditure

The 5 year forecast assumes that annual Home/ EU Undergraduate recruitment will return to 2,760 FT students in 2016/17 and remain constant thereafter and that our income position and surplus will improve as a result of improving progression, maintaining levels of NHS contract income and significantly increasing our income from Overseas, Research & Enterprise.

The income and expenditure forecast can be summarised as follows;

£(000's)	2015/16	2016/17	2017/18	2018/19
Income	£137,846	£144,696	£152,663	£163,154
Staff Costs	£75,303	£82,437	£88,656	£94,942
Opex*	£46,641	£45,431	£46,223	£47,528
Depreciation	£10,279	£11,051	£11,982	£12,108
Interest	£4,623	£4,777	£4,502	£4,432
Surplus	£1,000	£1,000	£1,300	£4,100
Surplus % of Income	0.7%	0.7%	0.9%	2.5%

(Opex includes Agency Staff who are treated as staff costs for the 16/17 budget paper)*

Key Income Assumptions

The forecast incorporates all of the income targets presented at the Board of Governors strategy day in April including the planned growth in Transnational Education (TNE) & Enterprise income as previously discussed.

Income growth is summarised as follows;

	2015/16	2016/17	2017/18	2018/19	2019/20
Enterprise	£7.9M	£9.5M	£11.0M	£13.1M	£17.3M
TNE	£1.0M	£1.6M	£2.1M	£3.0M	£3.7M
Research	£1.9M	£1.9M	£2.2M	£3.0M	£5.0M
Overseas	£8.8M	£9.5M	£11.0M	£12.0M	£14.0M

There are risks around income growth (less so for 16/17 as limited growth is predicted) but in later years of the forecast. The area where target growth is most aggressive is Enterprise income which is assumed to grow from £7.9m in 15/16 to £17.3m in 19/20. However, whilst this is challenging, we have also been prudent in terms of Home/EU full time students where a steady target of 2,760 has been maintained throughout. The Executive reviewed the targets again in June and agreed that whilst the mix might be subject to change, the overall income target at £170m for 2019/20 was reasonable. The targets built into these forecasts (£163m by 2018/19) are consistent with that £170m target by 2019/20. Whilst later years may require some adjustment between TNE, which is a very prudent forecast, and Enterprise, at this stage we sought to maintain the overall targets agreed within the university and we will continue to keep them under review.

Although as indicated above we have assumed Home/EU Undergraduate recruitment returns to a level of 2,760 per year we have made no assumptions about our ability to increase fees above £9K as there is currently so much uncertainty about the TEF metrics. It is likely that we will be able to increase fees by 2.8% from 17/18 (although there is still uncertainty about whether this is for new entrants only or a wider group of students). However, assuming it is for first year students only, any additional income (up to £0.5m) is likely to be offset by additional charges for the new regulatory regime. Furthermore, whilst we may be able to inflate fees for 2017/18 we might at some future date be required to revert back to £9k depending on our rating in TEF2. Given this uncertainty, we have adopted a prudent position and maintained fees at £9K throughout.

At the time of the Board strategy day in April we were looking at deficit of £1.2m in 2016/17. We have closed this gap through the budget process and are now presenting a surplus for 2016/17 of £1M consistent with previous year's forecasts. Although we considered carefully the question raised by Board as to whether surplus of £1M was appropriate, on balance we agreed to hold the surplus at this level to preserve the increased investment made in recent years to help drive income growth and TEF outcomes.

London South Bank University

Income & Expenditure Changes to previous submission

The outturn has changed as follows since the submission in July 2015 which was based on the 5 year forecast as presented to the Board of Governors in May 2015.

Change in £(000's)	2015/16	2016/17	2017/18	2018/19
Income	-£5,400	-£3,386	-£3,855	£280
Staff Costs	-£5,231	-£1,246	£1,042	£3,316
Opex	£601	-£1,883	-£2,866	-£3,368
Depreciation	£724	-£490	£13	£503
Interest	-£15	£202	£0	£0
Surplus	-£34	-£31	-£2,043	-£730

The key driver for the change is the reduction in income targets due to the under recruitment of new Home/EU Full time Undergraduate students in 2015/16 as well as the change in profile in Enterprise and Overseas income. Our surplus is also reduced as compared to the previous submission as a result of investments in Academic staff in 2017/18 and 2018/19 in order to maximise the potential gains from the TEF and enable the growth in Enterprise activities.

Balance Sheet & Cashflow

During this period, EBITDA averages £16.7M per year whilst operating cash flow averages £12.4M per year. As the forecast assumes that we will be spending £20M in cash on normal capital items the amount the University holds in Investments, cash & cash equivalents falls from £50M at the end of 14/15 to £19M by the end of 18/19.

However, we have also assumed that the wider Estate development plans are self-funding and are not funded via additional loan borrowing or operating cashflows. A costed Estates development plan is being developed over the summer and our forecasts, including the level of cash and cash equivalents, will be reviewed again in the light of those plans. Our forecasts will be also be reviewed again in the autumn when there is greater clarity on the enrolment figures for 2016/17.

