

Meeting of the Finance, Planning and Resources Committee

4.00 pm on Tuesday, 25 February 2020
In 1B16 Technopark, SE1 6LN

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
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Chair's Business			
5.	FPR remit	9 - 12	MC
Core areas			
6.	Management accounts to 31/01/20	To Follow	RF
7.	Student recruitment and retention update	13 - 20	NL
8.	Progression update 2019/20	21 - 24	PB
9.	REI update	To Follow	PI
10.	KPIs 2018/19 and 2019/20 RAG ratings	25 - 28	RF
11.	Treasury management report	29 - 34	RF
People and Organisation			
12.	Strategic HR report and gender pay gap report	35 - 42	NL

Date of next meeting
4.00 pm on Tuesday, 28 April 2020

Members: Michael Cutbill (Chair), Jerry Cope, Peter Fidler, Nelly Kibirige, Mee Ling Ng, David Phoenix and Deepa Shah

In attendance: Pat Bailey, Richard Flatman, Paul Ivey, Nicole Louis, James Stevenson and Kerry Johnson

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**Minutes of the meeting of the Finance, Planning and Resources Committee
held at 4.00 pm on Tuesday, 5 November 2019
1B16 - Technopark, SE1 6LN**

Present

Michael Cutbill (Chair)
Jerry Cope
Peter Fidler
Mee Ling Ng
David Phoenix

Apologies

Nelly Kibirige
Deepa Shah

In attendance

Pat Bailey
Michael Broadway
Richard Flatman
Paul Ivey
Nicole Louis
Ralph Sanders
James Stevenson

1. Welcome and Apologies

No apologies had been received.

2. Declarations of Interest

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

3. Minutes from the last meeting

The minutes of the meeting of 24 September 2019 and the proposed redactions for publication were approved.

4. Matters Arising

All matters arising were on the agenda. The committee noted that the cyber security update would be discussed by the Group Audit and Risk Committee at its meeting of 7 November 2019. The committee would review the wider IT strategy at an appropriate time.

5. **Student recruitment update**

The committee discussed the strong student recruitment numbers for semester 1, 2019/20 for LSBU. The committee noted that the only school to not deliver to target was the School of Arts and Creative Industries, although the school performed well against competitors. The Provost and the Dean are reviewing its portfolio.

The committee noted student recruitment for South Bank Colleges (SBC) and South Bank Academies (SBA) which would be discussed in detail by the SBC and SBA Boards.

6. **Student retention and progression update**

The committee discussed the student retention and progression update for LSBU. There had been a marginal improvement in progression from Year 1 to Year 2 (+0.6%) but a significant decline in progression from Year 2 to Year 3 (-3.3%).

The Executive is working to address the decline by reviewing both the academic and the support environments. The committee requested an update to its meeting of 25 February 2020.

7. **Management accounts to September 2019**

The committee discussed the management accounts to 30 September 2019. The full year forecasts are trending towards a surplus of £1.5m, which would deliver the University on budget.

The positive recruitment was expected to deliver between £1.5m and £2m additional income which would be recognised in the October 2019 management accounts and put towards the surplus.

The committee noted that the Finance team is working towards consolidated management accounts including SBC.

8. **2019 finance return to OfS**

The committee discussed the proposed five year forecasts, which would be submitted to the Office for Students (OfS). Income in the forecast of £180M by 2022/23 is in line with previous presentations to the Board and consistent with expected group cashflow requirements previously presented to the committee.

The committee discussed the breakdown of expected income growth. The committee supported the challenging enterprise income targets.

The committee supported the overall income target but requested the executive to review the mix of income growth from increased new student numbers and improved progression before recommending the forecasts to the

Board. Subject to this review, the committee supported the forecasts for approval by the Board prior to submission to the OfS.

9. Draft out-turn: annual report and accounts, 2018/19

The committee discussed the draft annual report and accounts for year ending 31 July 2019, which showed a surplus of £3m for the year, before SBC fair value adjustment, in line with full year management accounts presented to the committee at its meeting of 24 September 2019.

The CFO confirmed that the audit for the year ended 31 July 2019 was almost complete.

Final draft accounts would go to the Board meeting of 21 November 2019 for approval following review at the Audit committee meeting of 7 November 2019.

10. Key performance indicators - targets

The committee reviewed and recommended the proposed 2019/20 KPI targets for KPIs 26 and 27 to the Board for approval.

11. Research and enterprise update

The committee discussed the research and enterprise update. The committee noted that there is a good pipeline of research income. However, the pipeline of enterprise income is below expectations and the executive is reviewing this.

12. Staff survey 2019 key themes

Adnan Bajwa, Head of Organisational Development & Employee Engagement joined the meeting

The committee noted a presentation on the results of the staff survey held in June 2019, noting that the overall engagement score of 66% was up on the previous survey. The committee noted the sector comparison and that actions were being taken through local action plans.

13. FPR area of focus

The committee noted that following discussions with members of the committee an updated remit and terms of reference would be discussed at its meeting of 25 February 2019.

14. **Annual fundraising report 2018/19**

The committee noted the annual report on fundraising and charitable funds.

**Date of next meeting
4.00 pm, on Tuesday, 25 February 2020**

Confirmed as a true record

..... (Chair)

**FINANCE, PLANNING AND RESOURCES COMMITTEE - TUESDAY, 5 NOVEMBER 2019
ACTION SHEET**

Agenda No	Agenda/Decision Item	Action	Date Due	Officer	Action Status
6.	Student retention and progression update	Update to FPR on student retention and progression	25 Feb 2020	Pat Bailey	On agenda
8.	2019 finance return to OfS	Revise five year forecasts ahead of Board meeting	25 Feb 2020	Richard Flatman	Completed
11.	Research and enterprise update	Update on review of enterprise income	25 Feb 2020	Paul Ivey	On agenda
13.	FPR area of focus	Updated remit and terms of reference to next meeting	25 Feb 2020	James Stevenson	Remit on agenda. Revised ToR to follow this discussion.

Outstanding matters

Please note that the SU statutory accounts are in preparation and the SU plans to bring the final form and compliance report to the meeting in April 2020.

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	CONFIDENTIAL
Paper title:	Review of FPR remit
Board/Committee:	Finance, Planning and Resources Committee
Date of meeting:	25 February 2020
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	James Stevenson, Group Secretary
Purpose:	For Approval
Recommendation:	The Committee is requested to review and recommend to the Board the revised FPR remit and Terms of Reference.

Executive summary

Following discussion with Michael Cutbill, Chair of FPR, on the remit of FPR in autumn 2019, the Governance team has further reviewed FPR's remit as follows.

The Committee's role is split into finance, performance monitoring and resources. The Chair wishes to divide the Committee's discussions into the categories of core areas and annual review areas, as outlined below.

The Finance, Planning and Resources Committee is requested to review and recommend to the Board the revised remit and Terms of Reference.

