

Meeting of the South Bank University Enterprises Ltd Board

1.00 - 3.00 pm on Monday, 20 May 2019
in DCG-08 - Clarence Centre for Enterprise and Innovation

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
5.	Business Planning quarterly update	3 - 8	SP
6.	Management accounts to 31/3/19	9 - 12	KW

Date of next meeting
2.00 pm on Tuesday, 23 July 2019

Members: Paul Ivey (Chair), Michael Cutbill and Richard Flatman

Apologies: Keith Would

In attendance: Michael Broadway, Linsey Cole, Kirsteen Coupar, Michelle Dawson, Emily DeLacy, Sukaina Jeraj, Yvonne Mavin, Neil Pearce, Sarah Plant, Rebecca Warren and Askari Jafri

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Agenda Item 5

	CONFIDENTIAL
Board/Committee	SBUEL Board Meeting
Date of meeting:	20 May 2019
Paper Title:	Business Planning Quarterly Update
Author:	Neil Pearce
Recommendation:	For information

Executive Summary:

For the Board to note the business planning quarterly including an income and budget update and total enterprise income update.

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SBUEL Board Meeting 21st May 2019 – Income & Budget Update

Enterprise Income.

The team has been operating below capacity and this has had an effect on delivery against targets. During the previous period a team of 7 averaged circa £660k per team member (sales of over £4.5 million being a significant increase against any previous year). Applying these figures to the enterprise resource through this year the team have again increased delivery against previous years. The team is close to being fully resourced and by the end of the FY a full team will be in place. The team structure has changed so that a new Senior Business Development Manager has been appointed. The role has the new responsibility of leveraging the potential to commercial research through TWI.

Budget

These figures represent a provisional budget for 2019/20 as there are still some discrepancies between finance and REI.

Budget summary 2019. To be confirmed	R&E Contracted	Research pipeline	Enterprise pipeline	Research target	Enterprise target	Total
ACI	£254,565				£95,000	£349,565
ASC	£406,790	£69,897	£17,711		£136,233	£630,631
BEA	£208,950	£101,500	£360,000			£670,450
BUS	£32,500		£135,000	£10,000		£177,500
ENG	£2,562,200	£192,000				£2,754,200
HSC	£2,311,262	£42,043	£2,324,505			£4,677,810
LSS	£143,116		£25,466	£20,000	£22,000	£210,582
REI	£2,885,972		£80,000			£2,965,972
TWI	£541,192	£58,704		£1,244,550		£1,844,446
ERDF	£972,988					£972,988
CPD					£203,800	£203,800
Total	£10,319,535	£464,144	£2,942,682	£1,274,550	£253,233	£15,254,144
QR	£1,833,764					£1,833,764
HEIF	£567,033					£567,033
						£17,654,941

Strategy.

As part of the wider SBUEL approach to servicing LSBU and growing income it has been apparent for some time that a move to a proactive means of income generation is necessary to ensure future growth. Together with Research Support we have looked at the HE triple helix and identified which Research Centres map onto known funding (ISCF, H2020 etc) for research and commercialisation of research. In addition, viewing the funding landscape has become a priority in working with the RCs to help set their agenda.

Strategic partnering is now a focus and we are establishing priorities from RCs to identify partners such as Catapult who we are now engaged in early discussions with.

Large scale bids: related to the above we have submitted with School of Engineering a Research England bid for £1.5m to develop a University Enterprise Zone. This will be focused on Sustainable Engineering and we have Lambeth Council and Sustainable Ventures as partners, the bid has also secured £2.5m in corporate support.

