

**Minutes of the meeting of the Finance, Planning and Resources Committee  
held at 4.00 pm on Tuesday, 22 September 2020  
via MS Teams**

**Present**

Michael Cutbill (Chair)  
Jerry Cope  
Peter Fidler  
Nicki Martin  
Mee Ling Ng  
David Phoenix  
Deepa Shah  
Maxwell Smith

**In attendance**

Pat Bailey  
Richard Flatman  
Paul Ivey  
Kerry Johnson  
Deborah Johnston (for items 8 and 9 only)  
Nicole Louis  
Fiona Morey (for item 10 only)  
James Stevenson

**Observer:**

Rashda Rana

**1. Welcome and Apologies**

The Chair welcomed members to the meeting. The above apologies were noted.

**2. Declarations of Interest**

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

**3. Minutes from the last meeting**

The committee approved the minutes of the previous meeting, held on 30 June 2020, and their publication as redacted.

**4. Matters Arising**

The committee noted that work on the KPI framework was progressing according to schedule.

The committee noted that an update on the target operating model would be provided at the next meeting of 3 November 2020.

All other actions were noted as completed.

## 5. **LSBU management accounts to 31 July 2020**

The committee discussed the management accounts to 31 July 2020.

The committee noted that income for 2019/20 stood at £157.1m, an increase of £8.0m on the 2018/19 reported outturn and £5m more than budget. It was noted that the University was trending towards a surplus of £1.5m for 2019/20.

The committee noted that recurrent staff costs at year end were £88.2m (£1.4m less than budget), in line with previous forecasts. The committee noted that staff costs would continue to be a challenge for 2020/21. Further detail on LSBU workforce planning and target operating model would be provided at the next meeting on 3 November 2020. The committee noted the importance of balancing staff costs with ensuring there was enough capacity, especially in academic and IT support areas.

The committee noted that Opex for 2019/20 was £6.8m more than the June 2020 forecast, and that this included some coronavirus-related expenditure and the impairment of over £3m of previously capitalised costs associated with St George's Quarter.

The committee discussed the 2020/21 budget, noting that the University was still broadly in line with 'budget scenario 2b'. The committee noted the uncertainty surrounding projected pension costs for 2020/21. It was noted that the assumptions used by the actuaries would be reviewed in detail by the Group Audit and Risk Committee on 6 October 2020.

## 6. **Revolving credit facility/cashflow update**

The committee noted that the RCF sub-committee had met on 3 September 2020 and had authorised completion of the new facility with Barclays for a four year term (subject to extension options) for a £30m commitment. Following authorisation, the facility was completed on 9 September 2020. Financial covenants were on the same basis as the existing agreement with Barclays, with the exception that operational leverage would change from 5x to 4x from 2022/23 onwards. The committee noted that these covenant requirements had been tested and would continue to be met based on current forecasts.

The committee noted that the Executive was pursuing other opportunities including the potential borrowing of up to £15m from Lambeth Council to support future cashflow needs.

## 7. **Student recruitment update**

The committee discussed the update on LSBU recruitment and retention. As at 14 September 2020 the University had recruited 7,050 Firm Accepts, reflecting 99% of the revised post-coronavirus target of 7,110. The committee

noted that the remaining recruitment gap largely sat with part-time provision. The expected outcome for semester one was over-recruitment in full-time courses and under-recruitment in part-time. The committee noted that part-time provision was highly dependent on employer sponsorship.

The committee noted that there were still approximately three weeks remaining for Clearing applications to be made. Offer-making and conversion of offers was significantly higher than 2019/20. Operational issues with enrolment were noted, though adjustments were being made to ensure that students were able to participate before being fully enrolled.

The committee noted that the international team had secured deposits from 533 firm accept applicants for semester one entry. The revised 2020/21 budget required 400 fully-enrolled overseas students, and the University was largely on track to hit that target depending on conversion rates.

The committee noted that re-enrolment was underway, with 6,756 students re-enrolled as at 14 September 2020. The final progression and retention figures for 2019/20 would be known following the September re-sit boards and would be reported at the 3 November 2020 committee meeting.