The sensitivities around income flows for 2016/17 will be managed by efficient cost control at year end and will not have a material impact on liquidity.

The committee is requested to review the forecasts and recommend approval to the Board.

Financial results and forecasts 2016 - July 2016 submission

Institution: London South Bank University

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HEFCE Assurance consultant: Jacqui Brasted

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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](#)

Financial indicators (automated table)

Financial indicators are shown for indicative purposes only. They will be reviewed after the data has been analysed.

	Restated 2014-15	Forecast 2015-16	Forecast 2016-17	Forecast 2017-18	Forecast 2018-19
Surplus/(deficit) as a % of total income	0.7	0.7	0.7	0.9	2.5
Discretionary reserves exc. pension asset/(liability) as a % of total income	83.3	85.8	82.5	79.0	76.4
External borrowing as a % of total income	20.1	19.7	18.0	16.4	14.8
Net cash flow as a % of total income	3.5	8.3	8.4	8.8	10.0
Net liquidity days	140	116	86	62	47
Staff costs as a % of total income	53.0	54.6	57.0	58.1	58.2

Earnings before interest, tax, depreciation and amortisation (EBITDA) - (partially automated table)

Please complete cells in blue font. All other values will be completed as you fill in table 1.

	Restated 2014-15 £000	Forecast 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	5-year average £000
Surplus/(deficit)	946	1,000	1,000	1,300	4,100	1,669
Share of surplus/(deficit) in joint venture(s) and associates	0	0	0	0	0	0
Interest payable	2,963	4,623	4,777	4,502	4,436	4,260
Depreciation	8,759	10,279	11,051	11,982	12,108	10,836
Release of deferred capital grants (accruals model only, please enter as negative)	-1,586	-1,759	-1,059	-914	-909	-1,246
Amortisation	0	0	0	0	0	0
Change to pension provisions within staff costs	0	0	0	0	0	0
EBITDA	11,082	14,143	15,769	16,870	19,735	15,520

Adjusted operating cash flow (automated table)

	Restated 2014-15 £000	Forecast 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	5-year average £000
1. Net cash flow from operating activities	4,887	11,393	12,174	13,399	16,311	11,633
2. Add: cash received from investment income	311	189	186	150	100	187
3. Add: endowment cash received	0	0	0	0	0	0
4. Deduct: cash paid on interest on borrowings	-1,294	-1,179	-1,199	-1,083	-1,009	-1,153
5. Deduct: cash paid on interest element of finance leases	0	0	0	0	0	0
6. Adjusted operating cash flow	3,904	10,403	11,161	12,466	15,402	10,667
Balance of outstanding financial commitments and agreed financial commitments (includes long-term and short-term) not yet drawn down as at 31 July 2016						28,298

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Table 1: Consolidated statement of comprehensive income and expenditure

	Restated 2014-15 £000	Forecast 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000
1. Income					
1a. Tuition fees and education contracts	99,338	101,256	106,166	115,034	121,200
1b. Funding body grants	17,584	15,842	13,800	11,838	11,821
1c. Research grants and contracts	2,358	2,011	2,460	2,200	3,001
1d. Other income	21,182	18,548	22,084	23,441	27,032
1e. Investment income	311	189	186	150	100
1f. Total income before donations and endowments	140,773	137,846	144,696	152,663	163,154
1g. Donations and endowments	0	0	0	0	0
1h. Total income	140,773	137,846	144,696	152,663	163,154
2. Expenditure					
2a. Staff costs	74,558	75,303	82,437	88,656	94,982
2b. Fundamental restructuring costs	0	0	0	0	0
2c. Other operating expenses	53,547	46,641	45,431	46,223	47,528
2d. Depreciation	8,759	10,279	11,051	11,982	12,108
2e. Interest and other finance costs	2,963	4,623	4,777	4,502	4,436
2f. Total expenditure	139,827	136,846	143,696	151,363	159,054
3. Surplus/(deficit) before other gains/losses and share of surplus/(deficit) in joint ventures and associates	946	1,000	1,000	1,300	4,100
4. Gain/(loss) on disposal of fixed assets	0	0	0	0	0
5. Gain/(loss) on investments	6	0	0	0	0
6. Share of operating surplus/(deficit) in joint venture(s)	0	0	0	0	0
7. Share of operating surplus/(deficit) in associate(s)	0	0	0	0	0
8. Surplus/(deficit) before tax	952	1,000	1,000	1,300	4,100
9. Taxation	0	0	0	0	0
10. Surplus/(deficit) for the year	952	1,000	1,000	1,300	4,100
11. Unrealised surplus on revaluation of land and buildings	0	0	0	0	0
12. Actuarial gain/(loss) in respect of pension schemes	-11,030	0	0	0	0
13. Change in fair value of hedging financial instrument(s)	0	0	0	0	0
14. Total comprehensive income for the year	-10,078	1,000	1,000	1,300	4,100
15. Total comprehensive income for the year represented by:					
15a. Endowment comprehensive income for the year	30	30	30	30	30
15b. Restricted comprehensive income for the year	0	0	0	0	0
15c. Unrestricted comprehensive income for the year	-10,108	970	970	1,270	4,070
15d. Revaluation reserves comprehensive income for the year	0	0	0	0	0
15e. Total	-10,078	1,000	1,000	1,300	4,100
16. Surplus for the year attributable to:					
16a. Non-controlling interest	0	0	0	0	0
16b. University	952	1,000	1,000	1,300	4,100
17. Total comprehensive income for the year attributable to:					
17a. Non-controlling interest	0	0	0	0	0
17b. University	-10,078	1,000	1,000	1,300	4,100

