



Meeting of the South Bank University Enterprises Ltd Board

3.00 pm on Tuesday, 30 January 2018
in DCG-07 - Clarence Centre for Enterprise and Innovation

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
10.	Any other business – SBUEL Staffing	51 - 58	PI

Date of next meeting
3.00 pm on Tuesday, 24 April 2018

Members: Paul Ivey (Chair), Michael Cutbill, Mandy Eddolls, Richard Flatman and Gurpreet Jagpal

Apologies:

In attendance: Joe Kelly, Michael Broadway, Sally Black and Rebecca Warren

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	CONFIDENTIAL
Paper title:	South Bank University Enterprise Ltd. (SBUEL) Employment
Board/Committee	SBUEL Board
Date of meeting:	30 January 2018
Author:	Paul Ivey
Purpose:	Reporting and Recommending
Recommendation:	Way forward detailed in paper

Executive Summary

In response to a speak up challenge regarding unfair employment in SBUEL, and direction from the University audit committee and executive, the executive director and deputy-director for HR, the director for research, enterprise and innovation / CEO SBUEL and the PVC for research and external engagement have met twice. This paper reports on these meetings and suggests a way forward.

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South Bank University Enterprise Ltd. (SBUEL) Employment

Introduction

In response to a 'whistle-blower' challenge regarding unfair employment in SBUEL, and direction from the University audit committee and executive, the executive director and deputy-director for HR, the director for research, enterprise and innovation / CEO SBUEL and the PVC for research and external engagement have met twice. The first meeting was to review past employment practice for SBUEL, the second meeting was to contrast and compare employment terms and conditions for SBUEL and for the University. The sections below detail these meetings.

SBUEL employment

About fifteen years ago the University established SBUEL following an internal review titled ALEC (Arms-Length Enterprise Company). The intent was twofold: first to protect the University's charitable status in undertaking projects outside a strict educational definition; and second to provide employment terms and conditions (T&Cs) more reflective of this type of activity (particularly in respect of driving performance and consequent reward).

Since then as employees were selected to posts having a strong enterprise remit they were recruited to SBUEL explicitly accepting the prevailing T&Cs. It is believed that no employees have transferred to SBUEL from University employment. It is true that some roles in the University have an enterprise role either through existing before SBUEL was launched, or have 'morphed' over time into these roles from other related activities. As a consequence in the absence of any formalised approach a situation exists wherein broadly and in some limited cases the same tasks are being performed by employees of both SBUEL and the University. **Whilst this position is believed to be legal it would benefit from rationalising.**

Employment terms and conditions.

The appendix lists a contrast and compare analysis of the T&Cs for SBUEL and the University. The salient differences are a reduced pension offer and no automatic salary increments within SBUEL, balanced off by performance bonuses and planned biannual London weighting salary comparisons. SBUEL holiday entitlement has been aligned recently

with that of University professional staff. It is felt that SBUEL employment is not as attractive as it needs to be if the rationalisation referenced above is to be realised. More could be done to generate a performance culture with commensurate reward within SBUEL particularly as pensions become less of a long term issues with the loss of final salary schemes, and the introduction of annual and lifetime limits. Work is underway examining the T&Cs for high performing consultancy SMEs and highly customer focussed organisations to determine if these are more suitable.

Summary and Way Forward

It is certainly the case that some employees of SBUEL are doing work that is similar to that of some University employees, however their posts were advertised and accepted under the SBUEL T&Cs. It is believed that this permissible however it is also not optimal: the opportunity to drive a performance and reward culture for a wider group of employees through a more structured employment approach (arguably within SBUEL) is being lost.

Whilst the SBUEL T&Cs differ from those with the University, they may not be sufficiently commercial to drive the performance / reward culture needed as the company develops: to this end work is underway to contrast compare against T&Cs from purely commercial operators. In terms of company development, the University board have agreed changes to the reporting structure away from themselves and more to the executive, they have agreed to changes to the SBUEL board structure strengthening representation from the executive and introducing non-executive positions, they have agreed a change to the company name, and the introduction of new businesses units for student employment, international joint ventures and later this year CPD. **Specifically the SBUEL board no longer receives reports on LSBU enterprise income and reserves itself to matters only contracted by SBUEL.**

Finally the University operations board is trailing part of its work through a so-called 'commercial vehicle' concept to align operations in support of commercial activity. Taken together, structure, board, name, new businesses and re-aligned delivery suggests that recasting SBUEL's T&Cs would present an attractive proposition in attracting inward transfers from University operations thereby solving the legal, but somewhat ad-hoc, employment between SBUEL and the University referenced at the start of this note.

