

## Meeting of the Finance, Planning & Resources Committee

4pm – 6pm on Thursday, 5 May 2016  
in 1B16, Technopark, London Road, SE1

### Agenda

<i>No.</i>	<i>Item</i>	<i>Paper No.</i>	<i>Presenter</i>
1.	Welcome and apologies		Chair
2.	Declarations of interest		Chair
3.	Minutes from the last meeting	FPR.11(16)	Chair
4.	Matters arising		Chair
5.	Staff engagement	<i>Presentation</i>	EDOD
<b>Finance</b>			
6.	Management Accounts to 31 March 2016 (to discuss)	FPR.12(16)	CFO
7.	HEFCE grant settlement (to note)	FPR.13(16)	CFO
8.	Student recruitment update – Home, EU & International (to note)*	FPR.14(16)	COO
9.	KPI report – enablers (to note)	FPR.15(16)	CFO
9.	Treasury management report (to note)	FPR.16(16)	CFO
<b>People and Organisation</b>			
10.	Strategic HR report (to note)	FPR.17(16)	EDOD
<b>Resources and Infrastructure</b>			
11.	Chief Operating Officer's report (to note)	FPR.18(16)	COO
12.	Committee effectiveness (to discuss)	FPR.19(16)	Chair
13.	Any other business		Chair
14.	Date of next meeting: 4pm on Tuesday, 28 June 2016		

\*Paper to follow

Members: Andrew Owen (Chair), Jerry Cope (Chairman of the Board), David Phoenix (Vice Chancellor), Michael Cutbill, Neil Gorman, Mee Ling Ng, Abdi Osman (SU President) and Jenny Owen (Staff Governor)

With: Chief Financial Officer, Chief Operating Officer, Deputy Vice Chancellor, Executive Director of Organisational Development and HR, Pro Vice Chancellor (Education and Student Experience), Pro Vice Chancellor (Research and External Engagement), University Secretary and Governance Assistant.

	PAPER NO: FPR.11(16)
Paper title:	Minutes of the meeting of 27 October 2015
Board/Committee	Finance, Planning & Resources Committee
Date of meeting:	5 May 2016
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors
Board sponsor:	Andrew Owen, Chairman of the Committee
Purpose:	To approve the minutes of the last meeting as a correct record and to approve their publication.

### **Executive Summary**

The Committee is asked to approve the minutes of its meeting of 1 March 2016 and their publication on the LSBU website. Suggested redactions for publication on LSBU's website are in grey.



Minutes of a Meeting of the Finance, Planning  
and Resources Committee  
held at 4pm on Tuesday 1 March 2016  
in room 1B16, Technopark, London Road, London SE1

**Present**

Andrew Owen	Chairman
Jerry Cope	Chairman of the Board
Prof David Phoenix	Vice Chancellor and Chief Executive
Michael Cutbill	
Neil Gorman	
Mee Ling Ng	
Jenny Owen	

**In attendance**

Pat Bailey	Deputy Vice Chancellor
Mandy Eddolls	Executive Director of Organisational Development and HR
Richard Flatman	Chief Financial Officer
Ian Mehrtens	Chief Operating Officer
James Stevenson	University Secretary and Clerk to the Board of Governors
Shân Wareing	Pro Vice Chancellor (Education and Student Experience)
Joanne Vas	Governance Assistant

**Apologies**

Abdi Osman	SU President
Prof Paul Ivey	Pro Vice Chancellor (Research and External Engagement)

**Welcome and Apologies**

1. The Chairman welcomed Michael Cutbill to his first meeting of the Finance, Planning and Resources Committee. Apologies were received from Paul Ivey and Abdi Osman.

**Declaration of Interests**

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

**Matters Arising**

3. The committee noted that all matters arising had been actioned.

**Management accounts to 31 January 2016**

4. The committee discussed in detail the management accounts to 31 January 2016 (paper **FPR.02(16)**).
5. The Chief Financial Officer reported that following the mid-year budget review, savings of £3.2m had been identified as necessary to meet the budgeted surplus of £1m. These savings would be achieved through a £1.5m saving in operating expenditure and a £1.7m saving in staffing forecast (through holding staff appointments during the second half of the academic year).
6. The committee discussed the reduction of £2m in overseas fee income against budget. One of the drivers for this has been ensuring the successful renewal of the Tier 4 licence for the university through maintaining a visa refusal rate of less than 10%. This has led to a number of overseas students not being offered course places as a precaution.

**Student Recruitment Update**

7. The committee discussed an update on student recruitment (paper **FPR.03(16)**).
8. In order to achieve the recruitment target for 2016/17 of 2750, a target of 3200 applications has been agreed.
9. The focus now will be on conversion and ensuring students are engaged from the start of the recruitment process and their interest in LSBU maintained. The committee noted that comparable data from other institutions would be available from the Higher Education Statistics Agency at the end of March 2016.
10. The committee discussed the Edison project and learner analytics tool. The tool is in development and for use later this academic year.
11. The committee welcomed the initiatives taken to date in relation to re-positioning the university. The committee was keen for this to result in improved recruitment and retention.

### **KPI Report**

12. The committee reviewed the KPI report (paper **FPR.04(16)**). It was noted that further detail on the 'enabler' KPIs would be covered in the strategic HR and COO's reports. The committee requested that the full KPI report continue to be brought to the committee for information.
13. The committee requested that an updated organisation chart be circulated for reference.

### **Strategic HR report**

14. The committee discussed the Strategic HR report (paper **FPR.05(16)**). It was noted that the recent restructures of schools and professional services had gone well. A new HR IT system is being developed and should be fully functional by the end of academic year 2016/17. This will assist in generating core data on which to develop workforce planning requirements.
15. The committee noted that mandatory training amongst staff is at 43% completion, with uptake amongst professional services staff being much higher than academic staff. The Deans will be involved in ensuring mandatory training is undertaken by academic staff. The committee welcomed the provision of mandatory training.
16. Appraisal levels are at 91% which the committee noted as very successful. The employee engagement survey is also currently being conducted and the preliminary results of this will be reviewed at the Board Strategy Day on 21 April 2016.  
*{Secretary's note: the results of the employee engagement survey were presented to the committee at its meeting of 5 May 2016}*
17. The committee discussed the impact of high numbers of hourly paid lecturers on retention. The introduction of the Academic Framework has meant increased monitoring of academic staff and greater focus on the quality of output.
18. The committee noted an update on Health and Safety which included feedback on the successful London Fire Brigade safety audit of Borough Road in January 2016.

### **Chief Operating Officer's report**

19. The committee discussed the COO's report (paper **FPR.06(16)**); which included an update on Marketing. A marketing consultant had been appointed to identify LSBU's unique selling point and to identify ways to improve conversion. The Executive would review the consultant's report and provide an update to the Committee.
18. The committee noted the successful introduction of central timetabling for Semester 2. It is anticipated that new timetables will be distributed early in the Summer for the next Academic year which will have positive impacts both on student satisfaction and staff planning.
19. An update was given to the committee on the Prevent report which had been previously reported to the Audit committee.
20. The committee noted the recent opening of Elephant Studios media centre.
21. An update was given on Hugh Astor Court which has reached final agreement stage. A second round of local authority searches has been requested and the final contract should be signed mid-March 2016.
22. The committee noted the update on Equality, Diversity & Inclusion. The new Gender Network will be launched in March 2016. It was also noted that LSBU is number 92 in the Stonewall Workplace Equality Index – Top 100 employers 2016 for LGBT friendly places to work.

### **Treasury management policy**

23. Following a detailed discussion on the Treasury Management policy (paper **FPR.07(16)**), the committee approved the policy and requested that a review of the appetite for risk around treasury management be conducted on an annual basis.

### **Gifts & Hospitality policy review**

24. The committee approved the revised Gifts & Hospitality policy (paper **FPR.08(16)**).

### **Travel, Subsistence & Expenses policy review**

25. The committee approved the revised Travel, Subsistence & Expenses policy (paper **FPR.09(16)**). It was noted that reports on all travel and expenses will now be discussed at Executive meetings on a quarterly basis and thus will be closely monitored to ensure policy compliance. A guidance letter on expenses will be issued to all independent governors in due course.

