

Meeting of the Finance, Planning and Resources Committee

4.00 - 6.00 pm on Tuesday, 24 September 2019
in 1B16, Technopark, SE1 6LN

Agenda

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2.	Declarations of interest		MC
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4.	Matters arising	7 - 8	MC
	Finance		
5.	Full year management accounts to 31 July 2019	9 - 22	RF
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	People and Organisation		
11.	Chief Operating Officer's report	59 - 62	SW
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13.	Cyber security update	To Follow	SW
	Items to note		
14.	KPI strategic enablers	67 - 70	RF
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No. Item

Pages

Presenter

**Date of next meeting
4.00 pm on Tuesday, 5 November 2019**

Members: Michael Cutbill (Chair), Jerry Cope, Peter Fidler, Nelly Kibirige, Mee Ling Ng and David Phoenix

In attendance: Pat Bailey, Michael Broadway, Richard Flatman, Paul Ivey, Nicole Louis, James Stevenson, Ralph Sanders and Shân Wareing

**Minutes of the meeting of the Finance, Planning and Resources Committee
held at 4.00 pm on Tuesday, 2 July 2019
1B16 - Technopark, SE1 6LN**

Present

Hilary McCallion (Chair)
Michael Cutbill
Peter Fidler
Nelly Kibirige
Mee Ling Ng
Jenny Owen
David Phoenix
Deepa Shah

Apologies

Jerry Cope
Pat Bailey
Richard Flatman

In attendance

Paul Ivey
Nicole Louis
Ralph Sanders
James Stevenson
Shân Wareing
Askari Jafri

1. Welcome and apologies

The above apologies were noted.

2. Declarations of Interest

No governors declared any interest in any item on the agenda.

3. Minutes from the last meeting

The committee approved the minutes and proposed redactions of the previous meeting.

4. Matters arising

The committee noted the draft facility agreement will be circulated by email once the 'Group' cashflow sequence is clear in relation to LSBU and SBC.

5. Student recruitment and retention update

The committee discussed in detail the student recruitment and retention update including:

- Application growth at LSBU reflects 3.8% year on year growth;
- Most schools have been effective in reducing the number of interrupted students, with 309 fewer interruptions overall;
- Resourcing for mental health and wellbeing is considered as part of Project Align; and
- 83 applications for undergraduate courses have been received from Lambeth College students.

The committee noted that management are trialling a number of ways to reduce the number of withdrawals. The success of these measures will become more apparent further in September 2019.

The committee thanked the CMO and her team for the good results so far.

6. Management accounts to May 2019

The committee discussed the management accounts, as at 31 May 2019. The committee noted the University is trending towards a surplus of £3.0m, delivering the University £1.5m above budget.

The committee noted further commentary is helpful in understanding the in-year trends.

7. Draft budget 2019/20

The committee discussed the 2019/20 draft LSBU budget, further to the initial discussion at the Board Strategy Day on 10 April 2019, noting the projected delivery of £152m in income.

The committee noted that the Executive considered that the proposed draft budget delivers an appropriate balance of risk and opportunity. The committee noted the risk around assumed growth of home/EU recruitment, which was based on improving recruitment figures.

The committee noted recommendations from Project Align still needed to be considered by the Executive, which may impact on the budgeted surplus. Any savings identified will be used to boost the £1m in-year investment pot and/or increase the surplus.

The committee recommended the draft LSBU budget for approval by the Board.

8. Research and enterprise activity update

The committee discussed the research and enterprise activity as at 31 May 2019. A shortfall of £0.28m was forecast for research income (excluding the quality-related research funding (QR) grant from Research England). The budgeted increase in Enterprise income was unlikely to be met.

The committee noted additional work is ongoing to meet targets including ongoing communications with schools.

The committee noted continued work on a joint 'Technology Campus' with The Welding Institute (TWI) at Cambridge.

The committee requested a more structured report for the next meeting. A detailed annual report will be provided for the committee for the meeting in November 2019, with identification of key measures to monitor for the 2019/20 financial year.

9. **Chief Operating Officer's report**

The committee discussed the Chief Operating Officer's report including the updated staff structures, noting the recent changes in personnel.

The committee noted a recent ICT incident, as a result of a HP server failure, causing a shortage in services over the last weekend of May 2019. The committee commended the ICT team for resolving the incident in 36 hours ensuring minimal disruption.

The committee noted cyber security work is in progress and requested for the use of cyber security experts to be considered for additional expertise. An update on ICT policies and procedures in relation to cyber security, and the completed action plan, will be brought to the committee later in the year.