All items of income and expenditure relate to continuing activities

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Table 1a: Analysis of income

	Restated 2014-15 £000	Forecast 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000
1. Tuition fees and education contracts					
1a. Full-time UG home and EU	49,588	50,501	54,339	59,548	63,771
1b. Full-time postgraduate home and EU	3,080	4,641	5,246	5,449	5,399
1c. Part-time fees - home and EU	8,859	9,583	9,379	9,379	9,479
1d. Home and EU domicile fees paid by the Department of Health	27,201	27,704	27,978	28,393	28,393
1e. Non-EU domicile students	10,610	8,827	9,224	11,000	12,000
1f. Other fees and support grants	0	0	0	1,265	2,158
1g. Total tuition fees and education contracts	99,338	101,256	106,166	115,034	121,200
2. Funding body grants					
2a. HEFCE - teaching grant	11,648	10,773	9,223	8,200	8,188
2b. HEFCE - research grant	1,956	1,857	1,900	1,956	1,956
2c. HEFCE other grants	3,935	3,212	2,677	1,682	1,677
2d. SFA funding					
2e. NCTL funding	45	0	0	0	0
2f. Capital grants recognised in the year	0	0	0	0	0
2g. Total funding body grants	17,584	15,842	13,800	11,838	11,821
3. Research grants and contracts					
3a. BIS Research Councils	675	641	609	579	550
3b. UK-based charities	378	397	377	396	416
3c. Other research grants and contracts	1,305	973	1,474	1,225	2,035
3d. Total research grants and contracts	2,358	2,011	2,460	2,200	3,001
4. Other income					
4a. Other services rendered	0	0	0	0	0
4b. Residences and catering operations (including conferences)	0	0	0	0	0
4c. Income from health and hospital authorities (excluding teaching contracts for student provision)	0	0	0	0	0
4d. Other operating income	21,182	18,548	22,084	23,441	27,032
4e. Total other income	21,182	18,548	22,084	23,441	27,032
5. Investment income	311	189	186	150	100
6. Total income before donations and endowments	140,773	137,846	144,696	152,663	163,154
7. Donations and endowments	0	0	0	0	0
8. Total income	140,773	137,846	144,696	152,663	163,154

Note: 'UG' = 'undergraduate'; 'EU' = 'European Union'; 'NCTL' = 'National College of Teaching and Leadership'; 'SFA' = 'Skills Funding Agency'; 'BIS' = 'Department for Business, Innovation and Skills'.

Table 1b: Analysis of staff costs

	Restated 2014-15 £000	Forecast 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000
1. Salaries and wages	60,680	58,977	62,567	67,137	72,029
2. Social security costs	5,251	6,075	7,338	7,874	8,447
3. Employer pension costs	8,627	10,251	12,532	13,345	14,206
4. Changes to pension provisions	0	0	0	0	0
5. Other staff related costs	0	0	0	300	300
6. Total staff costs	74,558	75,303	82,437	88,656	94,982
7. Staff numbers (FTEs academic and other)	0	0	0	0	0

Note: FTE = full-time equivalent.

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Table 2: Consolidated balance sheet