APPENDIX - COMPARISON OF LSBU GRADES 2 – 10 AND SBUEL TERMS AND CONDITIONS

AS AT NOVEMBER 2017

	Lecturers	PSG	SBUEL
Salaries	9 grades, 50 point spine 6-7 points in most scales Automatic annual increments Ranges from £15,418-£60,410 pa HERA job evaluation to determine grade Annually negotiated pay award 1-1.7% last 3 years	Same as lecturers	Spot salaries; currently ranging from £27-£60k pa Commercial rates assessed against market comparators (capita salary survey & adverts) Reviewed at discretion of Board every two years
London Weighting	£3,354 pa	£4,343 pa	N/A
Bonus	Nil	Nil	Annual – up to 8% of salary based on achievement of performance targets
Pension	TPS Defined benefits scheme based on final average salary and service Employee contributes: 7.4 – 11,7% Employer contributes: 16.48% (average) Ill health retirement Discretion for unreduced pension on redundancy <i>not</i> applied by LSBU Life Insurance Cover of 4 x salary	LGPS Defined benefits scheme based on career average salary and service Employee contributes: 5.5 – 12% Employer contributes: 15.2% (average) Cost to employer: 21% (estimate) Ill health retirement Unreduced pension on redundancy if 55+ Life Insurance Cover of 3 x salary	LSBU Group Personal Pension Scheme Aviva Defined Contribution scheme based on investment performance Employee contributes: 3-7%+ Employer contributes: 6-9% No ill health retirement No unreduced pension on redundancy Life Insurance Cover of 3 x salary
Leave Year	1 August – 31 July	1 August – 31 July	1 January – 31 December
Annual Leave	35 days +5 discretionary days	26.5 days + 1 day after 5 years + 2 days after 10 years + 3.5 days after 15 years + 5 days after 20 years + 7 days after 25 years	26.5 days

Hours of work	550 teaching pa 15-18 teaching per week 38 teaching weeks pa (37 per week for HPLs & calculations)	35 per week	35 per week
Probation	1 year (waived if completed at another HEI)	Grades 8-10: 1 year Grades 2- 7: 20 weeks	6 months
Notice	2 months from Employee 3 months from University 1 year on redundancy <i>if</i> silver book applies	Grades 8-10: 3 months from Employee 3 months from University Grades 2-7: 1 month from Employee From University: < 5 years svc: 1 month 5-12 years svc: 1 week per year svc 12 years+: 12 weeks	3 months from Employee 3 months from University
Notice during probation	1 month	Grades 8-10: 1 month Grades 2-7: 1 week	1 month
Sick Scheme & Pay	Fixed Sickness Year April-March Qualifying service from other Universities recognised Year 1: 1 month full pay & after 4 months: 2 months ½ pay Year 2: 3 months full & 3 months ½ pay Year 3: 4 months full & 4 months ½ pay Year 4+: 6 months full & 6 months ½ pay 1 month = 22 days	Rolling Sickness Year Year 1: 1 month full pay & after 4 months: 2 months ½ pay Year 2: 2 months full & 2 months ½ pay Year 3: 4 months full & 4 months ½ pay Year 4&5: 5 months full & 5 months ½ pay > 5 years: 6 months full & 6 months ½ pay 1 month = 21 or 21.5 days	Statutory Sick Pay After 4 days continuous sickness (including non-working days): £89.35 per week for 28 weeks

Maternity Scheme Leave & Pay	<p>Qualifying service from other Universities recognised</p> <p>52 weeks leave: 26 weeks OML 26 weeks AML After 26 weeks qualifying service:</p> <p>39 weeks' Pay 20 weeks' full pay 19 weeks' SMP (£140.98 or 90% of average earnings whichever is lower)</p>	Same as lecturers except service from other Universities not recognise	<p>Statutory Maternity Leave & Pay</p> <p>52 weeks leave: 26 weeks OML 26 weeks AML After 26 weeks qualifying service:</p> <p>39 weeks' Pay: 6 weeks' 90% of average earnings 33 weeks SMP (£140.98 or 90% of average earnings whichever is lower)</p>
Disciplinary Procedure	Union negotiated 4 stage procedure Difficult to omit stages and can be lengthy	Same as lecturers	ACAS based 4 stage procedure
Paternity Leave and Pay	2 weeks at full pay	Same as lecturers	After 26 weeks qualifying service: 1 or 2 weeks SPP (£140.98 or 90% of average earnings whichever is lower)
Grievance Procedure	Union negotiated 3 stage procedure	Same as lecturers	ACAS based 3 stage procedure
Capability Procedure	Union negotiated 3 stage procedure	Same as lecturers	N/A
Appraisal	Union consulted for grades 2 - 10	Union consulted for grades 2 - 10	Currently use LSBU appraisal
Redundancy	<p>Enhanced: Weeks' pay = actual pay:</p> <p>- ½ week's pay for each complete year of Service up to age 21; -1 weeks' pay for each complete year of service between ages 22 and 40; - 1 ½ weeks' pay for each complete year of service age 41 +</p> <p>To a max of 20 years' completed service</p>	Same as lecturers	<p>Statutory: Weeks' pay capped at £489:</p> <p>- ½ week's pay for each complete year of Service up to age 21; -1 weeks' pay for each complete year of service between ages 22 and 40; - 1 ½ weeks' pay for each complete year of service age 41 +</p> <p>To a max of 20 years' completed service</p>
Recognised trade unions	UCU	GMB and Unison	N/A

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