Following this discussion, the Committee's Terms of Reference will be revised and circulated for comment with an updated workplan.

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Finance, Planning and Resources Committee

Review of FPR remit

Following discussion with Michael Cutbill, Chair of FPR, on the remit of FPR in autumn 2019, the Governance team has further reviewed FPR's remit as follows.

The Committee's role is split into finance, performance monitoring and resources. The Chair wishes to divide the Committee's discussions into the categories of core areas and annual review areas.

Core areas

These are the subject areas which will form the core of each meeting agenda, based on management information and comment provided by relevant members of the Executive. It is proposed that the core areas should be presented at the University rather than Group level, with the understanding that it may not always be possible to make such a distinction.

Annual review areas

These are the subject areas which FPR will look to review once a year. If the annual review raises issues that require short-term attention then the Committee may come back to them in successive meetings, but the Committee would not aim for these topic areas to feature regularly.

It is recommended that each Committee meeting covers two big core items and one big annual item. The annual strategic plan will provide a framework for the year, taking into account external deadlines and regulatory requirements.

1. Finance

1.1 Core areas

- Budget proposals for the following year

1.2 Annual review areas

- Investment and treasury management policies and updates
- Students' Union finances (six monthly)
- Insurance policies/coverage
- Fundraising strategy and performance
- Gift acceptance policy

2. Performance

2.1 Core areas

- Group KPIs
- Management accounts

- Financial stability: balance sheet, debt financing, cashflow
- [Research and Enterprise income and deliverables, including REF and KEF – *to be reviewed by Enterprise Advisory Board*]
- University student recruitment against annual targets
- University student progression rates and their drivers

2.2 Annual review areas

- Consolidated annual report and accounts (performance)
- Reputation, including league tables
- Reviewing next year's KPI targets

3. Resources

3.1 Core areas

- Infrastructure (Estates, ICT) – assessment of fitness for purpose under the Corporate Strategy, including to support student experience
- Human resources:
 - Organisational design and shape of workforce
 - Strategic HR developments including pay, recruitment policies, staff progression
 - Staff engagement

3.2 Annual review areas

- IT strategy

4. LSBU Group

The Committee will have annual rather than continuous oversight of Group entities.

The Committee will build into its annual schedule a review of each of:

- South Bank Colleges
- South Bank Academies
- South Bank University Enterprises Ltd

The reports should be high-level and should answer the following questions:

- Is the overall performance in line with expectations, i.e. have they met their own KPIs which are monitored by their own Board?
- What stakeholder value has the company delivered to LSBU, e.g. educational benefits to LSBU, financial benefits (more for SBUDEL) to LSBU?

The reports should not duplicate the work of the SBA, SBC and SBUDEL Boards; the purpose is to demonstrate the value to the Group of these subsidiaries.

	CONFIDENTIAL
Paper title:	Student recruitment and retention update
Board/Committee:	Finance, Planning & Resources Committee
Date of meeting:	25 February 2020
Author(s):	Mehmet Tarhan – Planning and Insight Manager Karen McLernon – Head of Performance Analysis Jamie Jones – Director of Student Services
Sponsor(s):	Nicole Louis, Chief Customer Officer
Purpose:	For Information
Recommendation:	The committee is requested to note.

Executive Summary

New Student Recruitment

For the university, Semester 2 recruitment was highly successful with 128% of the enrolment target secured to date, delivering 645 full enrolments versus a target of 505. There is potential for this to increase to 700 by the end of February based on the open pipeline. Overseas recruitment was the main driver of growth combined with apprenticeships. Looking ahead to September 2020, following the early UCAS Application Deadline on 15 January, LSBU has seen a 24% uplift in all UG applications with 18.6k generated so far versus 14.9k last year. This is against a national backdrop of a 1% increase in UG applications. A large portion of LSBU's growth is within the School for Health where applications are up 45% v last year, driven by the reintroduction of the nursing bursary from September 2020. Non health applications are up year-on-year at 15% (or 1.6k applications).

Within Lambeth College, by mid-January the college has received 385 applications compared to 265 the prior year from the 16-18 age group (up 45% year-on-year). Initial trends are positive but it remains too early in the cycle to determine whether the current rate of growth will continue to hold for the rest of the year.

Student Retention

Withdrawal and interruption trends continue to be favourable compared to the same point last year, both in terms of the proportion and absolute numbers of students. Lost income due to withdrawals and interruptions as the at January YTD stands at £2.75 mn, or 2.5% of total income, a marginal improvement on the prior year (3.0%). The full year forecast for lost income remains in line with Budget at £5.1 mn.

Services for Students

Provision of mental health and wellbeing appointments year-to-date is tracking slightly head of prior year (+1.5%) with over 1,070 specialist appoints provided for students. For general

student customer service, the level of service related enquiries recorded via our Student Life Centre (face-to-face, phone and e-mail) remains fairly constant year-on-year. There is however a very large year-on-year increase in enquiries related to Student Administration as the Student Services department has now moved to a new model for recording, triaging and following up all admin related queries using the SID enquiry management system as part of a wider approach to centralising and improving student customer service.

Student Recruitment Report - January 2020 Update

University Semester Two – January 2019/20 Intake

To date the university has achieved 128% of its enrolment target with 645 students fully enrolled against a goal of 505 students overall. The outturn is expected to grow on the basis of the additional 105 new entrants that remain engaged in the enrolment pipeline. This number consists of 39 students at Pre-Enrolment stage who have their enrolment appointments scheduled over the coming days, and a further 66 Partial-Enrolments who are currently enrolled on a temporary basis – who must provide outstanding certificates, identification documents or tuition fee payments before they can be counted as fully enrolled students. The majority of these incomplete enrolments are expected to fully enrol over the coming weeks, which is expected to take our January intake closer to 700 by the end of the period.

UGFT and PGFT courses have been the key areas of growth in semester two, with intakes nearly double the number originally targeted. Apprenticeship courses currently sit at 54% to target, but further intakes are planned in April and June which will be a source of additional in-year recruitment.

(Fig 1: LSBU Enrolment Performance; Home, EU and OS as at 4th February 2020)

S2 - 2019/20 January to June	Progress to Enrolment Target Current Full Enrolments			Outstanding Enrolment Pipeline Current Incomplete Enrolments		
Course Type Domcile	YTD Full Enrolments	Target FEs	Progress to Target	Pre- Enrolments	Partial- Enrolments	Enrolment Pipeline
UGFT	161	83	194.0%	12	24	36
UGPT	0	0	-	0	0	0
Apprenticeships	82	150	54.7%	0	1	1
PGFT	221	112	197.3%	26	37	63
PGPT	82	58	141.4%	0	2	2
Study Abroad	100	101	99.0%	1	2	3
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LSBU Overall	646	504	128.2%	39	66	105
Home	239	281	85.1%	0	19	19
EU	67	43	155.8%	0	5	5
OS	340	180	188.9%	39	42	81

University Semester One – September 2020/21 Intake (UGFT only)

Following the UCAS early application deadline the university has seen a 24% uplift in applications for September 2020 entry. Across the sector, UCAS applications have seen a 1% increase (with 25k additional applications made compared to last year). We continue to out perform universities within our London competitor set, with competitor applications increasing by a smaller 0.4% (from 112k to 113k).