	Restated Year ended 31-Jul-15 £000	Forecast Year ended 31-Jul-16 £000	Forecast Year ended 31-Jul-17 £000	Forecast Year ended 31-Jul-18 £000	Forecast Year ended 31-Jul-19 £000
1. Non-current assets					
1a. Intangible assets	189,219	198,940	207,889	215,907	223,798
1b. Goodwill	0	0	0	0	0
1c. Negative goodwill	0	0	0	0	0
1d. Net amount of goodwill and negative goodwill	0	0	0	0	0
1e. Fixed assets	0	0	0	0	0
1f. Heritage assets	0	0	0	0	0
1g. Investments	780	780	780	780	780
1h. Investment in joint venture(s)	0	0	0	0	0
1i. Investments in associate(s)	0	0	0	0	0
1j. Total non-current assets	189,999	199,720	208,669	216,687	224,578
2. Current assets					
2a. Stock	71	71	71	71	71
2b. Trade and other receivables	12,773	12,773	12,773	12,773	12,773
2c. Investments	15,620	15,620	15,620	15,620	15,620
2d. Cash and cash equivalents	34,552	24,762	15,730	8,003	3,212
2e. Other (e.g. assets for sale)	0	0	0	0	0
2f. Total current assets	63,016	53,226	44,194	36,467	31,676
3. Creditors - amounts falling due within one year					
3a. Bank overdrafts	0	0	0	0	0
3b. Loans repayable to funding council	0	0	0	0	0
3c. Bank loans and external borrowing	1,309	1,309	1,309	1,309	1,309
3d. Obligations under finance leases and service concessions	0	0	0	0	0
3e. Other (including grant claw back)	37,767	37,767	37,767	37,767	37,767
3f. Total creditors (amounts falling due within one year)	39,076	39,076	39,076	39,076	39,076
4. Share of net current assets/(liabilities) in associate	0	0	0	0	0
5. Net current assets/(liabilities)	23,940	14,150	5,118	-2,609	-7,400
6. Total assets less current liabilities	213,939	213,870	213,787	214,078	217,178
7. Creditors: amounts falling due after more than one year					
7a. Loans repayable to funding council	0	0	0	0	0
7b. Bank loans and external borrowing	26,934	25,865	24,782	23,773	22,773
7c. Obligations under finance leases and service concessions	0	0	0	0	0
7d. Other (including grant claw back)	25,248	25,248	25,248	25,248	25,248
7e. Total creditors (amounts falling due after more than one year)	52,182	51,113	50,030	49,021	48,021
8. Provisions					
8a. Pension provisions	89,198	89,198	89,198	89,198	89,198
8b. Other provisions	0	0	0	0	0
8c. Total provisions	89,198	89,198	89,198	89,198	89,198
9. Total net assets	72,559	73,559	74,559	75,859	79,959
10. Reserves					
Restricted reserves					
10a. Income and expenditure reserve - endowment reserve	742	742	742	742	742
10b. Income and expenditure reserve - restricted reserve	0	0	0	0	0
Unrestricted reserves					
10c. Income and expenditure reserve - unrestricted	28,124	29,124	30,124	31,424	35,524
10d. Revaluation reserve	43,693	43,693	43,693	43,693	43,693
10e. Total restricted and unrestricted reserves	72,559	73,559	74,559	75,859	79,959
11. Non-controlling interest (enter as negative)	0	0	0	0	0
12. Total reserves	72,559	73,559	74,559	75,859	79,959

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Table 3: Consolidated statement of cash flow

	Restated 2014-15 £000	Forecast 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000
1. Cash flow from operating activities					
1a. Surplus for the year	952	1,000	1,000	1,300	4,100
2. Adjustment for non-cash items					
2a. Depreciation	8,759	10,279	11,051	11,982	12,108
2b. Amortisation of intangibles	0	0	0	0	0
2c. Benefit on acquisition	0	0	0	0	0
2d. Amortisation of goodwill	0	0	0	0	0
2e. Loss/(gain) on investments	-6	0	0	0	0
2f. Decrease/(increase) in stock	-26	0	0	0	0
2g. Decrease/(increase) in debtors	-4,110	0	0	0	0
2h. Increase/(decrease) in creditors	-1,907	0	0	0	0
2i. Increase/(decrease) in pension provisions	-318	0	0	0	0
2j. Increase/(decrease) in other provisions	-1,180	-1,069	-1,083	-1,009	-999
2k. Receipt of donated equipment	0	0	0	0	0
2l. Share of operating (surplus)/deficit in joint venture	0	0	0	0	0
2m. Share of operating (surplus)/deficit in associate	0	0	0	0	0
2n. Other: enter details in the text box under validation check 8	0	0	0	0	0
3. Adjustment for investing or financing activities					
3a. Investment income (enter as negative)	-311	-189	-186	-150	-100
3b. Interest payable	2,963	1,372	1,392	1,276	1,202
3c. Endowment income (enter as negative)	0	0	0	0	0
3d. Loss/(gain) on the sale of fixed assets	0	0	0	0	0
3e. Capital grant income (enter as negative)	71	0	0	0	0
4. Net cash inflow from operating activities	4,887	11,393	12,174	13,399	16,311
5. Cash flows from investing activities					
5a. Proceeds from sales of fixed assets	0	0	0	0	0
5b. Proceeds from sales of intangible assets	0	0	0	0	0
5c. Capital grants receipts	0	0	0	0	0
5d. Disposal of non-current asset investments	0	0	0	0	0
5e. Withdrawal of deposits	-80	0	0	0	0
5f. Investment income	311	189	186	150	100
5g. Payments made to acquire fixed assets	-6,524	-20,000	-20,000	-20,000	-20,000
5h. Payments made to acquire intangible assets	0	0	0	0	0
5i. New non-current asset investments	0	0	0	0	0
5j. New deposits	0	0	0	0	0
5k. Total cash flow from investing activities	-6,293	-19,811	-19,814	-19,850	-19,900
6. Cash flows from financing activities					
6a. Interest paid	-1,294	-1,179	-1,199	-1,083	-1,009
6b. Interest element of finance lease and service concession payments	0	0	0	0	0
6c. Endowment cash received	0	0	0	0	0
6d. New secured loans	0	0	0	0	0
6e. New unsecured loans	0	0	0	0	0
6f. Repayments of amounts borrowed	-193	-193	-193	-193	-193
6g. Capital element of finance lease and service concession payments	-47	0	0	0	0
6h. Total cash flow from financing activities	-1,534	-1,372	-1,392	-1,276	-1,202
7. Increase/(decrease) in cash and cash equivalents in the year	-2,940	-9,790	-9,032	-7,727	-4,791
8. Cash and cash equivalents at beginning of the year	37,492	34,552	24,762	15,730	8,003
9. Cash and cash equivalents at the end of the year	34,552	24,762	15,730	8,003	3,212