**Financial Regulations policy review**

26. The committee discussed the Financial Regulations (paper **FPR.10(16)**). This was approved subject to some minor amendments to the wording of section 8.2 'Tuition Fee income' and section 12 'Expenditure' (specifically to include controls around the procurement of consultants).

**Date of next meeting**

27. The next committee meeting will be at 4pm on Thursday 5 May 2016.

The Chairman closed the meeting.

**Confirmed as a true record:**

..... (Chairman)



# Committee Action Points

29 April 2016

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14:38:54

Committee	Date	Minute	Action	Person Res	Status	
Finance, Planning and Resources	01/03/2016	13	Committee requested an updated organisation chart be circulated once available.	EDHR		<input type="checkbox"/> Completed
Finance, Planning and Resources	01/03/2016	19	Executive to review marketing consultant's report and provide an update to the Committee.	COO	Presented at Board Strategy Day	<input checked="" type="checkbox"/> Completed
Finance, Planning and Resources	01/03/2016	26	Financial Regulations wording to be amended in sections 8.2 and 12.	CFO		<input checked="" type="checkbox"/> Completed

	CONFIDENTIAL
	PAPER NO: FPR.12(16)
Paper title:	Management Accounts (March 2016)
Board/Committee	Finance, Planning & Resources Committee
Date of meeting:	5 May 2016
Author:	Ralph Sanders, Director of Planning, Information & Reporting
Executive/Operations sponsor:	Richard Flatman, CFO
Purpose:	To brief the Committee on the March 2016 Full Year Forecast
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Corporate Delivery Plan – Goal 8 Resources & Infrastructure ( <i>We will grow our income by 25% to £170m annually delivering an operating surplus of 5% and an EBITDA margin (our ability to generate cash) of 15%</i> )
Recommendation:	The Committee is requested to note the attached

Matter previously considered by:	Operations Board	19 April 2016
Further approval required?	No	On:

### **Executive Summary**

The full year forecast as at March 2016 is trending towards a surplus of £1.0M, this is consistent with last month's forecast and would deliver the University on budget.

The current forecast would deliver EBITDA (Earnings before interest, taxes, depreciation and amortization) at 11.8% which is ahead of our target for the year of 11.5%. The balance of cash and investments at £47.2M is ahead of our averaged target for the month of £43M. Our recurring income is up by 1.2% for the year. Excluding re-structuring costs, our recurring staff cost expressed as a % of income is also consistent with 55% target set by the Board of Governors.

The Committee is requested to note the attached.



1) This Executive Summary reports on the Financial position of London South Bank University as at 31 March 2016 and summarises the changes since the February forecast

2) RAG Status

Income Growth <b>1.2%</b> <i>excluding EDISON</i>	Staff Cost Growth <b>2.5%</b> <i>excluding EDISON &amp; restructuring</i>	Staff Cost % <b>55.3%</b> <i>excluding restructuring</i>	Opex Growth <b>-2.1%</b> <i>excluding EDISON</i>	FYF Surplus <b>0.7%</b>	EBITDA <b>11.8%</b>
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3) Summary

The full year forecast as at March 2016 is trending towards a surplus of £1.0M, this is a similar position to last month and would deliver the University on budget.

There have been no significant changes to the forecasts during March. The University is delivering to the adjusted budget which reduced Operating Expenses and reduced the rate of Staffing appointments as a consequence of lower than expected enrolment numbers.

Whilst there has been a year on year increase in new Postgraduate students and in new part-time Undergraduate students, the lower than expected enrolment numbers in full-time Undergraduates has made it challenging for the Schools portfolio to deliver to its budget and only the School of the Built Environment & Architecture and the School of Engineering are forecast to deliver over budget.

In terms of professional functions, Academic Related Resources is off budget due to increased ICT spend whilst Knowledge Transfer and Enterprise is off budget due to changes to funding of the Confucius Institute.

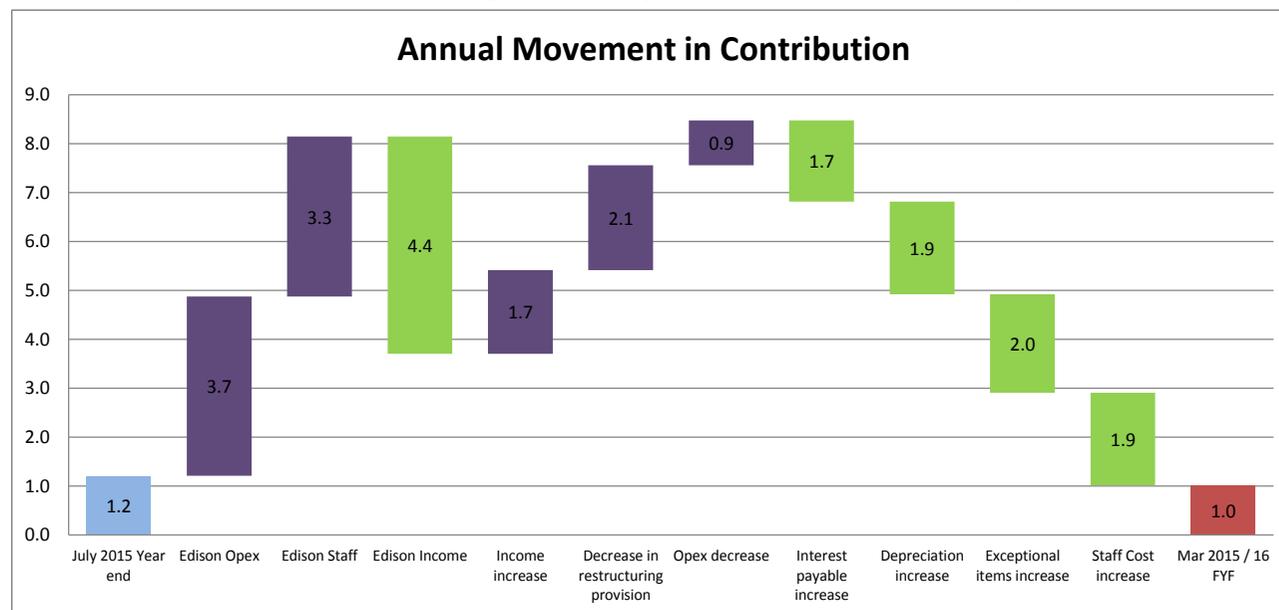
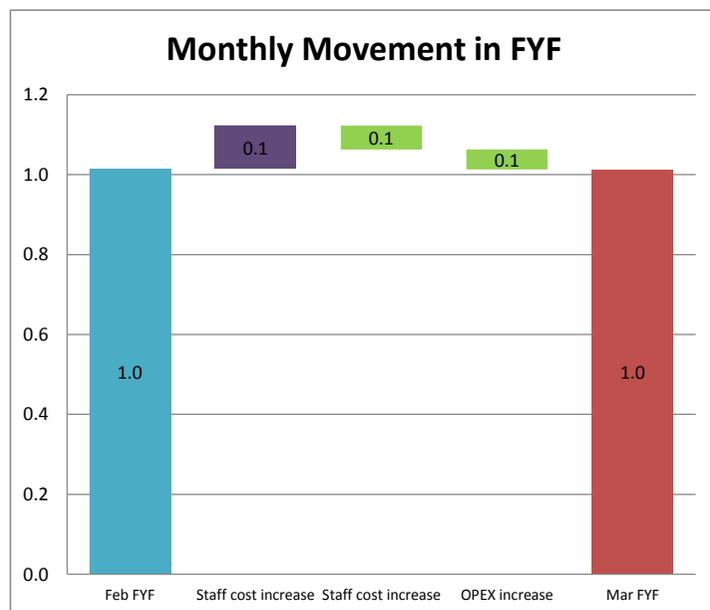
4) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	14/15 Actuals	15/16 Budget	Change %	Feb 15/16	Monthly Move	Mar 15/16	Budget variance (%)	Budget variance (%)	Mar 14 / 15 YTD	Mar 15 / 16 YTD	variance to 14/15	variance to 14/15
Funding Grants	14.8	13.4	-10%	13.4	0.0	13.4	0.0	0%	10.4	9.3	-1.2	-11%
Health - Contract	24.8	24.9	1%	25.2	0.0	25.2	0.3	1%	16.2	16.5	0.3	2%
Home / EU UG Fees	54.2	58.7	8%	57.4	0.0	57.4	-1.3	-2%	54.9	57.9	3.0	5%
Home / EU PG Fees	6.4	7.7	20%	7.6	0.0	7.6	-0.0	-1%	6.3	7.7	1.4	22%
Overseas Fees	10.6	10.9	3%	8.8	0.0	8.8	-2.1	-19%	10.7	8.8	-1.9	-18%
Research Activities	3.9	4.0	3%	3.9	0.0	3.9	-0.1	-3%	2.6	2.5	-0.2	-6%
Enterprise Activities	8.5	10.2	21%	9.6	0.1	9.6	-0.6	-6%	4.9	5.7	0.8	15%
Student Related Income	10.7	11.2	4%	11.1	0.0	11.2	-0.0	-0%	7.2	7.6	0.4	6%
Other Operating Income	7.0	1.5	-79%	1.1	-0.0	1.1	-0.4	-28%	1.4	0.7	-0.7	-51%
Endowments & Interest	0.3	0.2	-39%	0.2	0.0	0.2	0.0	0%	0.2	0.2	0.0	7%
<b>Income</b>	<b>141.1</b>	<b>142.7</b>	<b>1%</b>	<b>138.3</b>	<b>0.1</b>	<b>138.4</b>	<b>-4.3</b>	<b>-3.0%</b>	<b>114.9</b>	<b>116.8</b>	<b>1.9</b>	<b>2%</b>
<b>in £'m</b>												
Academic Staff Costs	42.1	41.8	-1%	39.4	0.0	39.5	-2.4	-6%	25.7	25.1	-0.7	-3%
Support & Technicians	32.2	36.9	15%	35.8	0.2	36.0	-0.9	-3%	20.7	22.1	1.4	7%
Third Party Staff	7.2	2.1	-71%	2.5	0.0	2.5	0.4	20%	2.4	1.7	-0.7	-29%
Depreciation	8.8	10.7	22%	10.6	0.0	10.6	-0.0	0%	5.8	6.5	0.7	12%
Operating Expenses	46.7	43.5	-7%	42.0	0.1	42.2	-1.3	-3%	24.1	24.2	0.1	0%
Interest Payable	3.0	4.7	58%	4.6	0.0	4.6	-0.1	-1%	2.0	3.2	1.2	57%
Exceptional Items	0.0	2.0	0%	2.2	-0.2	2.0	-0.0	-1%	0.0	0.0	0.0	0%
<b>Expenditure</b>	<b>139.6</b>	<b>141.7</b>	<b>2%</b>	<b>137.3</b>	<b>0.1</b>	<b>137.4</b>	<b>-4.3</b>	<b>-3.0%</b>	<b>80.8</b>	<b>82.8</b>	<b>2.0</b>	<b>3%</b>
<b>Surplus for the year</b>	<b>1.2</b>	<b>1.0</b>	<b>-17%</b>	<b>1.0</b>	<b>-0.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0%</b>	<b>34.1</b>	<b>34.0</b>	<b>-0.1</b>	<b>-0%</b>
<b>Surplus as % of income</b>	<b>0.9%</b>	<b>0.7%</b>		<b>0.7%</b>		<b>0.7%</b>			<b>60%</b>	<b>60%</b>	<b>YTD Staff Cost %</b>	
<b>Surplus per student FTE</b>	<b>£82.0</b>	<b>£71.5</b>		<b>£76.8</b>		<b>£76.6</b>			<b>52%</b>	<b>56%</b>	<b>YTD OPEX Cost %</b>	
									<b>58%</b>	<b>58%</b>	<b>Total YTD Cost %</b>	