In total LSBU has received 18.5k applications compared to 14.9k last year to date (up 24%); excluding HSC we have received 12.1k applications compared to 10.5k last year (up 15%). Health applications are up significantly following the announcement that nursing bursaries will return for September 2020 entrants, but without additional placement capacity, universities will not be able to convert this extra demand into students on courses. Across other areas, early indications show positive growth in APS, BUS and ENG which are up 400-600 applications respectively. Law continues to be an area of strength in LSS (with 1.1k applications received versus 860 last year), while other subjects across the School in social sciences, events and tourism have fallen this year at LSBU. The trend is mirrored in our competitor group, where total applications for social studies subjects excluding Law fell 19% year on year (6.3k to 5.1k).

The majority of our application growth this year appears to be within areas with some constraints on growth (Law, Psychology, Computer Science, and Business – areas which recruited to full capacity last year). For the university to recruit the same number of students as it did last year, we will need to explore ways to absorb the increasing demand in these significantly growing subjects. Resource planning including planning for additional academic appointments and the early timetabling of teaching facilities is currently being worked on. There is a possibility that some capping of high volume courses will be required however no decisions will be made until July / August.

(Fig 2: LSBU Apps by School, Overall and Excluding HSC as at 4th February 2020)

S1 2020/21 September starts	Total Applications UGFT September 2020 Courses only			
School Domcile	Total Apps	Last Year to Date	% +/-	+/-
HSC	6.4 K	4.4 K	↑ 45.3%	↑ 2.0 K
ENG	1.8 K	1.2 K	↑ 49.3%	↑ 0.6 K
APS	2.1 K	1.7 K	↑ 22.4%	↑ 0.4 K
BUS	3. K	2.7 K	↑ 13.1%	↑ 0.4 K
ACI	1.6 K	1.4 K	↑ 14.7%	↑ 0.2 K
LSS	2.6 K	2.4 K	↑ 8.0%	↑ 0.2 K
BEA	1.0 K	1.1 K	↓ -11.3%	↓ -0.1 K
Overall LSBU	18.5 K	14.9 K	↑ 24.0%	↑ 3.6 K
LSBU exc HSC	12.1 K	10.5 K	↑ 15.1%	↑ 1.6 K

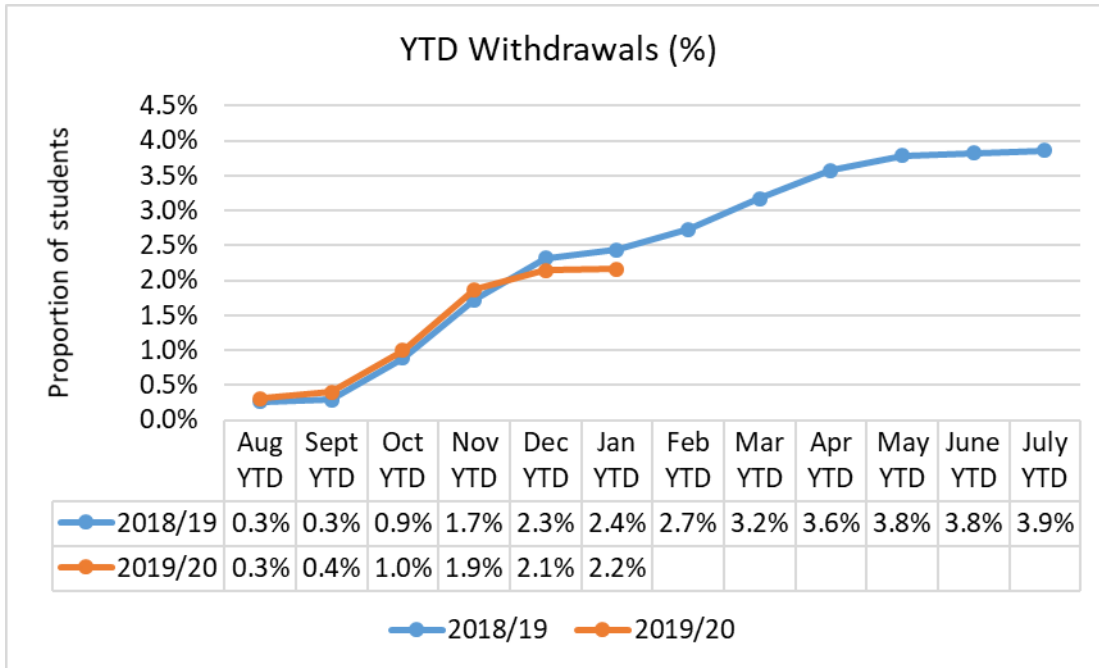
Student Withdrawals and Interruptions - January 2020 Update

1. Executive Summary

- Withdrawal and interruption trends continue to be favourable compared to the same time last year, both in terms of proportion and absolute numbers of students.
- Lost income due to withdrawals and interruptions as at January YTD stands at £2.75 mn, or 2.5% of total income, a marginal improvement on the prior year (3.0%). The full year forecast for lost income remains in line with Budget at £5.1 mn.
- Compared to last year, YTD lost income in absolute terms has decreased for UG students by £105k but increased for PG students by £124k. The PG increase is due to a combination of higher numbers of withdrawn and interrupted PG students, the mix of those students between full-time and part-time and higher PG fees in 2019/20.
- A review of non-attending students between Student Admin and DESEs will take place in February and March following semester 1 exam boards. Last year, this process resulted in a spike in withdrawal numbers.

2. Withdrawals

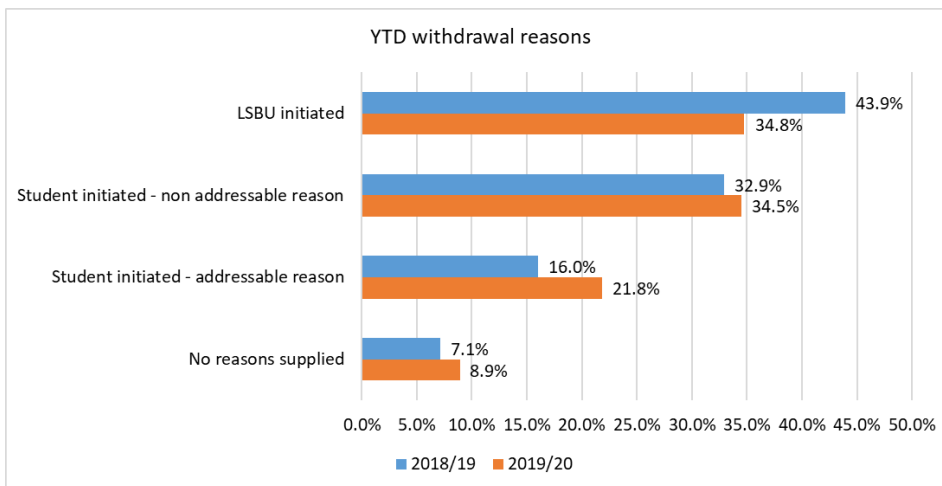
Figure 1: YTD withdrawals vs previous year as a proportion of total student numbers



Absolute number of students in APS, ACI and ENG that withdrew continue to be lower than last year. APS, ACI and BUS continue to see a higher than average proportion of students that withdrew.

