

**Minutes of the meeting of the Finance, Planning and Resources Committee
held at 4.00 pm on Tuesday, 26 June 2018
1B16 - Technopark, SE1 6LN**

Present

Hilary McCallion (Chair)
Sodiq Akinbade
Michael Cutbill
Mee Ling Ng
Jenny Owen
David Phoenix

Apologies

Jerry Cope
Peter Fidler
Nicole Louis

In attendance

Pat Bailey
Richard Flatman
Ian Mehrtens
James Stevenson
Shân Wareing
Ralph Sanders
Alexander Enibe
Olivia Rainford

1. Welcome and Apologies

The above apologies were noted.

2. Declarations of Interest

No governors declared a conflict of interest in any item on the agenda.

3. Minutes from the last meeting

The committee approved the minutes of the previous meeting and the redactions, subject to minor changes.

4. Matters Arising

The Pro Vice Chancellor (Education & Student Experience) joined the meeting.

The committee noted the actions arising from the previous meeting.

The committee noted an update on student retention for 2017/18 (withdrawal rate 2.3% against 2.8% in 2016/17).

At the end of May 2018, fewer students had withdrawn and more had interrupted (41% against 38% in 2016/17) than the previous year.

A factor in this improved withdrawal rate is the increase in early intervention and engagement with students.

The Board will receive a presentation on retention ahead of its next meeting on 12 July. The committee requested to receive further updates from Deans.

The Pro Vice Chancellor (Education & Student Experience) left the meeting.

5. Student Recruitment Update

The committee noted the update on student recruitment for semester 1, 2018/19.

The University is currently 400 firm acceptances up for full-time undergraduates than the previous year.

The committee noted that LSBU still relies on clearing and this will be even more competitive this year. The Executive is identifying a preferred closing date for clearing. Increasing the offer rate and conversion are key.

The committee discussed LSBU's approach to entry requirements. The "tariff" will be maintained during clearing. A range of support is provided for later start students.

6. Management accounts to April 2018

The committee noted the management accounts to April 2018. Subject to further clarity and consideration on change costs, the full year forecast surplus is expected to be £1.5M, in line with budget.

Some of the required opex and staff cost savings have been made but some are still to be identified to achieve budget for 2017/18.

The committee discussed the potential impact of change costs on both current year performance and the 2018/19 budget. The Executive will have more clarity on restructure costs in July 2018 after closure of the voluntary severance scheme and the consultation on change proposals. The Executive will review the position thereafter and an update will be provided at the next meeting.

7. Draft budget 2018/19

The committee discussed the 2018/19 draft budget, with a planned surplus of £1.5M consistent with 2017/18.

The proposed budget has income of £145m, recurring staff costs of £83M, a restructuring fund of £1.5m, and an Investment pot of £1.2m.

The committee noted the prudent assumptions in the budget. The risks to delivering the budget are full-time undergraduate student recruitment, post graduate income and growth, international student growth and growth in enterprise income.

The committee supported the 2018/19 draft budget and recommended approval by the Board.

8. Draft five-year forecasts

The committee supported the draft five-year forecasts and recommended to the Board for approval.

The forecasts would deliver £175m of income by 2021/22 with a £5m surplus.

9. Larch consolidation forecast

The committee noted the consolidated forecasts for LSBU and Lambeth College, based on the assumption that Lambeth College joins the LSBU Group. The projected 3 year cash requirement is £13m.

10. Lambeth College commercial debt

The committee noted the update on proposals for the transfer of Lambeth College commercial debt of c.£14m to LSBU if Lambeth College joins the LSBU Group.

Negotiations with Barclays Bank and the Transaction Unit are ongoing.

11. Strategic HR Report

The committee noted the Strategic HR report.

The Deputy Vice Chancellor confirmed that discussion is continuing with trade unions on the voluntary severance scheme (VS) open to all staff and change proposals in 10 specific areas. The VS scheme closes on 6 July 2018. The formal collective consultation for the change proposals closes on 20 July 2018.

The national final pay offer of a base pay uplift of 2%, made by the New Joint Negotiating Council for Higher Education Staff has been rejected by the

unions. The committee noted there may be national industrial action as a result of this.

The committee noted that preparations of the submission for the Race Equality Charter Mark were underway.

The committee requested an overview of the workforce at the committee meeting of 6 November 2018.

12. Fundraising compliance update

The committee noted the update on fundraising compliance and how LSBU governors, as charity trustees, complied with the Charity Commission's "CC20, Charities Fundraising: a guide to trustee duties".

The fundraising strategy as reviewed at the FPR meeting of 1 May 2018 and compliance would be reported to the Board meeting of 12 July 2018.

13. KPI - strategic enablers

The committee noted the Key Performance Indicators – Strategic Enablers.

The committee welcomed LSBU's improvement in the global league table.

14. Insurance Programme 2018/19

The committee noted the insurance programme 2018/19, and level of cover.

**Date of next meeting
4.00 pm, on Tuesday, 25 September 2018**

Confirmed as a true record

..... (Chair)