## 5) Forecast Summary

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The monthly movement in Full Year forecast is due to the transfer of funds from the Investment Pot to the areas that have the approved expenditure. These have included the Winter Intern Programme in Student Support and Research & Enterprise activity within the School of Arts & Creative Industries. There are no cases of budget holders trying to pull back from their required savings.



The University is forecast to grow its normal operating income by £1.7M year on year, will be investing an additional £1.9M in staff year on year and has £2.0M remaining in Exceptional items to support Research and Enterprise activity and committed investment funds. Following the Operating Expense reduction the University is expected to spend over £0.9M less on recurring expenses than last year.

The University is benefitting from a £2.1M reduction in the restructuring provision for the year which currently stands at a forecast £1.5M as compared to last years £3.6M. This however has been offset by a forecast £1.7M increase in interest payable relating to FRS17 Pension costs and a £1.9M increase in depreciation due to our investments in capital expenditure.

## 6) Risks and Contingencies

The Full Year Forecast contains a number of risks primarily now to do with retention. The final 50% of an Undergraduate's Tuition Fee is only payable if there is activity in in the final Semester and so student engagement this month has direct financial consequences. We returned £0.5M in March to students that had withdrawn or interrupted bringing our total for the year to £2.5M. We are holding £0.5M of further refunds in our income forecast, which is why our YTD Home / EU UG Fee income of £57.9M is higher than the Full Year Forecast of £57.4M. Whilst we have billed our entire PG and Overseas full year income forecast there is also a risk to our Research Grant income where we have billed £2.5M against a £3.9M forecast and our Enterprise activities where we have billed £5.7M against a £9.6M forecast.

To balance some of these risks, we still hold a contingency of £0.5M and a staff restructuring provision of £1.5M. There have been no charges to the restructuring provision in 15/16 and we may have slightly overprovided in 14/15. We continue to review this provision and will release any overprovision at year end. There are no funds remaining in the £1M general Investment Pot.

There are however a number of risks including additional pension charges related to FRS102 and potential bad debt provision. We do not expect any changes to the HEFCE grant for 15/16 following the recent BIS budget settlement.

## 7) Contribution Analysis

The current forecast contribution for the year is £0.2M behind the 2014/15 final outturn and £2.7M behind the directly comparable position once we strip out the costs of the EDISON programme and the extraordinary levels of voluntary redundancy. EBITDA at 11.8% is ahead our target for the year of 11.5%. The balance of cash and investments at £47.2M is also ahead of our averaged target for the month of £43M. Our recurring income is up by 1.2% for the year. Our recurring staff cost expressed as a % of income, once we have adjusted for the £1.5M restructuring provision, is also in line with the 55% target.

**Contribution per Student and per Staff**excluding School admin  
and Technicians

	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	14 / 15 Actual	Mar 15/16 FYF	14 / 15 Actual	Mar 15/16 FYF	14 / 15 Actual	Mar 15/16 FYF	14 / 15 Actual	Mar 15/16 FYF	14 / 15 Actual	Mar 15/16 FYF	14 / 15 Actual	Mar 15/16 FYF	14 / 15 Actual	Mar 15/16 FYF	14 / 15 Actual	Mar 15/16 FYF
Income (M)	£10.7	£11.4	£9.4	£9.6	£15.0	£16.2	£17.9	£16.4	£18.2	£19.0	£32.8	£33.0	£14.6	£14.8	£118.6	£120.3
Expenditure (M)	£5.7	£5.6	£3.8	£4.4	£7.1	£6.7	£8.7	£7.8	£9.9	£9.1	£18.6	£18.5	£6.9	£6.9	£60.8	£59.0
Contribution (M)	£5.0	£5.8	£5.6	£5.2	£7.8	£9.4	£9.2	£8.6	£8.3	£9.9	£14.2	£14.5	£7.7	£7.9	£57.8	£61.4
Contribution %	46%	51%	60%	54%	52%	58%	51%	53%	45%	52%	43%	44%	53%	53%	49%	51%
Student FTE	1,128	1,166	1,040	1,026	1,596	1,722	2,622	2,161	1,437	1,686	3,592	3,779	1,694	1,678	13,109	13,218
Contribution per Stud FTE	£4,400	£5,000	£5,400	£5,100	£4,900	£5,500	£3,500	£4,000	£5,800	£5,800	£4,000	£3,800	£4,500	£4,700	£4,400	£4,600
Academic / HPL FTE	52	47	35	37	65	60	106	81	56	64	183	190	69	71	566	551
Student / Acad. Staff ratio	22	25	29	28	25	29	25	27	26	26	20	20	25	24	23	24
Contribution per Staff FTE	£95,300	£122,500	£158,900	£141,300	£120,300	£158,400	£86,900	£106,000	£148,100	£153,900	£77,500	£76,300	£111,400	£110,500	£102,000	£111,300