The committee requested an update on the approach to business continuity paper, to include the Group, at a future meeting.

The committee commended the COO for the overall progress made this year and requested for the Executive to consider ways to reward the staff.

10. **KPI - strategic enablers**

The committee noted the key changes to the key performance indicators (KPI) for strategic enablers, which were:

- Release of the Guardian league table (68 out of 121), an improvement in rank of ten places;
- Increase in surplus as a percentage of income (1% in April 2019 to 2% in June 2019) and EBITDA (11.6% in April 2019 to 12.7% in June 2019); and
- Decrease in overall income forecast, including decreases against research and enterprise income.

The committee congratulated the Executive and staff for obtaining 68th position in the recently released Guardian University Rankings.

11. SU financial update

The committee noted the Students' Union (SU) bi-annual financial update and that the SU is within budget.

12. Insurance renewal

The committee noted the renewal of the insurance cover for 2019/20 on the following terms:

- LSBU remains a member of the London Universities Purchasing Consortium (LUPC) group insurance scheme; and
- Appointment of insurer(s) by 1 August 2019 as recommended by the LUPC appointed broker, within the total target cost of £482,615 (including contingency of £25k).

The committee noted the insurance cost of £443,775 for the 2018/19 financial year, within the agreed budget limit of £460k.

13. Any other business

The committee thanked Hilary McCallion for her contribution and efforts as chair of the committee and looked forward to her further contributions as a member of the SBA Board. The committee welcomed Michael Cutbill as the new Chair of the committee from the next meeting in September 2019.

**Date of next meeting
4.00 pm, on Tuesday, 24 September 2019**

Confirmed as a true record

..... (Chair)

FINANCE, PLANNING AND RESOURCES COMMITTEE - TUESDAY, 2 JULY 2019
ACTION SHEET

Agenda No	Agenda/Decision Item	Action	Officer	Action Status
8.	Research and enterprise activity update	Annual report in November 2019	Paul Ivey	On plan
9.	Chief Operating Officer's report	Update on cyber security to future meeting Update on business continuity to future meeting	Shân Wareing Shân Wareing	On agenda On agenda

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	INTERNAL
Paper title:	2018/19 LSBU Year End Position
Board/Committee:	Finance, Planning and Resources Committee
Date of meeting:	24 September 2019
Author(s):	Ralph Sanders - Director of Financial Planning, Reporting & Registry
Sponsor(s):	Richard Flatman CFO
Purpose:	To brief the committee on the interim Year End position
Recommendation:	To note the interim year end position

EXECUTIVE SUMMARY

The University had a budget target for the year of 1.5M in surplus

Following a strong recruitment round the aspiration was increased to £3M earlier in the year.

Although there were a number of unexpected and unbudgeted items in the final month including significant pension adjustments, the University has been able to fund some additional year end investments, been able to write off some impaired assets from our balance sheet and deliver ahead of budget,

The university has also improved its liquidity and finished the year with cash and cash equivalents of £56.5M, including the £13M ESFA funding to support Lambeth College during the turnaround.

Overall, this is considered a good result for LSBU.

The key variances are described below:

TABLE 1 – Draft Year End Position

17/18 Actuals	Description	18/19 Budget	Jul 18/19 Actuals	Variance to Budget
£145.3	Income	£145.2	£149.1	£3.9
£83.3	Staff Costs	£83.8	£84.0	£0.2
£1.9	Restructuring	£1.7	£1.2	-£0.5
£9.6	Depreciation	£10.5	£9.4	-£1.1
£44.5	OPEX	£41.4	£47.1	£5.7
£4.4	Interest	£5.3	£4.4	-£1.1
£0.0	Investment Pot	£1.0	£0.0	-£1.0
£143.7	Total Costs	£143.7	£146.1	£2.4
£1.6	Surplus	£1.5	£3.0	£1.5
1.1%	Surplus % income	1.0%	2.0%	

Key Variances included

OPEX:

Catalyst Funded OPEX: The following labs costs were expensed as we had received Catalyst funding to pay for them, so there was matching income recognised. They have Opex variance but no contribution impact in those areas:

- In Technicians: Applied Science equipment £297k BEA lab equipment £446k
- In Estates: Dynanometer £85k
- In Engineering: Informatics Cloud Computing £260k & Mechanical Engineering lab equipment £61k

The following expenses did not have corresponding income and so generated a variance

- The following Bioscience Labs £250k was expensed in Technicians as long term maintenance as part of UMC's year end investment plans,
- The Turney Road dilapidations of £306k were expensed in Estates as were Old professional fees re Estates masterplan £53k
- We also wrote off Data migration in ICT £306k

Overseas recruitment costs were £1M over budget and £0.9M more than 2017/18

We were able to revenue over £1m of Leap costs including salary costs, comms, Align and other expenses.