Year 1 full time, first degree students see a higher than average proportion that withdrew, at 3.6%, but below last year's level of 4.3%.

Figure 2: YTD withdrawal reasons vs previous year



The proportion of LSBU initiated reasons is significantly lower than at the same time last year due to better engagement from students.

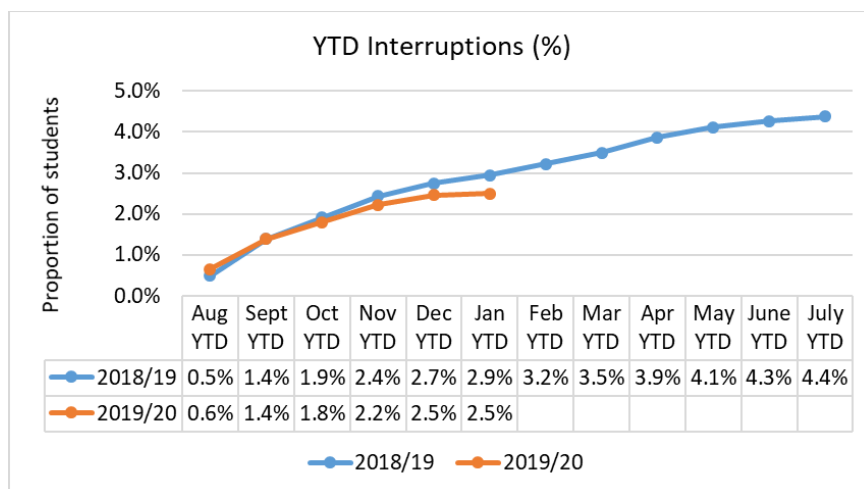
The proportion of student initiated – non addressable reasons increased slightly due to a slight increase in health and financial reasons compared to the same time last year.

The proportion of student initiated – addressable reasons* increased significantly due to an increase in the number of students that transferred to a different provider (31 students compared to 14 last year). The proportion of UG students that transferred to a different provider is higher than PG students. The majority of UG students are evenly split between Year 1 and 2.

* includes suitability / quality of course or transfer to another provider

Interruptions

Figure 3: YTD interruptions vs previous year as a proportion of total student numbers



Absolute number of APS and LSS students that interrupted continue to be lower than last year. APS and BUS continue to see a higher than average proportion of students that interrupted.

The proportion of PG students that interrupt is higher than UG students.

For further information on withdrawals and interruptions by school and course please refer to the [Withdrawals and Interruptions dashboard in MIKE](#)¹. Please note the data in MIKE is refreshed on a daily basis. The figures show the latest information from the student record system.

Please note there have been changes to the number of withdrawals and interruptions in prior months compared to the previous report due to backdated data processing by Registry.

Student Services Data February 2020 Update

Number of Mental Health and Wellbeing appointments offered			
	01/08/2018 – 31/01/2019	01/08/2019 – 31/01/2020	% change
August	100	78	22% decrease
September	108	118	9% increase
October	226	244	8% increase
November	240	246	3% increase
December	206	207	0
January	181	183	0
Total so far	1061	1076	1.5% increase

Safety Concern Response

	01/08/2018 - 31/01/2019	01/08/2019 - 31/01/2020	% change
Total Cases	98	52	47% decrease*

*Partly due to sexual violence now being recorded separately, and not at the Safety Concern Response meeting due to changing protocols/model

The reduction in the recorded number of Safety Concern Response cases may in part be due to introduction of welfare staff in the halls of residence (within estates) so incidents in halls are being resolved by staff living within the accommodation.

Sexual Violence

18/19 Summary for context

During the 18/19 academic year the service offer of Student Wellbeing expanded to formally include support for students who had experienced sexual violence. This service had been several years in development and design and we worked collaboratively with sexual violence sector leader LimeCulture to develop a model for responding professionally, supportively and most importantly safely to reports of sexual violence.

In the 18/19 academic year, 815 students had one appointment or more with the Mental Health and Wellbeing team. Of these 815 students, 33 reported historical sexual violence and 21 accessed support for sexual violence within the last 12 months, meaning that sexual violence was one of the reasons that students accessed support in 6.5% of all student cases.

19/20 Current Cases

The team continue to see many students who have experienced sexual violence and offer support. This year we are working towards an accredited male sexual violence service standard and now have a male sexual violence liaison officer [SVLO]. In December 2019 The Head of Wellbeing was awarded Inspirational Service Manager at the first national awards for university sexual violence services.

	Number students accessing SVLS support	Historical SV*	Contemporary*
01/08/2019 – 31/01/2020	27	17	12

*2 students disclosed their experiences but declined specialist support

Student Life and Student Administration

Enquiries logged via our Student Life Centre (face-to-face, phone and e-mail) remains fairly constant year on year. The large year on year rise is due to Student Administration now forming part of our “Enquiry Management” offer and recording and resolving all enquiries via our SID enquiry management system.

	18/19	19/20
	Year to date	Year to date
Administration	330	7727

Advice	2882	2935
Employability	788	69
Estates	75	101
Fees	1349	1502
International	275	278
Library	155	107
Other	675	581
Registry	310	578
Skills	26	146
Student Life	4695	4466
SU	88	121
Wellbeing	4872	5186
	16520	23797

	CONFIDENTIAL
Paper title:	Progression update 2019/20
Board/Committee:	Finance, Planning & Resources Committee
Date of meeting:	25 February 2020
Author(s):	Richard Duke, Director for Strategy & Planning and Pat Bailey, Provost
Sponsor(s):	Pat Bailey, Provost
Purpose:	For Information
Recommendation:	The committee is requested to note the range of in-year activity being delivered throughout 19-20 to increase progression.

Executive Summary

The report summarises the strands that feed into our progression strategy, as well as key in-year initiatives:

- General targeted reminders/advice to students on submitting coursework, revision, and sitting exams.
- Review of progression regulations and (more importantly in-year) processes, with some key changes in guidance planned.
- Production of module failure reports that will help targeting support into those areas where significant numbers of students are struggling.
- Improved re-sit support guide for Course Directors.
- Increased (and better-targeted) hardship funding, driven by compelling evidence that it substantially increases progression rates.