The Schools are £4.1M behind their income target and £1.6M behind their contribution target and every School is expected to miss budget apart from the School of Engineering and the School of the Built Environment and Architecture. The total contribution from the Schools at £61.4M is however £3.6m higher than in 14/15 and every School is improving its financial position except for the School of Arts & Creative Industries which is benefitting from extra investment in 15/16 and the School of Business which has transferred the Division of Informatics to the School of Engineering

**8 ) Student Number Analysis**

In 2013 / 14 we lost £3.0M in income from the 1,092 students who Withdrew or Interrupted. In 2014/15 we lost almost £3.7M in terms of the difference between the Fee that we will charge and the Fee that would have been charged if the student completed. In 15/16 we are forecasting to return £2.9M and have already returned £2.5M of this. In terms of % we are better than the comparable position in 14/15 and this has been particularly pronounced in the School of Engineering.

**9) Student Withdrawal Analysis**

Academic yea	Total Students	Total Withdrawals	% of Total	Comparable at 31/3	
12/13	19,262	1,020	5.3%	791	4.1%
13/14	19,734	1,092	5.5%	794	4.0%
14/15	19,495	1,102	5.7%	771	4.0%
15/16	19,947			638	3.2%

'Lost Income'	Mar	15/16 YTD	Ma	15/16 YTD	
Applied Science	£111,000	£383,000	Engineering	£43,000	£290,000
Arts and Creative Industries	£86,000	£342,000	Health & Social Care	£20,000	£89,000
Built Environment & Architecture	£75,000	£420,000	Law & Social Sciences	£34,000	£427,000
Business	£130,000	£558,000	Total	£499,000	£2,509,000

**10) Income Analysis**

The slight increase in in income this month is due to on-going negotiations with the team at the Confucius Institute and a VAT transfer within Graduations activity in Marketing. The University is growing its income by 1.2% once we have excluded last years Edison investment

**11) Staff Cost Analysis**

In terms of staffing we have recognised £2.9M savings against budget and are now expected to grow staff costs by just £1.9M year on year. This is a 2.5% increase so staff costs are growing faster than income. Excluding the provision for restructuring, we have invested £48.7M in staff in the first 8 months of the year, approximately £6.1M per month, and are forecasting a further £27.5M investment in staffing in the last 4 months of the year approximately £6.9M per month. This increase of £0.8M per month equates to an 13% increase in average staffing costs in the final 4 months of the year as compared to the first 8 months.

**12) Operating Expense Analysis**

In terms of Operating Expenses, every area has delivered the 3.5% reduction in operating expenses required by the Executive to move the University into a balanced position for the year. We are 67% of the way through the year but have spent only 57% of our total Expense forecast.

**13) Budget Analysis**

There are 33 distinct areas of the University that have separate budgets and each area is expected to deliver to their Budget. 5 of the 7 Schools are no longer expected to deliver to budget, 20 areas are forecast to deliver better than budget but ICT including Innovation and the Confucius Institute are in a deficit position.

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
			2015 Forecast (£)	2015 Budget (£)	Variance - Forecast to Budget (£) %		Note	2015 Actuals (£)	2015 Budget (£)	Variance - Actuals to Budget (£) %		Note	
-141,122,532	-114,884,307	<b>Total Income</b>	-138,395,958	-142,690,999	(4,295,040)	(3%)		-116,794,055	-118,667,805	(1,873,751)	(2%)		-21,601,903
81,457,831	48,778,862	<b>Total Staff Costs</b>	77,944,247	80,825,814	2,881,566	4%		48,847,523	52,388,766	3,541,243	7%		29,096,725
8,758,726	5,786,132	<b>Total Depreciation</b>	10,649,741	10,668,491	18,750	%		6,491,064	7,156,331	665,266	9%		4,158,677
46,732,524	24,143,944	<b>Total Other Operating Expenses</b>	42,153,386	43,476,043	1,322,658	3%		24,233,262	27,608,535	3,375,273	12%		17,920,124
2,961,894	2,045,439	<b>Total Interest Payable</b>	4,623,104	4,692,374	69,270	1%		3,213,721	3,066,762	(146,959)	(5%)		1,409,383
		<b>Total Exceptional Items</b>	2,012,370	2,027,276	14,906	1%			576,184	576,184	100%		2,012,370
-1,211,558	-34,129,931	<b>Contribution</b>	-1,013,110	-1,000,000	13,110	1%		-34,008,485	-27,871,227	6,137,258	22%		32,995,375
57.7%		Staff costs as % of income	56.3%	56.6%				41.8%	44.1%				
0.9%		Contribution %	0.7%	0.7%				29.1%	23.5%				

	CONFIDENTIAL
	PAPER NO: FPR.13(16)
Paper title:	April Grant letter (embargoed to 6 May 2016)
Board/Committee	Finance, Planning & Resources Committee
Date of meeting:	5 May 2016
Author:	Ralph Sanders, Director of Planning, Information & Reporting
Executive/Operations sponsor:	Richard Flatman, CFO
Purpose:	To brief the Committee on the April Grant Letter and its impact on 16/17 Budget targets.
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Corporate Delivery Plan – Goal 8 Resources & Infrastructure ( <i>We will grow our income by 25% to £170m annually delivering an operating surplus of 5% and an EBITDA margin (our ability to generate cash) of 15%.</i> )
Recommendation:	The Committee is requested to note the attached.

Matter previously considered by:	Executive	19 April 2016
Further approval required?	No	On:

### **Executive Summary**

The HEFCE Recurrent Grant letter was received on April 19 although it is embargoed until 6 May 2016. This letter outlines the funding that the University will receive for its Teaching, Research and Enterprise activities.

The amount the University has received from HEFCE has been reducing over the last few years as the funding for a University education has transferred from HEFCE to the student. The recurrent grant also includes funds to enable widening access and social mobility through the Student Opportunity fund. The government has been indicating that these funds will be retargeted and reduced and so the University in

# London South Bank University

both its most recent 5 year forecast and initial 16/17 budget targets has been factoring in a reduction of 40%.

The total funding of £12.2M as indicated in the letter is a reduction of £1.6M as compared to 15/16.

- £0.6M is a reduction in Student Opportunity Funding
- £0.7M is a reduction in Other targeted Allocations linked to the reduction in 'Old Regime' students
- £0.2M is a reduction in High Cost Student Funding
- £0.1M is a reduction in QR and HEIF

The reduction in Student Opportunity funding was not as large as had been anticipated and the net impact is an additional £0.8M of revenue available for the 16/17 budget.

The Executive are currently determining the impact that this additional revenue could have on the University's investment priorities in 16/17 and the Committee is requested to note the attached.