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Table 4: Supporting data

	Restated 2014-15 £000	Forecast 2015-16 £000	Forecast 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000
1. Identification of items included in other operating expenses (Table 1 heading 2c)					
1a. Operating leases and other long-term operating expense commitments	0	0	0	0	0
1b. Annual contract cost of PFI deals	0	0	0	0	0
1c. Maintenance expenditure	0	0	0	0	0
2. Transitional adjustments					
2a. Balance of research related deferred capital grants as at 31 July 2015 taken to reserves	0				

Note: 'PFI' = 'Public Finance Initiative'.

	CONFIDENTIAL	
	PAPER NO:FPR.26(16)	
Paper title:	Insurance Renewal 2016/17	
Board/Committee	Finance, Planning & Resources Committee	
Date of meeting:	28 th June 2016	
Author:	Penny Green – Head of Procurement	
Executive/Operations sponsor:	Richard Flatman – Chief Financial Officer	
Purpose:	To note renewal of insurance cover for 2016/17	
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Financial control	
Recommendation:	<p>The Executive recommends that FP&R Committee notes renewal of insurance cover for 2016/17 on the following terms:</p> <ul style="list-style-type: none"> • LSBU remains a member of the London Universities Purchasing Consortium (LUPC) group insurance scheme. • Appointment of insurer(s) by 1st August 2016 as recommended by the LUPC appointed broker, within total target cost before rebate of £435,478. 	
Matter previously considered by:	N/A	
Further approval required?	N/A	On:

Executive Summary

The Executive recommends that Committee approves renewal of insurance cover for 2016/17 on the following terms:

- LSBU remains a member of the London Universities Purchasing Consortium (LUPC) group insurance scheme.
- Appointment of insurer(s) by 1st August 2016 as recommended by the LUPC appointed broker, within total target cost before rebate of £435,478.

London South Bank University

Background

The Chief Financial Officer 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 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).

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 Executive Office. An insurance update is reported to Audit Committee in September each year, which includes an overview of insurance claims.

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.

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.

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 2017. This includes 2 x 12 month extensions the first to commence 1st August 2015.

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).

London South Bank University

Insurance Cover Costs

2015/16

Cover	Insurer	Fee (£)
All Risks		
Property and Contents	Zurich	289,370
Professional Indemnity	RSA	13,499
Fidelity Guarantee	RSA	5,891
Directors and Officers	RSA	4,909
Personal Accident and Travel	AIG Europe	17,734
Fine Arts	Hiscox	1,718
Medical Malpractice	Newline	4,240
Special Contingency (Kidnap)	Lloyds Syndicate	10,732
Total All Risks		348,092
Terrorism	UMAL	71,199
Total Fee including all Taxes		419,291
Brokerage		4,234
Total		423,525

All Risks policy insurance

2016/17

A target renewal premium and total insurance budget for All Risks in 16/17 has been set at £359,918. This figure includes the two increases in the Insurance Premium Tax (IPT) imposed in November 2015 and March 2016 raising the tax from 6% to the current 10%.

Final renewal figures for 2016/17 will not be known until August 2016, however targeted budget figures have been based on advice from Zurich Municipal and our broker.

Terrorism cover

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

2015/16

The final premium for 2015/16 was £71,199 as the previous year.

2016/17

The premium for 2016/17 will be £71,199.

Brokerage

The budget for brokerage services fee for 2016/17 is set at £4,361.

LUPC are currently carrying out an OJEU tender process for brokerage services. The resulting contract with the successful bidder is due to commence from 1st August, 2016. The contracted broker will be required to carry out a tender exercise for all of the Consortiums

London South Bank University

insurance requirements to be completed by the 31st July, 2017 ready for the start of the 2017/18 academic year.

Additional insurance cover

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.

The University takes advice from the appointed broker and current insurers in procuring cover for changes and new risks. During 2016/17 there are a few areas that will be reviewed in line with the new Insurance Act which comes in place on 1st August, 2016 These include:

- Works in progress
- Buildings and Content
- Business Interruption Cover

Works in Progress

Cover for Estates work in progress projects for 2016/17 is set at £5,000,000.

Buildings and Content

During 2016/17 it is intended to have a full valuation of all campus buildings carried out to determine the current value and rebuild costs.

Business Interruption

A review of current cover for business interruption will be carried out in 2016/17.

Financial Evaluation

2016/17

The total estimated premium and brokerage costs for 2016/17 is £435,478 excluding rebates. Of this total amount, the All Risks Procurement Services budget for 2016/17 is £359,918 with £140,917 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.