Enterprise income analysis for 2018/09		% of budget	Variance to Full year Budget (agresso)	Variance to Full year Forecast (agresso)
Full year Budget (agresso)	£11,428,369			
Full year Forecast (agresso)	£10,208,246	89%	(£1,220,123)	
Year to date Actuals	£6,987,019	61%		
Contracted	£3,439,685	30%		
Total Actuals + Contracted	£10,426,704	91%	(£1,001,665)	£218,458

The current forecast per the management accounts is a negative Enterprise income variance to budget of (£1,220k)

The year to date income plus forecast contracted income suggests that there will be a negative Enterprise income variance to budget of (£1,002k)

Therefore there is potential further upside to the management accounts of £218k

N.b Potential upside is not necessarily recognised in the management accounts at this stage as:

- the agresso forecast is only updated quarterly, except for material new projects

- although the forecast income streams are known ("Contracted"), there is the potential for project slippage or reduced demand for some services, so a prudent approach to forecasting income in the management accounts is taken

	<i>agresso</i>		<i>agresso</i>		
	Full Year Budget	Full Year Forecast	Year to Date Actuals	Contracted	Total Actuals + Contracted
Total Schools	£6,271,127	£5,145,361	£4,461,362	£834,497	£5,295,859
School of Arts & Creative Industries	£300,153	£66,809	£37,509	£29,299	£66,809
School of Applied Sciences	£554,675	£248,473	£139,038	£106,700	£245,737
School of Business	£329,807	£174,844	£175,079		£175,079
School of the Built Environment & Architecture	£651,285	£454,084	£307,551	£109,143	£416,694
School of Engineering	£431,154	£525,039	£497,220	£76,667	£573,887
School of Health & Social Care	£3,706,252	£3,550,314	£3,201,810	£489,438	£3,691,248
School of Law & Social Sciences	£297,800	£125,797	£103,155	£23,250	£126,405
Total REI	£3,082,897	£2,992,897	£1,839,244	£1,122,409	£2,961,653
Research Enterprise & Innovation	£2,880,704	£2,790,704	£1,689,244	£1,070,217	£2,759,461
The Welding Institute					
Collaborative Institutes	£202,193	£202,193	£150,000	£52,193	£202,193
Total Other areas	£2,074,345	£2,069,989	£686,413	£1,482,779	£2,169,192
Total Enterprise	£11,428,369	£10,208,246	£6,987,019	£3,439,685	£10,426,704

New business to be won to achieve Full year Forecast (per agresso)



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Agenda Item 6

	CONFIDENTIAL
Board/Committee	SBUEL Board Meeting
Date of meeting:	20 May 2019
Paper Title:	SBUEL Management Accounts to the end of April 2019
Author:	Rebecca Warren
Recommendation:	For information

The April management accounts show a year-to-date loss of £103,796. The forecast profit for the full year, which has just been updated, is £320,313.

Keith Would commented "The loss year-to-date is because no HEIF Funding Grant income has been recognised; it was all budgeted in period 12".