**16 / 17 Budget targets VS Grant Allocation****16/17 Budget target as Approved by the Exec included**

	<b>Teaching Grant</b>	<b>QR Research Grant</b>	<b>HEIF Grant</b>	<b>Deferred Capital Grant</b>
School of Applied Sciences	1,186,099	334,758		20,520
School of Arts & Creative Industries	666,075	93,797		7,792
School of the Built Environment & Architecture	1,964,961			10,803
School of Business	721,896	68,849		0
School of Engineering	2,554,019	726,661		19,937
School of Health & Social Care	326,272	416,038		35,763
School of Law & Social Science	770,253	315,507		
Student Support	207,373			
Marketing Recruitment & Admissions	280,214			
Enterprise			543,000	
Student Support				
ICT				61,540
Residences				14,791
Estates				1,071,310
Marketing Recruitment & Admissions				
Finance				13,178
FUNI				767,331
<b>TOTAL Budgeted Funding Grants</b>	<b>8,677,163</b>	<b>1,955,611</b>	<b>543,000</b>	<b>2,022,966</b>
April 16/17 Grant letter	9,924,950	1,766,193	486,891	
TCIF / RCIF & Other Grant letters				1,880,027
Difference	<b>1,247,787</b>	<b>-189,418</b>	<b>-56,109</b>	<b>-142,939</b>
Net Difference to 16/17 Budget	<b>859,322</b>			

## Grant letter Year on Year Analysis

	<b>15-16</b>	<b>16-17</b>	Variance rounded
	Per October 15 letter	Per April 16 letter	
High-cost subject funding			
Supplement for old-regime students	666,654	155,758	
	<b>666,654</b>	<b>155,758</b>	<b>(511,000)</b>
Subject-based allocation		2,712,719	
Supplement for postgraduate taught		442,008	
High-cost subject funding	<b>3,339,942</b>	<b>3,154,727</b>	<b>(185,000)</b>
Students attending courses in London	<b>2,483,385</b>	<b>2,301,172</b>	<b>(182,000)</b>
Widening access for students from disadvantaged backgrounds - <b>FT</b>	186,571	131,607	
Widening access for students from disadvantaged backgrounds - <b>PT</b>	160,721	154,788	
Widening access and improving provision for disabled students	272,172	382,899	
Improving retention - <b>FT</b>	2,824,284	2,192,568	
Improving retention - <b>PT</b>	922,089	913,691	
Student Opportunity Funding	<b>4,365,837</b>	<b>3,775,553</b>	<b>(590,000)</b>
Part-time undergraduates	174,018	169,491	
Intensive postgraduate provision	254,385	239,260	
Erasmus+ and overseas study programmes	9,000	2,250	
Very high-cost STEM subjects	124,584	126,739	
	<b>561,987</b>	<b>537,740</b>	<b>(24,000)</b>
Mainstream QR	1,142,933	1,164,777	
London weighting on mainstream QR	137,151	139,774	
QR charity support fund	90,780	81,875	
QR business research element	78,024	74,835	
QR RDP supervision fund	371,048	304,932	
Non-consolidated transitional funding for RDP supervision			
HEFCE QR	<b>1,819,936</b>	<b>1,766,193</b>	<b>(54,000)</b>
Per April 16 grant letter	<b>13,237,741</b>	<b>11,691,143</b>	<b>(1,546,000)</b>
Knowledge Transfer / HEIF	<b>543,157</b>	<b>486,891</b>	<b>(56,000)</b>
Total	<b>13,780,898</b>	<b>12,178,034</b>	<b>(1,602,000)</b>

	CONFIDENTIAL
	PAPER NO: FPR.15(16)
Paper title:	Corporate Key Performance Indicators – Strategic Enablers
Board/Committee	Financial Planning & Resources Committee
Date of meeting:	5 May 2016
Author:	John Baker – Corporate & Business Planning Manager
Executive/Operations sponsor:	Richard Flatman – Chief Financial Officer
Purpose:	To present the latest performance figures for the KPIs for Strategic Enablers for the 15/16 cycle, as at 18April 2016. (other KPI performance figures for the other goals are provided for information).
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	The indicators help to track institutional progress across all sections of the Corporate Strategy.
Recommendation:	The Committee is requested to note this report.

Previously considered	Operations Board	19 April 2016
Further approval?	Board Progress Report	19 May 2016

**Executive Summary:**

The report presents the latest performance figures for the KPIs for strategic enablers (the full KPI report is provided for information).

Financial forecast figures have been provided (*for KPIs 20 - 22*) to reflect the most recent management accounts (March). These have been RAG rated according to the criteria agreed by the Board in November 2015.

Where no new results have been received since the last presentation in March, the column remains grey, and the 14/15 column indicates the most recent institutional performance against this metric. Please note that at the time of printing, the completed appraisal figure stood at 91% for 2014/15.

The Committee is requested to note the report.



Out comes	#	Corporate Strategy Goals	Report Date	18th April 2016	Past Performance			benchmark	Target	15/16 Ratings		NY	Ambition	15/16 Rating Criteria					
			20/20 Success Measures	#	Key Performance Indicators	2012/13	2013/14	2014/15	Competitor Group 12/13 average	2015/16	Forecast RAG rating	Actual Result Rating	2016/17	2020/21	Exec. Lead	Green	Amber	Red	
Student Success	1	Employ- ability	95% students in employment / further study (EPI)	1	DHLE entry to employment or further study (EPI)	77.4%	85.5%	90.2%	88.5%	93%	90.4%		94%	95%	PVC (SE)	93 % +	90 - 92 %	<90 %	
			Top 10 UK universities for student start ups	2	Number of Student start ups	6	1	30	47.86	50			80	150	PVC (R&E)	50 +	43 - 49	< 42	
	2	Student Experience	Top quartile of all universities in NSS	3	NSS scores – overall satisfaction	82%	80%	82%	81.7%	84%			86%	89%	DVC	84 % +	81 - 83 %	< 81 %	
				4	International Student barometer (% recommending LSBU)	73.00%	72.40%		not available	75%		77.0%	78%	81%		75% +	71 - 74%	< 71 %	
				5	PGT experience (% satisfaction)	75%	77%	74%	not available	77%			80%	82%		77 % +	74- 76 %	< 74 %	
				6	Student Staff Ratio	24.2:1	17.2:1	16.4:1	21.2	17:5			17:5	18:1		<=17.5	17.5 - 18.5	> 18.5	
Real World Impact	3	Teaching and Learning	Top 50% of universities for graduate employment / starting salaries.	7	Graduate level employment (All Leavers)	59%	54%	79%	n/a (local indicator)	77%	81.0%		78%	80%	PVC (SE)	77 % +	72 - 76 %	<72 %	
	4	Research and Enterprise	Top 50% UK for Research & Enterprise Income	8	Research Income (non Hefce)	£2.2m	£1.8	£2.0m	£6.1	£2.2	£2.0m		2.75m	£6.0 m	PVC (R&E)	£2.2 m +	£2.05 - 2.15 m	<£2.05 m	
				9	Enterprise Income	£8.5m	£9.4m	£8.7m	not available	£10.2	£9.6m		12m	£15.0 m		£10.2 m +	£9.7 - 10.1 m	<£9.7 m	
Access to Opportunity	5	Access	Top London Modern for LPN recruitment	10	% recruitment from low participation neighbourhoods	7.3%	7.4%	7.7%	6.4%	8.0%		8.4%	8.2%	9.0%	PVC (R&E)	8.0% +	7 - 7.9 %	<7 %	
				11	FT UG recruitment pre-clearing applicant %	68.0%	76.0%	79.2%	not available	80.0%	78.4%			90%		80 % +	76 - 79 %	< 75 %	
				12	First Degree Completion (at or above benchmark)	-6.7%	-9.5%	-7 %	-3.13%	-4%			0%	+3%		>=-4 %	-5 to -7 %	<-8 %	
			13	Year 1 progression	70.1%	69.1%	69.5%	not available	75%	71.9%		78%	85%		75 % +	72 - 74%	<72%		
			14	Good Honours		61.0%	61.2%	62.2%	60 - 65%			60 - 65%	60 - 65%	DVC	60 % +	58 - 59 %	<58 %		
	15	PG completion	67.1%	54.8%	61.5%	not available	70%			80%	85%		70% +	66 - 69 %	< 66%				
	6	International	4 QS Stars	16	QS Star Rating	n/a	2 (prov.)	3 stars	not available	3	3		3	4	VC	3	2	1	
				17	Overseas student income	£8.8m	£8.5m	£10.6m	£29.5m	£10.9	£8.8m		14m	20m	PVC (R&E)	£10.9 m +	£10.3 - 10.8 m	<£10.3 m	
	Strategic Enablers	7	People and Organisation	Rated as a good employer	18	Appraisal completion %	28%	37%		not available	95%			95%	95%	EDHR	95 % +	90 - 94 %	< 90 %
					19	Average Engagement Score as as %	58%	-		70%	55%			60%	75%	EDHR	55%	51 - 54 %	< 51 %
8		Resources and Infrastructure	Grow our income by 25% to £170m annually, deliver an operating surplus of 5% and an EBITDA margin of 15%	20	Surplus as % of income	4.0%	2.3%	0.9%	9.6%	0.7%	0.7%		0.68%	5.0%	CFO	0.7 % +	0.4 - 0.6 %	< 0.4%	
				21	Income (£m)	£137.9m	£134.8m	£140.8m	£188.2m	£142.8m	£138.4		£147.3m	£170.0m		£142.8 m +	£137 - 142 m	< £137 m	
				22	EBITDA margin (EBITDA expressed as % of income)	12.6%	11.4%	9.2%	9.20%	11.5%	11.8%		11.1%	15.0%		11.5% +	11.1 - 11.4%	<11.1%	
			23	Student satisfaction ratings with facilities & environment	80.0%	83.0%	87.7%	82.7%	88.5%			89%	90%	COO	88 % +	85 - 87 %	< 85%		
24	Teaching room utilisation rate	23%	22%	21%	not available	25%			30%	48%	25% +	22 - 24%	<22%						