Initiatives to Support Year 1 Progression

Year 1 progression is key measure of University success, and is KPI 13 in the LSBU 2020 KPIs. It is an area where there has been less progress than we would have liked, although are rates are roughly at sector benchmark for our particular mix of students. As of February 6th 2020, the progression level of students embarking on study starting in 2018/19 progressing into 2019/20 was 73.9%, which was an improvement upon the previous year rate of 72.4%, but only marginally higher than the progression rate of 73.1% in 2014/15.

There are also significant variations in progression levels depending upon particular characteristics. Three of the most significant areas of differential are

- Students that studied a BTEC prior to studying at LSBU;
- Socio-economic background;
- Ethnicity.

Progression is important for the following reasons:

- Increased income;
- Reputation, as the measure impacts upon continuation measures which are used in league tables and TEF;
- The OfS Access and Participation Plan, which looks to narrow gaps regarding academic success at protected characteristic level.

Progression is defined as a student progressing from their first year of study into the second year of study in their course. Therefore, withdrawal/interruption in year, academic failure resulting in withdrawal or repeating the year is considered as non-progression. The annual student HESA return methodology is used as the base record, as it is this return which informs the institution's external performance in league tables, TEF and APP.

As identified, progression is seen as an area where improvement is required. Areas of opportunity to improve progression are detailed in the diagram below.



There are three main areas of activity to support this:

- Short term measures, which can have a material impact on 2019/20 progression;
- Teaching & Learning Strategy;
- Capital investment in systems and processes to support the student experience.

2019/20 Activity

The Provost has convened a cross-university Task and Finish group to identify in-year activity to increase progression, as well as identify longer-term actions. A number of actions have been identified including:

- Improving communications to students, notably around the importance of submitting work (many students simply don't submit work or attend exams if they fear they may do badly), increasing understanding of extenuating circumstances, and increasing face-to-face student support at key points throughout the academic year.
- A review of academic regulations, specifically those relating to assessment and marks; there are some specific changes to processes (rather than regulations) that we may be able to introduce this year, and suggestions for better practices, that we think could have immediate impact. We are also looking at proposals that might require longer to implement, such as some changes to the regulations that will require approval in 19/20 by Academic Board in order to be implemented next year.
- Production of a module failure report to identify those courses that have not achieved at least 60% pass rate. This will be coupled with a suite of targeted, and bespoke intervention activity, delivered by a mixture of Directors of Education, Heads of Division and Skills for Learning.
- Development and dissemination of a re-sit support guide for Course Directors.
- Use of the Hardship Fund. It is noteworthy that a recent report led by Jamie Jones found that the progression rate variance between the students that received payments and the intutional overall was 3.5% in 17/18, and in 18/19 the variance between the two groups was 9.7%. A rough calculation suggests that for every £100k of investment, the University receives an additional £150K of fees income, as well as improving its progression statistics. Our hardship investment was £65k in 17/18 (helping 209 students) and £125k in 18/19 (helping 391 students), but is still substantially below that of our competitor institutions. We plan to increase this fund by £100k, publicise it (with the SU) more widely, and explore how we can most effectivity target it.

Strategy Development

Work to develop the strategy began in in the spring of 2019 and is ongoing. The 2025 strategy pillar – 'Student Success' – is where measures linked to outcomes will have the greatest impact upon progression (the 'Access to Opportunity' pillar will also have related activity). At a high level, it is planned that there will be KPIs at Group level, which relate to increasing students social capital, and a social mobility index. These measures take consideration of the LSBU Group's student cohort, and look to increase the impact that the Group can have on individual students as well as the local area.

Support from across the Group has been developing the strategy, however currently the main area of focus in this development is with the Deans' Development Team, which will complete their work by the close of April. Janet Jones (Dean for the School of Arts & Creative Industries) is leading on the Teaching & Learning Strategy, whilst Craig Barker (Dean for the School of Law & Social Sciences), is leading on wider achievement and the overall offer to our students.

Capital Investment – LEAP

The LEAP programme is focused on the review of processes and systems that support the student journey. LSBU has consistently performed poorly in the NSS relating to Organisation & Management questions. These areas can be frustrating for students, particularly for those students that are time-poor (paid employment, caring responsibilities, commuting to campus etc.).

The streamlining of processes, with supporting technology that enables a joined up, personalised, digital interaction with the student journey, will benefit our students, by enabling them to focus on their study and have relevant information as part of that.

	CONFIDENTIAL
Paper title:	KPIs 2018/19 and 2019/20 RAG Ratings
Board/Committee:	Finance, Planning and Resources Committee
Date of meeting:	25 February 2020
Author(s):	Richard Duke (Director of Strategy & Planning)
Sponsor(s):	Richard Flatman (CFO)
Purpose:	For Review
Recommendation:	The document is noted by the FP&R Committee

Executive Summary

The attached table, provides an insight into 2018/19 KPI performance. At this point in the year, almost all KPIs for the previous year are finalised. These results can be seen in the context of 2019/20 targets.

It can be seen that performance relating to league tables, overall income and surplus were rated as green. Performance against key academic indicators, including progression and continuation as well staff engagement and appraisal rates have room for improvement.

Targets for 2019/20 were approved at the November 2019 FPR meeting, but RAG rating indicators had not at that time been set. These are now enclosed.

The 2020-25 KPI indicators are currently in development, and are intended to be holistic and at group level, with both leading and lagging indicators. Figures are as at 31 December 2019.