Insurance Cover	2016/17 Target	2015/16 Actual	Variance
All Risks	£359,918	£348,092	3.4%
Terrorism	£71,199	£71,199	0%
Brokerage	£4,361	£4,234	3%
Total	£435,478	£423,525	2.8%

London South Bank University

Insurance Act 2015

The new Insurance Act comes into effect in August 2016. There are a number of changes with respect to the accuracy of information provided to insurers. A review of the Act will take place to ensure that all the requirements of it are met. This will not impact our renewals for 2016/17 as the proposals have been provided to them.

	CONFIDENTIAL
	PAPER NO:FPR.25(16)
Paper title:	Key Performance Indicators – Strategic Enablers
Board/Committee	Financial Planning & Resources Committee
Date of meeting:	28 th June 2016
Author:	John Baker – Corporate & Business Planning Manager
Executive/Operations sponsor:	Richard Flatman – Chief Financial Officer
Purpose:	To present the latest performance figures for the KPIs for Strategic Enablers for the 15/16 cycle, as at June 14 th 2016. (other KPI performance figures for the other goals are provided for information).
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	The indicators help to track institutional progress across all sections of the Corporate Strategy.
Recommendation:	The Committee is requested to note this report.

Previously considered	Operations Board (MAs)	June 2016
Further approval?		

Executive Summary:

The report presents the latest performance figures for the KPIs for strategic enablers (the full KPI report is provided for information).

Financial forecast figures have been provided (*for KPIs 20 - 22*) to reflect the most recent management accounts (May). These have been RAG rated according to the criteria agreed by the Board in November 2015.

Where no new results have been received since the last presentation in November, the column remains grey, and the 14/15 column indicates the most recent institutional performance against this metric.

The Committee is requested to note the report.

Out comes	#	Report Date	3rd June 2016			Past Performance			benchmark	Target	15/16 Ratings		NY	Ambition	15/16 Rating Criteria				
		20/20 Success Measures	#	Key Performance Indicators	2012/13	2013/14	2014/15	Competitor Group 12/13 average	2015/16	Forecast RAG rating	Actual Result Rating	2016/17	2020/21	Exec. Lead	Green	Amber	Red		
Student Success	1	Employ- ability	95% students in employment / further study (EPI)	1	DHLE entry to employment or further study (EPI)	77.4%	85.5%	90.2%	88.5%	93%	90.4%		94%	95%	PVC (SE)	93 % +	90 - 92 %	<90 %	
			Top 10 UK universities for student start ups	2	Number of Student start ups	6	1	30	47.86	50			80	150	PVC (R&E)	50 +	43 - 49	< 42	
	2	Student Experience	Top quartile of all universities in NSS	3	NSS scores – overall satisfaction	82%	80%	82%	81.7%	84%			86%	89%	DVC	84 % +	81 - 83 %	< 81 %	
				4	International Student barometer (% recommending LSBU)	73.00%	72.40%		not available	75%		77.0%	78%	81%		75% +	71 - 74%	< 71 %	
				5	PGT experience (% satisfaction)	75%	77%	74%	not available	77%			80%	82%		77 % +	74- 76 %	< 74 %	
				6	Student Staff Ratio	24.2:1	17.2:1	16.4:1	21.2	17:5			17:5	18:1		<=17.5	17.5 - 18.5	> 18.5	
Real World Impact	3	Teaching and Learning	Top 50% of universities for graduate employment / starting salaries.	7	Graduate level employment (All Leavers)	59%	54%	79%	n/a (local indicator)	77%	81.0%		78%	80%	PVC (SE)	77 % +	72 - 76 %	<72 %	
	4	Research and Enterprise	Top 50% UK for Research & Enterprise Income	8	Research Income (non Hefce)	£2.2m	£1.8	£2.0m	£6.1	£2.2	£1.9m		2.75m	£6.0 m	PVC (R&E)	£2.2 m +	£2.05 - 2.15 m	<£2.05 m	
				9	Enterprise Income	£8.5m	£9.4m	£8.7m	not available	£10.2	£9.0m		12m	£15.0 m			£10.2 m +	£9.7 - 10.1 m	<£9.7 m
Access to Opportunity	5	Access	Top London Modern for LPN recruitment	10	% recruitment from low participation neighbourhoods	7.3%	7.4%	7.7%	6.4%	8.0%		8.4%	8.2%	9.0%	PVC (R&E)	8.0% +	7 - 7.9 %	<7 %	
				11	FT UG recruitment pre-clearing applicant %	68.0%	76.0%	79.2%	not available	80.0%	78.4%			90%		80 % +	76 - 79 %	< 75 %	
				12	First Degree Completion (at or above benchmark)	-6.7%	-9.5%	-7 %	-3.13%	-4%				0%	+3%	>=-4 %	-5 to -7 %	<-8 %	
				13	Year 1 progression	70.1%	69.1%	69.5%	not available	75%	71.9%			78%	85%	75 % +	72 - 74%	<72%	
				14	Good Honours		61.0%	61.2%	62.2%	60 - 65%				60 - 65%	60 - 65%	DVC	60 % +	58 - 59 %	<58 %
				15	PG completion	67.1%	54.8%	61.5%	not available	70%				80%	85%		70% +	66 - 69 %	< 66%
	6	International	4 QS Stars	16	QS Star Rating	n/a	2 (prov.)	3 stars	not available	3	3		3	4	VC	3	2	1	
				17	Overseas student income	£8.8m	£8.5m	£10.6m	£29.5m	£10.9	£8.7m			14m	20m	PVC (R&E)	£10.9 m +	£10.3 - 10.8 m	<£10.3 m
	Strategic Enablers	7	People and Organisation	Rated as a good employer	18	Appraisal completion %	28%	37%	90%	not available	95%			95%	95%	EDHR	95 % +	90 - 94 %	< 90 %
					19	Average Engagement Score as as %	58%	-		70%	55%		58%	60%	75%	EDHR	55%	51 - 54 %	< 51 %
8		Resources and Infrastructure	Grow our income by 25% to £170m annually, deliver an operating surplus of 5% and an EBITDA margin of 15%	20	Surplus as % of income	4.0%	2.3%	0.9%	9.6%	0.7%	1.0%		0.68%	5.0%	CFO	0.7 % +	0.4 - 0.6 %	< 0.4%	
				21	Income (£m)	£137.9m	£134.8m	£140.8m	£188.2m	£142.8m	£137.4		£147.3m	£170.0m		£142.8 m +	£137 - 142 m	< £137 m	
				22	EBITDA margin (EBITDA expressed as % of income)	12.6%	11.4%	9.2%	9.20%	11.5%	11.8%			11.1%		15.0%	11.5% +	11.1 - 11.4%	<11.1%
			23	Student satisfaction ratings with facilities & environment	80.0%	83.0%	87.7%	82.7%	88.5%				89%	90%	COO	88 % +	85 - 87 %	< 85%	
24	Teaching room utilisation rate	23%	22%	21%	not available	25%				30%	48%	25% +	22 - 24%	<22%					
League Tables	Overall	Top London Modern university (excl UAL)	25	TIMES - League table ranking	118/121	122/123	120 / 127	92.3	115			110	80	VC	115 or higher	116 - 119	120 or lower		
			26	GUARDIAN – League table ranking	113/119	112/116	111 / 119	87.1	100		107/119	96	86		100 or higher	101 - 106	107 or lower		
			27	COMPLETE UNIVERSITY GUIDE – League table ranking	119/124	120/123	119 / 126	85	115		115 / 127	110	93		115 or higher	116 - 119	120 or lower		