	PAPER NO: FPR.16 (16)
Paper title:	Treasury Management Report
Board/Committee:	Finance Policy and Resources
Date of meeting	5 May 2016
Author:	Ephraim Maimbo, Financial Accountant
Executive/Operations sponsor:	Richard Flatman, Chief Financial Officer
Purpose:	To report on the University's bank deposits, loan arrangements and compliance with the Treasury Management Policy.
Aspect of the strategic/corporate delivery plan to which this will help deliver?	Financial Management /Sustainability
Recommendation:	That the Committee notes the contents of this report.

Matter previously considered by:	The Executive	20 April
Further approval required?	N/a	N/a
Communications – who should be made aware of the decision?	N/a	

## 1. Executive summary

The University's total bank balances were £47.1m at 31 March 2016. This compares to £50.5m at 31 March 2015. Interest earned for the 8 months from 1 August 2015 - 31 March 2016 was £148.0k. A new treasury management policy (TMP) has been agreed and management of the University's cash reserves and loan arrangements is now the responsibility of the Financial Accounting team.

## 2. Cash Balances and term deposits

The table below shows interest received in the 8 months to 31 March 2016 compared to budget.

Period	Actual 8 months to 31 March 16 £'000	Budget 8 months to 31 March 16 £'000	Previous year, 8 months to 31 March 15 £'000
Amount	148.0	123.0	138.5

Interest received in the 8 months to 31 March 2016 is £25k above budget and £9.5k higher than the same period last year. These variances are due to slightly higher deposit rates and a delay in cash outflow from planned capital investments.

The table below illustrates the detail of our main bank deposits (excluding current accounts).

Banks	31 March 2016			31 March 2015
	Funds held	Interest rate	Date deposit matures	Interest rate
Lloyds	£10.59m	0.80%	25/8/16	0.64%
Bank of Scotland	£5.32m	0.80%	25/8/16	0.64%
Scottish Widows	£5.10	0.40%	7 day notice	0.40%
Federated Investors	£5.24	0.91%	Instant	0.57%
Barclays	£8.37	0.40%	Instant	0.5%
Natwest	£6.78	0.40%	Instant access	0.4%

Funds placed on deposit with Lloyds and Bank of Scotland are on six month deposit, maturing on 25/8/16. Other funds are in instant access or near instant access accounts.

The table below shows all bank balances and interest earned at 31<sup>st</sup> March 2016.

Institution	Account Type	YTD Interest £'000	balance at 31 March 2016 £'000	Balance at 31 July 2015 £'000
Natwest	Business current		1,261	-
Natwest	CCMP	22	3,537	10,296
Natwest	Euro currency account		1,499	999

Natwest – Charitable funds	CCMP	8	3,242	3,171
HSBC	Business current		7	7
HSBC	Euro current		662	584
Lloyds	Corporate special		2	1
Lloyds	6 months fixed	24	5,071	5,039
Lloyds	6 months fixed	25	5,520	5,485
Bank of Scotland	Corporate deposit	2	534	532
Bank of Scotland	6 months deposit	24	5,316	5,281
Bank of Scotland	Corporate instant access		198	198
Prime rate capital management	Sterling Liquidity fund		2	2
Prime rate capital management	Sterling Cash Plus GBP	28	5,236	5,204
Barclays	Business account		407	4
Barclays	FIBCA	2	8,369	8,365
Scottish Widows Bank Plc	Deposit account	10	5,106	5,096
Scottish Widows Bank Plc	Deposit account	1	233	233
Natwest (Enterprise)	CCMP	1	466	463
Natwest (Enterprise)	CCMP	1	486	138
<b>Total</b>		<b>148</b>	<b>47,154</b>	<b>50,497</b>

### 3. Risk

The TMP sets out limits within which surplus funds can be invested. We will investigate what changes need to be made to maximise our interest income whilst retaining the liquidity required for day to day operations.

The table below sets out the limits allowed within the TMP and how current deposits are rated.

Credit rating agency	S&P	Moody's	Fitch	Deposit limits (£ millions)
Band 1	A	A2	A	£10.0
Band 2	BBB+	Baa1	BBB+	£5.0

The university is permitted to place deposits with institutions operating in the UK which are authorised and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority. The rating criteria above refers to the long term senior unsecured or counterparty credit ratings for the institution taking the deposit. The minimum rating requirement must be met by at least two of the three main credit rating agencies. Deposits held in breach of the limits above should be limited to one month or less.

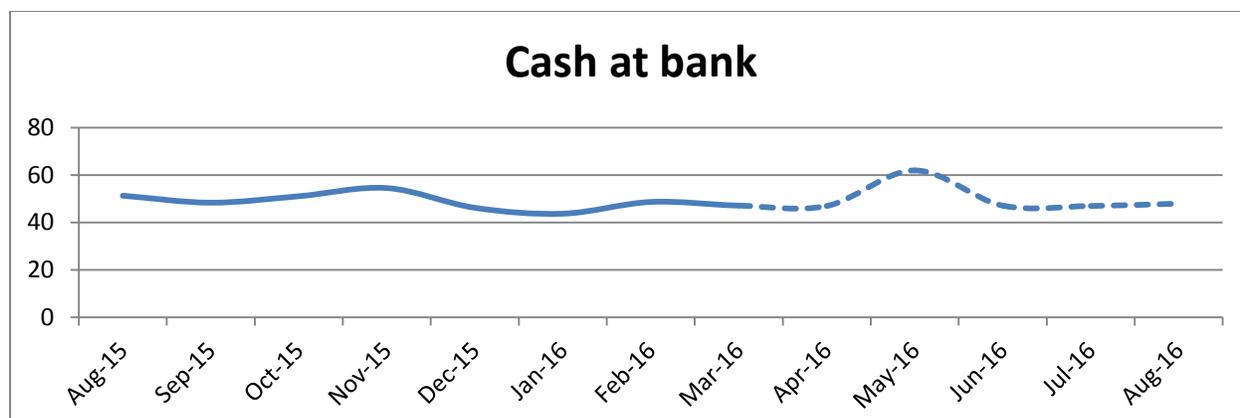
Bank	S&P	Moody's	Fitch	Total with this institution (deposits and current accounts) £'m
Natwest current accounts *	BBB+	A3	BBB+	£10.5
HSBC	A	A1	AA-	£0.7
Lloyds bank plc	A	A1	A+	£10.6
Bank of Scotland	A	A1	A+	£6.0
Federated Investors	AAA	N/A	AAA	£5.2
Barclays bank plc	A	A2	A	£8.8
Scottish Widows	A	A2	N/A	£5.3
Total				<b>£47.1</b>

\*For operational reasons the University needs the flexibility of keeping varying amounts of cash in current accounts. To facilitate this the TMP allows up to £25m to be held for periods of up to 1 months duration or in current accounts with its clearing bank, Natwest. As Natwest currently only meets the rating criteria in band 2, deposits over £5m are limited to one month's duration. At the date of this report, all funds with Natwest are held in instant access accounts and therefore the TMP is not breached.