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Corporate Strategy Goals	20/20 Success Measures	#	Key Performance Indicators	End of Corporate Strategy Ambition	Past Performance					2019/20			
					14/15	15/16	16/17	17/18	18/19	Green	Amber	Red	Target
Teaching and Learning	Top 50% of universities for graduate employment / starting salaries.	1	Graduate level employment &/or Further study (EPI population)	80%	68.0%	76.0%	81.8%	87.7%	No data available in 2018/19				N/A First Graduate Outcomes data release Apr-20
Student Experience	Top quartile of all universities in NSS	2	NSS scores – overall satisfaction (First Degree respondents)	89%	82%	82.0%	82.2%	78.8%	81.8%	84% +	81 - 83 %	< 81 %	84%
		3	International Student barometer (% recommending LSBU)	81%		77%	77%	80%	78%	81% +	77 - 80%	< 77%	81%
		4	PGT experience (% satisfaction)	82%	74%	74%	71%	71%	71%	76% +	72 - 75%	< 72%	76%
		5	Student Staff Ratio	18:1	19.7:1	20.5:1	19.8:1	16:1	16.5:1	16 - 18:1	15.5 - 15.9 18.1 - 18.5	< 15.5 > 18.5	16 - 18:1
Employability	95% students in employment / further study (EPI)	6	DLHE Positive Outcomes; employment or further study (EPI)	95%	90.2%	90.8%	94.6%	95.3%	No data available in 2018/19				N/A First Graduate Outcomes data release Apr-20
	Top 10 UK universities for student start ups	7	Number of Student start ups (Active Firms in HE-BCI 4aiv)	150	30	50	45	48	24	65 +	50 - 64	< 50	65
Research & Enterprise	Top 50% UK for Research & Enterprise Income	8	Research Income (non QR)	£6m	£2.0m	£1.9m	£2.8m	£3.5m	£4.1m	£5.2m +	£4.5 - 5.1m	< £4.5m	£5.2m
		9	Enterprise Income	£19m	£8.1m	£7.8m	£9.2m	£10.9m	£10.5m	£11m +	£10 - 10.9m	< £10m	£11.0m
Access	Top London Modern for LPN recruitment	10	% recruits from low participation neighbourhoods (Young FT FD)	9.0%	7.7%	8.4%	9.2%	8.9%	7.6%	8.0% +	7.7 - 7.9 %	< 7.7 %	8 - 10%
		11	FTUG % (w/o HSC contract) recruited before Clearing	90%	75.0%	76.4%	77.2%	78.0%	75.3%	77% +	73 - 76%	< 73%	+77%
	Exceed expectations on completion	12	First Degree Completion projection (at or above benchmark)	+3%	-7 %	-5.8%	-5.5%	-1.8%	-4.0%	> 0%	-3 to 0%	< -3%	0%
		13	Year 1 progression (can change due to Jan 2019 2nd Semester Enrolment)	85%	73.1%	77.3%	74.7%	72.4%	73.9%^	80% +	75 - 79%	< 75%	80%
		14	Good Honours	63 - 67%	61.2%	66.4%	69.1%	70.0%	70.7%	65 - 70%	71 - 72% 63 - 64%	> 72% < 63%	65 - 70%
		15	PGT completion	85%	61.5%	58.7%	69%	61.0%	66.7%	72% +	68 - 71%	< 68%	72%
International	4 QS Stars	16	QS Star Rating	4	3 stars	3 stars	4 stars	4 stars	4	4	3	2	4
		17	Overseas student income (millions). Includes TNE	£20m	£11.2	£9.8	£11.2	£10.8	£12.1m	£11.6m +	£10.5 - £11.5m	< £10.5m	£11.6m
People and Organisation	Rated as a good employer	18	Appraisal completion % (Amongst all eligible staff)	100%	90%	91%	95.6%	85.3%	84.0%*	100%	95 - 99 %	< 95%	100%
		19	Average Engagement Score as a %	75%		58%	62%	61%	66%	70% +	66 - 69%	< 66 %	70%
Resources & Infrastructure	Grow our income by 25% to £170m annually, deliver an operating surplus of 5% and an EBITDA margin of 15%	20	Surplus as % of income	5.0%	0.9%	2.4%	1.3%	1.1%	2%	1.3% +	1.0 - 1.2%	< 1.0%	1.3%
		21	Income (£m)	£170m	£140.8m	£138.2	£144.5	£146.3	£149m	£152m +	£148 - 151 m	< £148m	£152m
		22	EBITDA margin (EBITDA expressed as % of income)	15.0%	9.2%	11.8%	12.0%	10.7%	11.2%	11.4% +	10.3 - 11.3%	< 10.3%	11.4%
	Student satisfaction with facilities & environment in top UK quartile	23	Student satisfaction ratings with facilities & environment (FD)	90%	87.7%	90.0%	87.2%	83.9%	84.9%	90% +	84 - 89%	< 84%	90%
		24	ICS Service Index %	80%	68%	76%	66%		No data available in 2018/19				80%
Overall	Top London Modern university (excl UAL)	25	Times - League table ranking	85	120 / 127	120 / 128	106 / 128	107/132	86/131	90 or higher	91 - 95	96 or lower	90
		26	Guardian – League table ranking	70	111 / 119	107 / 119	92 / 121	78 / 121	68/121	65 or higher	66 - 75	76 or lower	65
		27	Complete University Guide – League table ranking	87	119 / 126	115 / 127	108 / 129	93 / 131	87/131	85 or higher	86 - 95	96 or lower	85

^ progression figure as at 15 January 2020.

* appraisal completion rates as at 4 February 2020.

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	CONFIDENTIAL
Paper title:	Treasury Management Report
Board/Committee:	Finance, Planning and Resources Committee
Date of meeting:	25 February 2020
Author(s):	Rebecca Warren, Head of Financial Accounting, and Natalie Ferer, Group Financial Controller
Sponsor(s):	Richard Flatman, Group Chief Financial Officer
Purpose:	To note
Recommendation:	Note this Treasury Management Report

1. Executive Summary

On 31 December 2019 the University and connected companies held total bank balances in current accounts and deposit accounts of £59.0 million and loans outstanding of £35.1 million.

As part of the novation of loans from Lambeth College to LSBU, the University has now completed the transfer of its day-to-day banking business from NatWest to Barclays.

The University is in the process of developing a request for a proposal for a £45m revolving credit facility which is planned to be in place by the end of May.

2. Cash Balances and term deposits

2.1 Details of all the University's bank and deposit balances at the end of December are shown below.

Bank / Title	Type of Account	Previous Month Balance	31 December 2019	
			Balance Currency	Balance Sterling
NatWest	Corporate Cash Manager Plus Euro Currency Account Business current account	£	€	£
		469,459		1,109,696
		6,221,012	6,808,479	5,761,335
		107,026		108,820
NatWest [Charitable Funds]	Corporate Cash Manager Plus	950,398		1,851,027
Lloyds TSB	Corporate Special Account 95-day notice	2,100 10,895,633		2,100 10,906,145
Bank of Scotland	Corporate Deposit Account Corporate Instant Access	5,949,971 198,497		5,953,166 198,505
Federated Investors LLP UK	Sterling Liquidity Fund 3 Sterling Cash Plus GBP	1,876 5,379,490		1,878 5,384,019
Barclays [LSBU's Main trading account]	Business Account (now has a sweep function) FiBCA	0 29,452,744		0 20,881,983
Scottish Widows Bank Plc	Deposit Account	612 502		612 502
Barclays	Charity	385		385
Nationwide	95 Day Deposit Account	3,000,000		3,000,000

Total LSBU Funds at Bank

62,629,705

55,160,173

NatWest [SBU Enterprises Ltd]	Business Current Account CCMP	0 201,232		0 119,715
Barclays	SBUEL Main current account	244,801		209,785

Total Access & Enterprises Funds

446,033

329,500

Total SBC funds at bank

Barclays

879,934

1,608,862

Total SBA Funds at bank

Lloyds TSB

2,246,121

1,946,815

Total of all Funds at Bank

66,201,793

59,045,350

The table below shows the interest rates we currently receive for our accounts and fixed term deposits.