## **8. NSS analysis**

The committee discussed in detail the key findings from the analysis of the 2020 National Student Survey (NSS) results. The overall score for LSBU was 75.9%, which represented a 2.5% drop compared with 2019 and a variance of -1.8% to the sector average. The committee noted that the results were not uniform between LSBU courses and schools.

The committee noted an update from the PVC (Education) on remedial actions. The committee noted that a task and finish group had been set up, and that having a complete and smoothly-functioning Students' Union team would be important for the next NSS.

The committee requested that the action plan be extended as necessary to address issues in Health, and that reduction of course structure complexity should also be considered as a path to better NSS outcomes.

## **9. Graduate outcomes**

The committee noted the update on the July 2020 graduate outcomes (GO) survey, which has replaced the DLHE survey. LSBU's result for the cohort who graduated in 2017/18 was 69%, placing LSBU in the bottom 50% of HEIs but ahead of most other London Modern institutions.

The committee noted that the target under the 2025 Strategy was to achieve a top quartile position for employment outcomes. Action planning to achieve this target was being developed, with a focus on placements and embedding employability skills and activities within the curriculum.

The committee noted that the GO survey was new and so there was still work to be done to understand how best to approach it. The committee judged that individual providers would have very limited scope to lobby for changes to the structure of the survey.

#### 10. **SBA annual performance and value review**

The committee noted the update from the Pro Vice Chancellor (Compulsory and Further Education) on the performance and value of the South Bank Academy Trust to the LSBU Group.

The committee noted that the attainment rates for both the University Academy of Engineering and the South Bank UTC had improved significantly between 2018/19 and 2019/20.

The committee noted the summary of the SBA Trust finances, noting the combined turnover of £8.6m and the £1.8m in reserves.

The committee noted that the introduction of the in-house Higher National Certificate (HNC) programme had been a positive innovation.

The committee welcomed the positive update.

#### 11. **Treasury management report**

The committee noted the treasury management report, showing total bank balances of £51.3m and outstanding loans of £33.8m.

#### 12. **Key performance indicators**

The committee noted the update on the 2019/20 strategic enabler KPIs and 2025 KPI framework. Development of the new KPI framework was still in progress but had progressed to include 2024/25 end-of-strategy targets and 2020/21 targets for key indicators for LSBU.

*{Secretary's note: a paper detailing the proposed KPI targets was considered by the Board at its meeting of 15 October 2020.}*

#### 13. **Annual fundraising report**

The committee noted the 2019/20 annual report on fundraising and charitable funds.

The committee noted the updates on the university's fundraising and philanthropy programme, charitable endowments and other charitable funds, and progress made on the gifts fundraising programme. As at 31 July 2020 the university held £862,387 in endowments, plus £194,909 in other restricted and unrestricted charitable accounts, of which the university itself was trustee.

14. **Gift Acceptance Policy**

The committee approved the new LSBU policy for the acceptance of gifts and donations. The policy set out the processes that LSBU follows to protect itself with regards to accepting philanthropic gifts and donations, and applies across all parts of LSBU and any associated charities.

15. **Group insurance programme annual report**

The committee noted the renewal of joint LSBU and SBC insurance cover for 2020/21. The insurance broker had been appointed on 1 August 2020 through the London Universities Purchasing Consortium (LUPC) framework, at the total cost of £515,074.

The committee noted the range of cover provided by the relevant policies.

16. **REI update**

The committee noted the update on research and enterprise activities for the 2019/20 academic year.

The committee noted the details of successful research grant applications, with Engineering securing 32% of projects and Health & Social Care securing 42%. The overall success rate was 25%.

The committee noted that the overall success rate for enterprise projects was 66%, with performance across the schools more even than research performance.

The committee noted that the bid submission rate for 2019/20 exceeded that for 2018/19, despite the effects of the coronavirus pandemic.

**Date of next meeting**  
**4.00 pm, on Tuesday, 3 November 2020**

**Confirmed as a true record**

*Michael Cutbill*  
..... (Chair)