Where the ratings agencies assigns separate credit ratings to institutions within a group, the TMP treats them separately and does not aggregate funds together when assessing the credit risk. Therefore, although Lloyds, Bank of Scotland and Scottish Widows are all part of the same corporate group, this does not cause us to be in breach of our TMP.

#### 4. Cash flow forecast

The graph below reports our cash balances at each month end up to 31<sup>st</sup> March 2016 and forecasts forward to the end of August 2016.



## 5. Loans

The University's Loan Balance at 31 March 2016 is £27.1m split between AIB and Barclays Bank Plc. The next loan repayments are scheduled for the 30 June 2016. The table below shows the balances and repayable period per loan at 31 March 2016.

Bank	Balance 31 Mar 16 £'000	Remaining period of repayment	Interest rate	Annual interest cost (2014/15) £'000
<b>AIB</b>				
Dante Road	4,340	11.25 yrs to 2027	6.67% fixed	300
<b>Barclays Bank</b>				
David Bomberg House	4,975	15.75 yrs to 2032	5.68% fixed	285
K2 Loan 3	5,000	13 yrs to 2029	5.03% fixed	251
K2 Loan 4	8,076	18 yrs to 2032	5.32% fixed	431
K2 Loan 5	4,751	15.75 yrs to 2032	0.735% variable	274
<b>Total</b>	<b>27,142</b>			<b>1,541</b>

The majority of these loans are at fixed rates for varying terms and penalties apply for early repayment. The exception is the variable rate K2 loan 5.

## 6. Recommendation

It is recommended that the Executive note the contents of this report.



	CONFIDENTIAL
	PAPER NO: FPR.05(16)
Paper title:	Executive Director of HR Report
Board/Committee	Finance, Planning and Resources Committee
Date of meeting:	5 May 2016
Author:	Mandy Eddolls, Executive Director of HR
Executive/Operations sponsor:	Mandy Eddolls, Executive Director of HR
Purpose:	[ <i>Why is the paper coming to the meeting?</i> ] Decision / Discussion / Information
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Goal 8 People and Organisation
Recommendation:	The committee are asked to note the report.

Matter previously considered by:	No	N/A
Further approval required?	No	On: N/A

## 1. Industrial Relations

- 1.1. Relations with UCU, our academic union remain strained. UCU have declared a Trade Dispute after rejecting a 1% pay offer, made on behalf of institutions participating in National Pay Negotiations by UCEA, the employer body.
- 1.2. A ballot for industrial action, either for a strike or action short of a strike, closes on 29<sup>th</sup> April date. This ballot was conducted prior to the exhaustion of the normal negotiation process with UCEA, and it is thought that this

was done in order that, in the event of a positive ballot, the action can target examination period.

- 1.3. UCU have approximately 320 members but all academics would be entitled to take action if the ballot shows a majority of those that vote are in favour of taking action.
- 1.4. UCU have also written to most Vice Chancellors asking them to immediately write to UCEA supporting their claim for a 5% pay rise or they would declare a local dispute in addition to the national one. We replied using standard wording from UCEA to say we wouldn't support.
- 1.5. There is little we can do to influence the outcome of the negotiations, though we input to UCEA, and so have concentrated our efforts on ensuring robust back up plans are in place to minimise disruption to students in the event of action, and preparing media statements.
- 1.6. It is highly likely that the ballot will give a mandate for action. UCU must then give 7 days' notice of intended action, and that action must commence within 28 days of the ballot.

## **2. Equality and Diversity**

- 2.1. We've developed a new Diversity and Inclusion Strategy and the Equality Steering Committee, chaired by Ian Mehrtens, is monitoring progress against that strategy. The committee has external membership, in addition to employee network chairs and senior HR staff, to ensure best practice in other organisations is captured.
- 2.2. We are on target to achieve an Athena SWAN Charter accreditation, which recognises commitment to advancing careers of women in science, technology, engineering, maths and medicine, but has also recently been expanded to include women in all roles.
- 2.3. We have committed to achieve the Race Equality Charter Mark in 2017. This will require significant work to ensure historical issues have been overcome and represents a big challenge.
- 2.4. New networks have been launched for disabled employees and to address gender issues, with a highly successful event held in March to celebrate International Women's Day.

- 2.5. The work that's been undertaken in Diversity will take time to make an impact on employees and it remains an issue for staff engagement.

### **3. Internal Communications**

- 3.1. Work in this area over the last three months has primarily been focussed on developing a new, simple, social and intelligent intranet platform that helps staff communicate, collaborate and get things done. The design is near completion and the new intranet will be in place by September.

### **4. Health and Safety**

- 4.1. Compliance with the legal requirements to complete Display Screen Equipment assessments has historically been very poor and a recent campaign has seen an 18% increase in completion.
- 4.2. We have been awarded a Bronze Award from the Royal Society for the Prevention of Accidents (ROSPA) to recognise our work on providing a safe workplace.
- 4.3. The stress survey pilot was successful and a University wide survey starts in June.

### **5. Employee Engagement**

- 5.1. The employee engagement survey was completed by 71% of employees (compared to 52% in 2013) and headline results will be presented at the meeting.

### **6. HR Ops**

- 6.1. The introduction of a new HR IT System hit delays due to procurement issues and the unexpected departure of key IT personnel.
- 6.2. HR and IT have worked on a 'rescue' plan to ensure that the 'core' system on data holding is live by the end of this year.
- 6.3. It is likely that we will be able to roll out some self-service elements at the end of the year on a phased basis, but this will depend on how quickly the main system is implemented. The worst case scenario is that this will be delayed to early 2017.



	CONFIDENTIAL
	PAPER NO: FPR.18(16)
Paper title:	Chief Operating Officer's Report
Board/Committee	Finance, Planning and Resources Committee
Date of meeting:	5 May 2016
Author:	Ian Mehrtens, Chief Operating Officer
Executive/Operations sponsor:	Ian Mehrtens, Chief Operating Officer
Purpose:	An update on activities and an indication of which goals in the corporate strategy these activities help to deliver against.
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Goal 2: Student Experience Goal 3: Teaching & Learning Goal 4: Research & Enterprise Goal 5: Access Goal 6: Internationalisation Goal 7: Resources and Infrastructure Goal 8: People & Organisation
Recommendation:	The Committee is requested to note the contents.

Matter previously considered by:	N/A	
Further approval required?	No	On: N/A

## 1. Academic Related Resources

1.1. Leadership (Goal 2,  
Goal 3 and Goal 8)

1.1.1. The Director of Academic Related Resources has resigned his post with effect from the end of May. An agency is being selected for the recruitment of his replacement.

- 1.1.2. The structuring of the services is now complete and with one exception, all the Heads of Service are in post and embedded. Interim management arrangements are in place to ensure that the service continues to deliver.
- 1.2. Technical support services *(Goal 2, Goal 3 and Goal 8)*
  - 1.2.1. The Head of service continues to work on the relationship with the Schools and developing robust SLA's to ensure that the best possible student experience is achieved.
  - 1.2.2. The work on the next phase of the structure has commenced and will sit alongside the larger piece of work being led by the Executive Director of HR on defining the outcomes for professional support grades and a new technical support grading structure.
  - 1.2.3. This work will most likely take the rest of this academic year as there will need to be detailed and extensive consultations with staff and the trades unions.
- 1.3. ICT restructure *(Goal 2, Goal 3 and Goal 7)*
  - 1.3.1. The new Head of ICT Services is engaging with the Schools and other PSG's to identify priorities and to agree service levels that can be monitored and reported on to the Operations Board.
  - 1.3.2. The Head will be identifying the baseline service delivery outcomes and an action plan for improving the service at the point of delivery to the customers.
  - 1.3.3. The recruitment for the ICT Innovation & Transformation is underway. Discussions are taking place with IBM to investigate whether there is an opportunity to fill this post with a secondee from IBM for 12 months.
- 1.4. Library & Learning Resources *(Goal 2, Goal 3 and Goal 4)*

1.4.1. The service continues to develop in line with the needs of the student body. They are not actively engaged in the development of the new Learning Centre on the St George's Quarter that will require a change to the structure within LLR. The Head of LLR is currently reviewing this.

