

Meeting of the Finance, Planning and Resources Committee

4.00 pm on Tuesday, 25 February 2020
in Technopark, SE1 6LN

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
4.	Matters arising	73 - 78	MC

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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Agenda Item 4

	CONFIDENTIAL
Paper title:	Students' Union update
Board/Committee:	Finance, Planning and Resources Committee
Date of meeting:	25 February 2020
Author(s):	Ben Whittaker, Interim Turnaround Director
Sponsor(s):	Nicole Louis, Chief Customer Officer
Purpose:	For Review
Recommendation:	The Committee is requested to note the attached update from the Students' Union.

Executive summary

The Committee is requested to note the attached update from the Students' Union.

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London South Bank University Students' Union

Turnaround Update FOR INFORMATION

Author(s)	Ben Whittaker, Interim Turnaround Director
Date	21/02/2020
Paper previously considered by:	None
Basis	For information
Further Approval Required?	No
Sensitivity	Confidential and Management Planning – limited distribution to named recipients/board only

Students' Union Turnaround Update

This paper aims to provide London South Bank University's Finance and Governance and Planning committee an update on the London South Bank University Students' Union turnaround programme and give assurances to committee members about the process in which the union is currently undertaking.

Background

Koreo were appointed by the Board in November to work to support the organisational turnaround of London South Bank University Students' Union following the departure of the union's leadership team. Koreo is a talent and management consultancy dedicated to working for organisations with a social purpose. The delivery team composes an experienced set of organisational managers who have direct experience of working in and leading students' unions.

Initial diagnostic work at LSBSU was presented to the Trustee Board at a meeting held on 12 December 2019. This work was formed through a series of conversations with the student officers, trustees and staff including a number of site visits and remote desktop research. Developed as a presentation of key risks, the playback formed the basis of the creation of the turnaround programme and was agreed by the Board following the meeting in December. Key areas of work and milestones within this programme were designed as follows:

1. Create an interim holding plan until June 2020 (Jan 2020)
2. Propose interim staffing structure (Jan 2020)
3. Agree 2020/21 plan and staffing structure (Feb 2020)
4. Agree block grant proposal and budget (February - March 2020)
5. Restructure of staff and implementation of new structure (April – May)
6. Recruit new CEO and external trustee(s) (appointment by June 2020)
7. Turnaround board dissolved (October/November 2020) - **we have been advised that the Board have requested the Turnaround Board is dissolved when the new trustees are appointed*

Due to the level of risk presented by the organisation when we first were appointed, and the fact that the board also recognised the short timeline for all of this work to be completed, we have been focusing on mitigating immediate, severe and critical risks and preparing the organisation for a restructure to enable it to restore operational delivery beyond its current limited capacity – and to stabilise its delivery in the short and longer term.

Summary

In order to complete the work outlined as part of the plan, since the board meeting in December 2019, we have worked at pace to implement immediate mitigation of severe and critical risks. Namely;

- Re-establishing the organisation's line management structure
- Organising the selection, appointment and induction of a trained management accountant to operate as the union's Interim Head of Finance
- Working with the Interim Head of Finance to create an immediate financial stabilisation plan and establish the union's financial position including the completion of handover with the previous finance team to ensure organisation stability
- Preparing and constituting a Turnaround Board and an operating schedule till June and enacting the programme
- Developing an interim holding plan to get to safety to June 2020 including management consultation
- Undertaking a staff and officer consultation and wider research to develop the key fundamentals for an emerging strategic plan from 2020/21

A further key priority has been re-establishing a relationship between the institution and senior staff, where we have held a number of meetings with key university personnel. We have also made contact with the institution's IT, HR and security offices to ensure provisions and permissions have been reallocated and all existing access to the union's management systems has been limited to those only currently working for the organisation.

An analysis of the current organisation has also continued, with the Trustee Board signalling intention to support the union in leading straight into an organisational restructure given its current state. Our analysis has suggested that the union is in a prime position, given the departure of many staff, to restructure at this time rather than waiting.

Finance and Audit

When we came into contract and initially scoped the position of the union's Finance Team it was clear that there was a deficiency of financial skill – but also a lack of financial management since the summer of 2019. We therefore reported immediately to the board that audited accounts for 2018/19 had not been posted, nor had accurate management accounts been prepared since the beginning of the academic year. We therefore prioritised this work and have successfully recruited a new Interim Head of Finance who has now produced a set of end of year accounts for 2018/19. I can also now confirm that the organisation's audit will be taking place W/C 24 February and will be completed by the 4th March. Once we have this final report it is my intention to have this approved by the union's Turnaround Board and shared with the university. We are also aiming to have up to date management accounts created by 6 March. These have currently been delayed due to a lack of phased budgets being allocated within the financial systems, but once we have these, we will again share these with the Turnaround Board and university so that all are aware of the current financial position of the organisation. To reassure members of the committee, we believe that the union's financial risks are reducing – that the union is and remains financially solvent, and that we currently have an operating surplus in our current accounts which covers all our known and planned expenditure at this current time.

Code of practice return

We are aware that the union has not submitted a code of practice return. We believe it is important to return an accurate and up to date set of information, and therefore once the organisation's financial audit is complete, we will submit this and all available details within the full return to the committee for your approval.

Turnaround board

We have now established a Turnaround Board which is meeting monthly. This board is made up of student officers, external trustees and a student trustee drawn from the main union Trustee Board. The Turnaround Board has been granted full delegated powers of responsibility for the day to day management, compliance, oversight and financial control of the organisations. The Board have met twice and have clear reporting lines with the interim turnaround team.

Strategy development

The union has now also commenced a strategic planning programme of work with the intention of creating an interim strategy for 2020/21 and setting new 5-year strategic objectives. This strategy will support the university's own new five-year strategy and will be aligned on shared outcomes and objectives. We will use this strategy process to plan our block grant proposal so that the Board have complete oversight of our work. We are working to the timeline that was outlined on page one of this document and are consulting with key stakeholders across the union and institution.

Operational stabilisation and protection of core services

We have been working with staff within the union to identify current activity and establish an immediate holding plan that details the work of the union from now until June. This work will ensure that the union's key services are protected and that the organisation meets all of its legal requirements.

We have therefore agreed the following areas of work will be completed:

1. **Meeting current demand for advice support** - maintaining an excellent standard of advice through the advice service that meets the needs of current demand and services key parts of the academic year
2. **Running a successful elections period** - ensuring a thriving elections process which engages candidates and students in electing a full set of elected officers for the 2020/2021 academic year
3. **Maintaining support for course reps** - enabling course reps to round out the year successfully by ensuring support for them as a community
4. **Delivering excellent student activities** - ensuring students can access excellent student activity groups and the successful delivery of sports tour and union awards
5. **Running refreshers activity and an NSS campaign** - enabling students to engage in the union over two overarching campaigns

Ben Whittaker

Interim turnaround Director

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