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Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)	
			2018 Forecast (£)	2018 Budget (£)	Variance - Forecast to Budget (£)	%	Note	2018 Actuals (£)	2018 Budget (£)	Variance - Actuals to Budget (£)		%
(490,078)		Enterprise - Funding Grants	(567,033)	(567,033)		%						(567,033)
(226,929)	(49,574)	Enterprise - Research Related Activities	(400,285)	(342,191)	58,094	17%		(198,918)	(291,643)	(92,724)	(32%)	(201,366)
(2,703,547)	(1,722,472)	Enterprise - Other	(2,948,315)	(2,722,401)	225,914	8%		(2,153,838)	(2,022,698)	131,140	6%	(794,477)
(10,709)	(10,013)	Other - Operating Income						(3,046)		3,046		3,046
(1,564)	(1,105)	Endowment Income & Interest Receivable						(508)		508		508
(3,432,827)	(1,783,165)	Total Income	(3,915,633)	(3,631,625)	284,008	8%		(2,356,310)	(2,314,341)	41,970	2%	(1,559,323)
457,884	330,204	Academic - Permanent staff	335,867	350,427	14,559	4%		245,784	268,172	22,388	8%	90,083
32,561	16,506	Academic - Temporary staff	11,989		(11,989)			10,553		(10,553)		1,436
1,200,047	902,310	Support - Permanent staff	1,670,870	1,619,331	(51,539)	(3%)		1,189,457	1,188,926	(531)	(%)	481,413
22,666	20,774	Support - Temporary staff	8,500		(8,500)			18,128		(18,128)		(9,628)
235,610	119,881	Third party staff	189,542	55,966	(133,576)	(239%)		162,904	49,494	(113,409)	(229%)	26,639
47,500		Structural staff										
1,996,268	1,389,676	Total Staff Costs	2,216,769	2,025,724	(191,044)	(9%)		1,626,826	1,506,593	(120,233)	(8%)	589,943
58,212	33,230	Staff Related	84,373	78,650	(5,723)	(7%)		27,927	53,850	25,923	48%	56,446
49,947	51,819	Marketing and PR	192,541	189,159	(3,382)	(2%)		75,663	136,466	60,802	45%	116,877
28,720	1,100	Bursaries and Scholarships	(1,000)	24,000	25,000	104%		(25,000)		25,000		24,000
4,467	3,147	Student Related	3,000	3,000		%		3,412	3,000	(412)	(14%)	(412)
17,912	15,055	Equipment	88,313	80,310	(8,003)	(10%)		73,032	80,310	7,278	9%	15,281
35,275	18,853	Computing	76,088	75,088	(1,000)	(1%)		44,669	53,138	8,469	16%	31,419
263,613	63,638	Utilities	348,500	348,500		%		161,993	135,000	(26,992)	(20%)	186,508
38,581	30,281	Maintenance & Other Estate	12,000	12,000		%		25,660	3,000	(22,660)	(755%)	(13,660)
9,738	9,739	Cleaning & Security										
5,154	2,025	Financial	400		(400)			(284)		284		684
10,878	9,536	Communications	15,000	15,000		%		9,395	11,250	1,855	16%	5,605
393,132	321,196	Legal & Professional	347,353	223,015	(124,338)	(56%)		348,394	151,077	(197,317)	(131%)	(1,041)
16,406	8,311	Subscriptions and Membership Fees	38,469	38,469		%		7,872	37,800	29,928	79%	30,597
2,416	1,548	Photocopying and Stationery	7,883	7,883		%		4,363	4,611	248	5%	3,520
17,388	3,190	Other	142,653	132,061	(10,592)	(8%)		76,636	112,536	35,900	32%	66,017
4,124	1,732	Internal Recharges	22,980	23,430	450	2%		(450)	17,215	17,665	103%	23,430
955,963	574,400	Total Other Operating Expenses	1,378,552	1,250,564	(127,988)	(10%)		833,281	799,252	(34,029)	(4%)	545,271
(480,596)	180,911	Contribution	(320,313)	(355,337)	(35,024)	(10%)		103,796	(8,496)	(112,292)	#####	(424,109)
		Contribution %	8.2%	9.8%				(4.4%)	0.4%			
(480,596)	180,911	Contribution After Internal Allocations	(320,313)	(355,337)	(35,024)	(10%)		103,796	(8,496)	(112,292)	#####	(424,109)
		Staff costs as % of income	56.6%	55.8%				69.0%	65.1%			

Full year variances:

Positive full year income variance of £435k due to winning several new consultancy projects predominantly within the School of Health and Social Care.
Negative full year cost variance is predominantly the costs of delivering those consultancy projects
Negative full year income variance of (£80k) due to reduced income on lettings of facilities as a result of losing rooms available for hire.
Negative full year income variance of (£68k) due to reduced income vs budget from the Recruitment Agency

Actuals year to date variances:

The negative year to date variance is primarily arising due to:
-reduced income on lettings of facilities as a result of losing rooms available for hire (£62k)
-reduced income from the Recruitment Agency (£46k)
-St George's Circus rental from Foundation Campus not yet invoiced (£60k)
-no budget yet being transferred from the University investment pot budget to cover the cost of bidwriters (£76k)
-offset by the contribution on new projects £132k

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