1.5. Academy of Sport *(Goal 2, Goal 4, Goal 7 and Goal 8)*

1.5.1. Income continues to grow and the Academy is increasing the range of classes on offer. The Academy has recently been awarded SFA funding status, which means that they can now compete for grants.

1.5.2. The University is entering its first ever varsity football match against Middlesex University on 24<sup>th</sup> May as a 'warm up' for a full varsity competition at the end of the 2016/17 academic year.

1.5.3. A successful internal capital bid means that the gym equipment will all be renewed in the next few weeks ensuring that the latest equipment is available.

## **2. Estates and Academic Environment**

2.1. Estates *(Goal 2, Goal 3, Goal 4 and Goal 8)*

2.1.1. The brief for the St George's development was approved by the Executive and discussed at the recent Major Projects and Investment Committee.

2.1.2. The internal team are now selecting the design team to begin the process of stakeholder engagement in the outline design. The project will return to the MPIC once a full business case has been developed with project costs and funding identified.

2.1.3. In addition, MPIC is also considering a proposal for that would allow the redevelopment of the Technopark site into new academic accommodation, a conference centre and student residences. In undertaking this project, there will be an opportunity to undertake a full refurbishment of the London Road building.

2.1.4. This brief is developing and it is anticipated that MPIC will have approved the proposal in principle at its meeting in April.

### **3. Marketing and Recruitment**

#### 3.1. Leadership

*(Goal 5, Goal 8)*

- 3.1.1. The Director of M&R has decided to retire at the end of June and a recruitment campaign is underway.
- 3.1.2. The Director has led on the project that the Board have seen to refresh and refocus the brand which will have a positive effect on reputation and recruitment.
- 3.1.3. This is being rolled out at to the university at a launch at the Staff Conference in May. The brand will be controlled centrally through the Director and the COO as final arbiter to ensure that there is adherence to the brand principles.

#### 3.2. Marketing

- 3.2.1. The intranet project is on programme and on budget for a soft launch in June/July 2016 with a formal launch in September 2016.

#### 3.3. Recruitment and Outreach

- 3.3.1. As at 18<sup>th</sup> April, the Home/EU recruitment through UCAS stands at applications -1.5% (-331) with our competitor group at -6%.
- 3.3.2. Despite this the conversion of applicants to Firm Accepts is +1% on last year. Whilst interventions therefore appear to be having an impact, there is still a long way to go to achieve our 2750 target.
- 3.3.3. In addition then to the 819 firm accepts there are an additional 6,252 active offers which is +3% on last year.
- 3.3.4. We will continue to monitor this closely as we move towards the clearing period, but the indications are that closer monitoring and a well planned added value package to students, alongside early decision making is making a difference.

4. **Equality, Diversity and Inclusion (EDI)** *(Goal 2, Goal 3, Goal 6 and Goal 7)*

- 4.1. The strategy, All People Matter, reflects the values of the University and has now been launched internally.
- 4.2. Work has begun on the 2016 submission for the Stonewall Workplace Equality Index in September with the ambition to improve on our position at 92 in the list and to become the top university in London.
- 4.3. Work is underway to develop an action plan for the Race Charter Mark and we continue to progress with the Athena Swan accreditation.

5. **Customer Service** *(Goal 2, Goal 3, Goal 7 and Goal 8)*

- 5.1. As the board are aware, accreditation visits have taken place in April for the four eligible services, LLR, Student Life Centre, Residences and Academy of Sport.
- 5.2. At the time of writing the visits had gone well and we expect to have the outcome by the middle of May.

Ian Mehtens  
Chief Operating Officer  
April 2016



	<b>CONFIDENTIAL</b>
	PAPER NO: FPR.19(16)
Paper title:	Committee effectiveness
Board/Committee	Finance, Planning & Resources Committee
Date of meeting:	5 May 2016
Author:	Joanne Vas, Governance Assistant
Board sponsor:	Andrew Owen, Chair of the Committee
Purpose:	Discussion
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Board effectiveness
Recommendation:	The meeting is requested to discuss the questions on committee effectiveness in order to conduct a 'light-touch' review.

Matter previously considered by:	N/A	
Further approval required?	No	On: N/A

### **Executive Summary**

The governance effectiveness review conducted in May 2015 agreed a number of changes to the committee structure at LSBU, including the creation of the Finance, Planning & Resources Committee (FPR). The intention was to reduce duplication between meetings, and to delegate responsibility to committees to allow the Board time to consider strategic matters in more depth.

The purpose of the Committee is to provide for the Board an in depth review of: financial matters including budget, performance and treasury management; performance against the corporate strategy; human and physical resources and compliance with the gift acceptance policy.

Members are requested to consider the following questions and use these as discussion points for a 'light-touch' review of the effectiveness of the committee at the meeting.

For information, the Terms of Reference are also included.

**Committee effectiveness review questions to consider**

1. Is the Committee addressing its Terms of Reference?
2. Are any amendments to the Terms of Reference required?
3. Are there any skills/experience shortages that can be addressed?
4. Are the topics discussed by the Committee appropriate?
5. Is the quality of papers sufficient for the purpose required?
6. Have the role and responsibilities of the Committee been clearly defined and communicated to all Committee members?
7. Are there sufficient details on how the Committee supports and is accountable to the Board?
8. Is the frequency of meetings sufficient?

## **Terms of Reference**

The Finance, Planning and Resources Committee is a sub-committee of the Board. It provides for the Board in depth review of:

- LSBU's in-year financial performance;
- Performance against the corporate strategy;
- The proposed annual budget;
- Implications of the strategy for human and physical resources;
- Treasury management including proposals for borrowing; and
- Compliance with the University Gift Acceptance policy.

### **1. Remit**

1.1 The remit of the committee is to:

- 1.1.1 review management accounts;
- 1.1.2 review the annual budget and recommend to the Board;
- 1.1.3 review the five year forecasts and recommend to the Board;
- 1.1.4 monitor progress against the KPIs as approved by the Board and alert the Board of key potential variations against target;
- 1.1.5 approve investment and treasury management policies;
- 1.1.6 approve investment policies for charitable funds and to receive an annual report on expenditure;
- 1.1.7 receive an annual report of all donations above £25,000 and to monitor adherence to the Gift Acceptance Policy;
- 1.1.8 receive a six monthly report on the Students' Union's income and expenditure;
- 1.1.9 review litigation involving over £0.5 million or otherwise material to the interests of LSBU and recommend to the Board for decision; and
- 1.1.10 receive assurance from the Executive that the insurance programme is adequate from year to year

## **2. Membership**

2.1 Membership shall consist of up to five independent governors including the Chair of the Board, the Vice Chancellor, one student governor and one staff governor.

2.2 A quorum shall consist of at least three independent governors.

2.3 The chair shall be an independent governor.

2.4 The Chairman of the Audit Committee shall not be a member of the committee.

### **Membership 2015/16**

*Chairman*

Andrew Owen (Chairman)

*Independent governor members:*

Jerry Cope

Michael Cutbill

Neil Gorman

Mee Ling Ng

*Vice-Chancellor*

Professor David Phoenix

*Staff governor:*

Jenny Owen

*Student governor:*

Abdi Osman (SU President)

*Executive:*

Deputy Vice Chancellor

Pro Vice Chancellor (Education and Student Experience)

Pro Vice Chancellor (Research and External Engagement)

Chief Financial Officer

Chief Operating Officer

Executive Director of Organisation Development and HR

University Secretary

## **3. Reporting Procedures**

3.1 The minutes (or a report) of meetings of the Committee will be circulated to all members of the Board.