Bank	Account	Funds held at 31/12/19 £'000	Maturity date	Interest rate %
Natwest	CCMP	1,110	No notice	0.15
Natwest	Euro current account	5,761	No notice	0.15
Natwest	Charitable funds	1,851	No notice	0.15
Lloyds TSB	Fixed Term Deposit	10,908	95 days	1.10
Bank of Scotland	Corporate Deposit account	6,152	No notice	0.65**
Federated Investors	Liquidity fund	5,386	No notice	variable*
Barclays	FIBCA	20,882	No notice	0.60
Nationwide	Fixed Term Deposit	3,000	95 days	1.15

* Variable rate of return (between 0.57% - 0.91%)

**Rate to be reduced to 0.6% in early March

2.2 The actual interest income for the 2018/19 year was £267,000.

2017/18 Actual £'000	2018/19 actual £'000	2019/20 Budget £'000
£149,000	£267,000	£220,000

2.3 A detailed list showing how much the University family holds at each bank and assessment of counterparty limits is shown below. In line with our Treasury Management Policy: the University is permitted to place deposits with banks and building societies operating in the UK which are authorised and regulated by the Financial Conduct Authority and Prudential Regulatory Authority in accordance with the following credit rating criteria. The minimum rating criteria must be met by at least 2 of the main three credit rating agencies.

Credit Rating agency	S&P	Moody's	Fitch	Bank Limit (£ Millions)
Band 1 (Minimum Ratings)	A	A2	A	£10.0
Band 2 (Minimum Ratings)	BBB+	Baa1	BBB+	£5.0

To maintain sufficient balances in our main current account (now Barclays): the policy allows up to £25m to be held with this institution with deposits or term accounts being for no longer than 1 month. The amount held with Lloyds TSB is at group level and includes rolled over interest and balances held by South Bank Academies and is not a breach of the University Treasury Management Policy.

Bank	S&P	Moody's	Fitch	Band	Maximum deposit in line with TMP £'000	Funds held at 31/12/19 £'000
Natwest	A	A1	A+	1	£10,000	£8,950
HSBC	AA-	Aa3	A+	1	£10,000	-
Lloyds TSB	A+	Aa3	A+	1	£10,000	£12,855
Bank of Scotland	A+	Aa3	A+	1	£10,000	£6,151
Federated Investors	AAAm	N/A	AAA	1	£10,000	£5,386
Barclays	A	A1	A+	1	£25,000	£22,701
Nationwide	A	Aa3	A	1	£10,000	£3,000

2.4 Deposits maturing

Banks	Deposit (£M)	Rate (%)	Term (Days)	Maturity Date
Lloyds	10.9	1.10	95	95 day notice
Nationwide	3.0	1.15	95	95 day notice

2.6 Investment options

The University subscribes to the Finalysis UK Banking Market Review. This shows that there are a few options available to the University that will return slightly higher rates that we are obtaining at present. Examples of rates available are shown below. The University already has an account with Nationwide.

Santander notice account		180 days	0.95%	Band 1
Santander notice account		One year	1.10%	Band 1
Nationwide		95 days notice	1.10%	Band 1

All the rates in this table are stated as Base rate (currently 0.75%) plus an additional percentage. They will therefore change if Base rate changes.

3. Loans

3.1 Loan balances outstanding are £35.1m, including the loans novated from Lambeth College. As follows:

Lender	31/7/19 £'000	31/12/19 £'000	Term	Interest rate	Security
Allied Irish Bank (GB)	3,113	2,925	26.5 years to 2027	6.67% Fixed	Dante Road halls of residence
Barclays Bank 2	3,886	3,807	25 years to 2032	5.67% fixed	McLaren House
Barclays Bank 3	5,000	5,000	To April 2029	5.25 % fixed	
Barclays Bank 4	6,909	6,812	23.25 years to 2032	5.54% fixed	
Barclays Bank 5	3,786	3,638	23 years to 2032	0.225% over Libor	
Barclays Loan Lambeth	13,467	12,725	To 30 th Aug 2035	5.2% fixed + margin 1.65%	
Salix	200	200			None
Total Group loans	36,361	35,107			

The Major Projects and Investment Committee (MPIC) considered the need for funds in the form of a revolving credit facility at its meeting in September 2019. There is a requirement for a facility of £45m over the next 3-5 years to fund the Group's share of the Vauxhall Skills Centre project, funding for the London Road redevelopment, the Chapel, the LEAP project and making sure we have sufficient working capital for the ongoing revenue expenditure of the University Group. This requirement is supported by the 5 years financial forecast which was considered by this committee in November 2019 and submitted to OfS in January 2020. The University is about to put out a request to banks for a proposal for a £45m revolving credit facility which is planned to be in place by the end of May, following approval of the Board of Governors in line with Financial Regulations.

4. Recommendations

Committee are requested to note this Treasury Management Report.

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Agenda Item 12

	CONFIDENTIAL
Paper title:	Strategic People and Organisation Development Report
Board/Committee	Finance, Planning and Resources Committee
Date of meeting:	25 February 2020
Author:	Marcelle Moncrieffe-Johnson Executive Director of People & Organisational Development
Sponsor:	Nicole Louis Chief Customer Officer
Purpose:	For discussion
Recommendation:	The committee is asked to note the report.

Executive summary

The Committee is requested to note the attached report. The CCO will be happy to answer any questions at the meeting.



Key Developments across People and Organisational Development

1.0 People & Organisational Development Strategy

- 1.1 A draft People, Culture & Inclusion strategy has been developed and will be revised in line with corporate timelines.

2.0 Employee Relations

2.1 JNCHES 2019-20 Pay Award

The 2019/2020 pay award has been implemented at LSBU. LSBU unions did not receive the required mandate for industrial action.

- 2.2 At a national level UCU has the mandate for industrial action in 74 HEIs and have just announced planned strikes in these institutions over February and March 2020. This does not involve LSBU. We are engaged with UCEA and we will advise on any updates at a national level.

- 2.3 There is no current industrial dispute at Lambeth College, but discussions are still ongoing with unions for the 2019/2020 pay award round.

3.0 Organisational Development

- 3.1 A range of initiatives are taking place:

- “Shape our future workshops” were held and an evidence book with the output from the sessions published. These have been used as input to the development of the sub-strategies.
- The final module of the School HoDs programme took place in January 2020. The course has received very positive feedback and the delivery team are reviewing the programme with the intention of launching the one in May 2020.
- Project team set up to further explore experiences of bullying and harassment across the LSBU Group, including launching a B&H survey and developing an action plan.
- Senior leadership engagement workshop was delivered in January focussing on leadership, wellbeing, inclusion and countering bullying & harassment.
- Results from the B&H survey and leadership engagement workshop will inform engagement action plan.
- MBTI workshops was delivered to students in HSC and LSS.