	CONFIDENTIAL
	PAPER NO: FPR.28(16)
Paper title:	Executive Director of HR Report
Board/Committee	Finance, Planning and Resources Committee
Date of meeting:	Thursday 28 th June 2016
Author:	Mandy Eddolls, Executive Director of HR
Executive/Operations sponsor:	Mandy Eddolls, Executive Director of HR
Purpose:] Decision / Discussion / Information
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Goal 8 People and Organisation
Recommendation:	The committee are asked to note the report.

Matter previously considered by:	No	N/A
Further approval required?	No	On: N/A

Executive Summary

1. Industrial Relations

- 1.1. UCU, our academic union, took strike action on 25th and 26th May. The dates had been chosen by UCU nationally to target examinations.
- 1.2. All academic staff were entitled to take action but only 50 did.
- 1.3. There was no disruption to students and exams ran smoothly.
- 1.4. UCU are also asking members to work to contract. Their objective in this seems to be to enable members to say that they are unable to mark

scripts because they have already used up all their contract hours doing other academic activities. Deans have made it clear to staff that marking scripts is a priority and do not anticipate any issues.

- 1.5. Initial plans to target A level results day have now been shelved and we understand that they will now declare local days of action targeting Open Days.
- 1.6. Deans have contingency plans in place for Open Days but the impact is likely to be very small – those likely to take action are not those that volunteer to do Open Days anyway.

2. Equality and Diversity

- 2.1. We have remained on target to achieve the Race Equality Charter Mark and Athena SWAN accreditation in 2017.
- 2.2. We held our first Gender Network meeting on 7th June which was very well attended.
- 2.3. An initial look at our Equal Pay Audit shows an overall gender pay gap of 6%, and c5% for pay differential for other protected characteristics. This is significantly better than the benchmark for the HE sector of 14.7% for gender. Similarly the differentials by other protected characteristics are mostly within 5%. Where stronger differences do occur, these are both favourable and unfavourable to different groups which indicates no systemic pay bias. A full report will be presented at the next FPR meeting.
- 2.4. Staff have not yet seen the benefit of the work that has been undertaken and it remains an issue for staff engagement. It will form a major plank of our action plan stemming from the engagement survey.