- Staff networks development day was delivered to review / agree purpose, vision and working effectively across networks.
- OD are supporting LEAP change agents network and development of behavioural framework.
- Support provided for senior leadership including facilitating away days supporting the Deans' Development Team amongst other initiatives.

4.0 Reward Strategy / Pensions

4.1 Proposals for pay and benefit have been presented to the Executive. These are now being refined and amended.

5.0 Learning & Development

5.1 Progress has included:

- Academic Induction sessions reviewed and first time delivered by DESEs in January – 18 participants to date.
- Project to integrate Lambeth College to My RoadMap (appraisal system) has been initiated.
- Training Needs Analysis meeting with all Group areas are taking place. OD will summarise the needs which will be used to prioritise and schedule activity.

6.0 Brexit Update / EU Settlement Scheme

6.1 Communications are planned to go out w/c 3rd February 2020, with more workshops planned to support staff applying for EU Settled Status.

7.0 Equality, Diversity and Inclusion

7.1 A new interim Head of EDI has been recruited to lead on the EDI strategy and support delivery. An additional secondment into the EDI team has further strengthened the team's capability to deliver.

7.2 The current focus is a review of current EDI governance and accountabilities, the development of enabling EDI framework and programmatic approach to delivery of relevant interventions and the development of a sub EDI strategy that fits in to the P&OD Culture and Inclusion Strategy.

7.3 **Tactical work** includes:

- design of an inclusive events guide
- better signage on accessible toilet signage, sponsored by DNet and with support from Estates
- increased visibility of the EDI intranet pages

7.4 Strategic work includes

- diversity review of the Academic Promotions Board and bonus Moderations Panel
- work with the staff networks to clarify purpose and mandate
- review of diversity data touch points and plan to improve self-declaration rates for staff diversity

- EDI Action Planning Group to ensure delivery of key priorities

8.0 Health & Safety / Employee Wellbeing

- 8.1 The Health, Safety and Resilience function has been leading contingency planning arrangements, in relation to the Coronavirus. This has involved liaising with all key stakeholders including Travel Buying Team, Communications, Halls Management, Estates, Student Wellbeing Services, Student Union, Confucius Institute and the Chinese Student Society. Work has included monitoring external developments including Foreign and Commonwealth Office advice, Public Health England (PHE) Guidance, World Health Organisation information, Universities UK, Higher Education Business Continuity Group Information from across the sector, International SOS Pandemic Planning Service, and issuing guidance and posters in line with PHE messaging. A paper outlining our full approach, and preparedness should things escalate further was supplied to the Executive on 5 February 2020.
- 8.2 A general report on Business Continuity Planning provision was supplied to the Executive on 4 December 2019.
- 8.3 The staff wellbeing focus this period has been tackling mental health, with the rollout of a programme of Mental Health First Aider Training sessions. In addition, physical health has been addressed via staff participation in the Virgin Pulse Global Step Challenge, which began in January.
- 8.4 A new Group Health and Safety Manager has been recruited and commenced employment on 27 January. A new Health and Safety Adviser has recently been recruited at Lambeth College – start date to be determined.

9.0 LSBU Group

- 9.1 The process to formalise line management responsibilities in key PSG roles between LSBU/SBC has been implemented. The areas included in the cross line management are Finance, P&OD, Health and Safety, Estates, IT and Marketing. A workshop briefing for these staff has taken place with the VC leading this session.
- 9.2 Work is underway to implement the integration of the iTrent HR system across the group.

10.0 Gender Pay Gap

10.1 Gender pay gap findings – data is attached.

The report shows that the gender pay gap has gone down from 6.6% to 5.2%. The median has reduced from 5.3% to 5.1%.

The bonus gap average has gone down 31.1% (45.2% 2018) and median has risen slightly 47.4% (44.5% 2018). 29% of our Executive at the snapshot date (March 2019) are women and the number of staff who received bonuses is very small (28 employees).

Group	Mean gender pay gap (%)	Median gender pay gap (%)
LSBU Snapshot 2017	6.7	5.4
LSBU Snapshot 2018	6.6	5.3
LSBU Snapshot 2019	5.2	5.1
UCEA – Post 92 Institutions* <small>(Pay Ratios 11 February 2019, Based on 114 HEIs in England January 2018)</small>	6.8	7.2
Higher Education (ONS ASHE data 2018)*	16.1	15
Lambeth College 2019	0.1	7.7

**Please note that 30 March 2020 is the final date for all organisations to publish their Gender Pay Gap Data for the snapshot date of March 2019.*

Following our work on Athena Swan and the Race Equality Charter, we have a robust road map with actions spanning the next four years to ensure we continue progress, for example a mentoring programme, annual tracking of fixed term contracts percentage for staff, and inclusive language in training and development of policies. The Gender Pay Gap report data will be published by 31st March 2020 on gov.uk.

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LSBU Gender Pay Gap 2020 - based on data from April 2019

Gender Pay Gap

	2019	2018	2017
Gender	Average hourly rate		
Male	23.76	23.84	23.43
Female	22.53	22.27	21.86

	2019	2018	2017
Gender	Median hourly rate		
Male	22.28	21.90	21.54
Female	21.14	20.74	20.38

	2019 Pay Gap	2018 Pay Gap	2017 Pay Gap
Mean gender pay gap	5.18	6.60	6.70

	2019 Pay Gap	2018 Pay Gap	2017 Pay Gap
Median gender pay gap	5.11	5.30	5.40

The mean pay gap is the difference between a company's total wage spend-per-woman and its total spend-per-man.

The median pay gap is the difference in pay between the middle-ranking woman and the middle-ranking man.

Bonus Gap

	2019	2018	2017
Gender	Average bonus		
Male	5898.72	7890.23	6749.55
Female	4065.43	4320.30	3416.11

	2019	2018	2017
Gender	Average bonus		
Male	4327.5	6579.00	5514.00
Female	2275	3649.50	1946.00

	2019 Bonus Gap	2018 Bonus Gap	2017 Bonus Gap
Mean gender bonus gap	31.10	45.20	49.40

	2019 Bonus Gap	2018 Bonus Gap	2017 Bonus Gap
Median gender bonus gap	47.43	44.50	64.70

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Quartiles

2019

Quartile	Male	Female
A	40%	60%
B	49%	51%
C	54%	46%
D	46%	54%

2018

Quartile	Male	Female
A	38%	62%
B	50%	50%
C	51%	49%
D	50%	50%

2017

Quartile	Male	Female
A	38%	62%
B	52%	48%
C	52%	48%
D	49%	51%

2019

Quartile	Male	Female
A	167	252
B	205	214
C	225	194
D	192	227

2018

Quartile	Male	Female
A	165	267
B	218	215
C	218	214
D	217	216

2017

Quartile	Male	Female
A	160	259
B	217	203
C	219	201
D	206	214

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