3. Health and Safety

- 3.1. A statutory “Prevent” return was made to the Higher Education Funding Council for England (HEFCE) outlining our approach to stop people being drawn into terrorism. HEFCE has recently confirmed that London South Bank University is fully compliant with the duty. (This is the highest category).
- 3.2. We have had one serious incident where a lift failed to stop and a safety rail on top of the lift car hit a roof beam. No-one was injured. An investigation and review of lift maintenance schedules is being undertaken

4. Employee Engagement

4.1. The Executive and Operations Board have reviewed the detailed feedback and the resultant University wide action plan will focus on three themes:-

- Leadership
- Inclusivity and Wellbeing
- Working Environment Community

4.2. A high-level project plan has been developed which includes engaging staff across LSBU through focus groups and other activities to understand the feedback and develop improvement actions locally in Schools and Professional Service Groups and University-wide.

5. HR Ops

5.1. The HR IT system is back on track to deliver the core parts of the system in October 2016 with self-service elements rolling out as planned over the following months. The ICT Programme office is to be commended for the remedial work they have done on this project to get us back onto plan.

London South Bank University

	CONFIDENTIAL
	PAPER NO: FPR.29(16)
Paper title:	Chief Operating Officer's Report
Board/Committee	Finance, Planning and Resources Committee
Date of meeting:	28 th June 2016
Author:	Ian Mehrtens
Executive/Operations sponsor:	Ian Mehrtens, COO
Purpose:	An update on activities and an indication of which goals in the corporate strategy these activities help to deliver against.
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Goal 2: Student Experience Goal 3: Teaching & Learning Goal 4: Research & Enterprise Goal 5: Access Goal 6: Internationalisation Goal 7: Resources and Infrastructure Goal 8: People & Organisation
Recommendation:	The Committee is requested to note the contents.

Matter previously considered by:	N/A	
Further approval required?	N/A	On:

Executive Summary

The Committee is asked to note the contents of the paper and in particular:

London South Bank University

1. Academic Related Resources

1.1. ICT Operations *(Goal 2, Goal 3 and Goal 7)*

- 1.1.1. The team have been actively engaged in the renegotiation of the contract to deliver the cloud services. The DVC and COO at a high level within IBM led on this.
- 1.1.2. After some months of negotiation, we have managed to achieve a significantly improved service for the University with a modest (£2k) saving.
- 1.1.3. This is a significant achievement to renegotiate an existing four year contract at the end of year one.

2. Estates and Academic Environment

2.1. Estates *(Goal 2, Goal 3, Goal 4 and Goal 8)*

- 2.1.1. At the time of writing, the St George's core design team are being selected from a short list of architects. The COO will be hosting a series of open sessions in the university to brief colleagues on the plans and to begin the process of stakeholder engagement.
- 2.1.2. Following legal advice on the procurement for the Technopark project, we will now be carrying out a full OJEU process for the selection of the development partner and full details of this will be going to MPIC in the autumn.

3. Marketing and Recruitment

3.1. Leadership *(Goal 5, Goal 8)*

- 3.1.1. The Director of M&R has decided to retire at the end of June and a recruitment campaign is underway. The current Deputy Director will take up an acting role until a new appointment is made.
- 3.1.2. The team have taken the opportunity to review the structure of the Marketing and Recruitment team and it is planned that the current

independent External Stakeholder Engagement unit, which leads on the alumni engagement, will be integrated into the Marketing function.

3.1.3. The minor restructure will be carried out in the next few weeks.

3.2. Marketing

3.2.1. The intranet project is on programme and on budget for a soft launch in June/July 2016 with a formal launch in September 2016.

3.2.2. The brand refresh was launched at the Staff Conference in May and was well received. The “*become what you want to be*” was viewed as successful previously and focus group testing has shown that this sits well with the student population.

3.2.3. The new brand will be visible externally for the first time at the Open Day on 18th June.

4. **Equality, Diversity and Inclusion (EDI)** *(Goal 2, Goal 3, Goal 6 and Goal 7)*

4.1. Work is underway to develop an action plan for the Race Charter Mark and we continue to progress with the Athena Swan accreditation.

5. **Customer Service** *(Goal 2, Goal 3, Goal 7 and Goal 8)*

5.1. Following accreditation visits to the four eligible services, LLR, Student Life Centre, Residences and Academy of Sport by the Institute of Customer Service, I am delighted to say that each aware was fully accredited for the next three years and are recognised by the ICS as delivering excellent customer service.

5.2. LSBU is the only university to have more than one accredited unit and the only organisation in the ICS membership to accredit four units at one time.

5.3. The university is being highlighted in ICS literature and we are hosting an Education Round Table from the ICS in July when we will formally be presented with the plaques.

6. Prevent

(Goal 2)

- 6.1. We made our detailed submitted to HEFCE the required documentation in response to our duty under the Prevent guidance.
- 6.2. We received notification from HEFCE on 1st June that the policies, procedures and arrangements submitted demonstrate that we have had regard to the statutory Prevent guidance in your response to the Prevent duty.
- 6.3. The next stage will be to submit the Board Annual Report on 1st December 2016.

Ian Mehrtens
Chief Operating Officer
June 2016