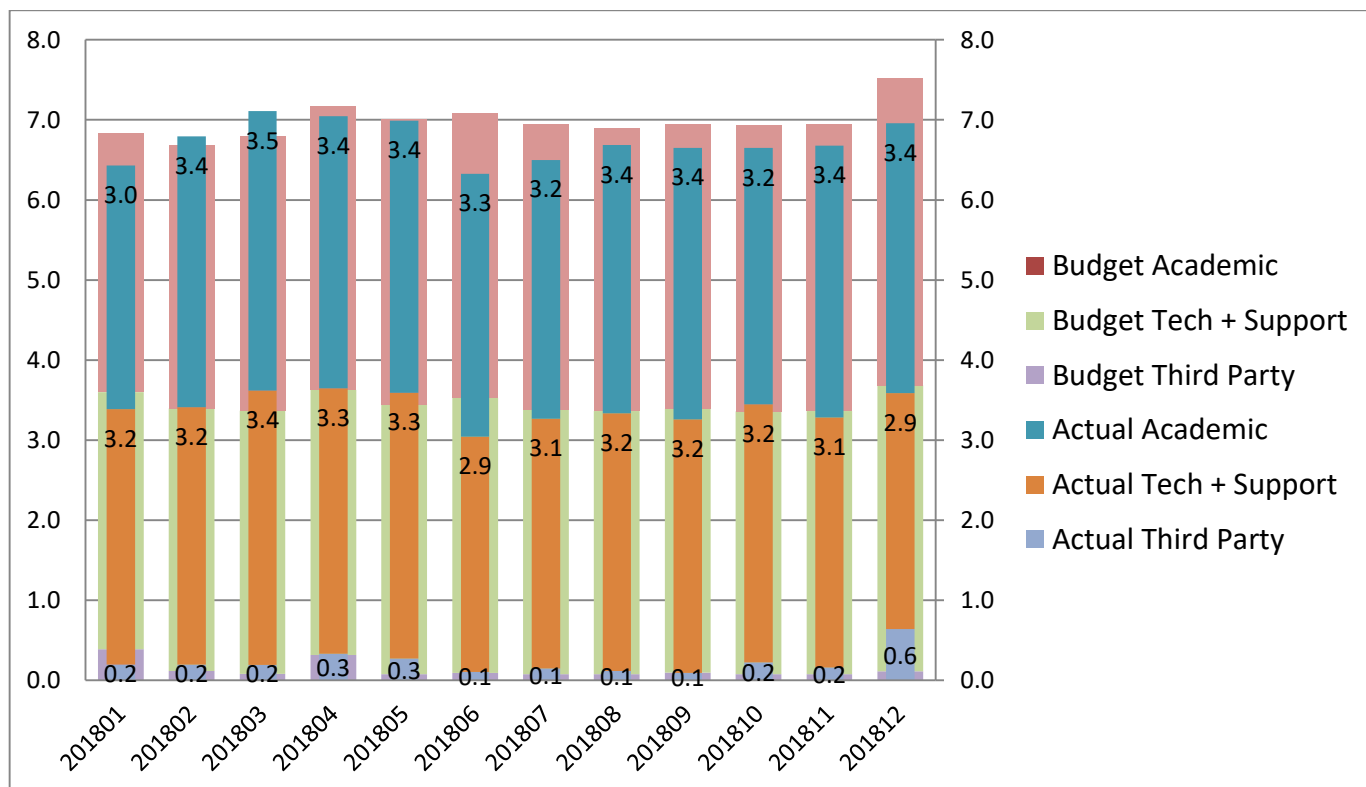
Opex also included £0.5M of transition expenses subsequently charged to Lambeth College

Staff costs:

Overall the University delivered an improvement of staff costs against the 2017/18 run rate of £5M

- Staff costs before £0.5M pension were £82.8M in 2017/18
- 2018/19 Budget = £83.8
- 2018/19 Actuals = £80.8 before £3.2M extraordinary pension costs

The 2018/19 position represents a £2M decrease on 2017/18 and assuming a 3.5% rise in cost, a net saving of £5.0M over a 'do nothing' position.



Staff costs also included £3.2M of extra ordinary pension costs including

- USS provision £1.2m
- LPFA McCloud judgement £1.4m
- LPFA cost re redundancy (early retirements) £600k

Other Variances

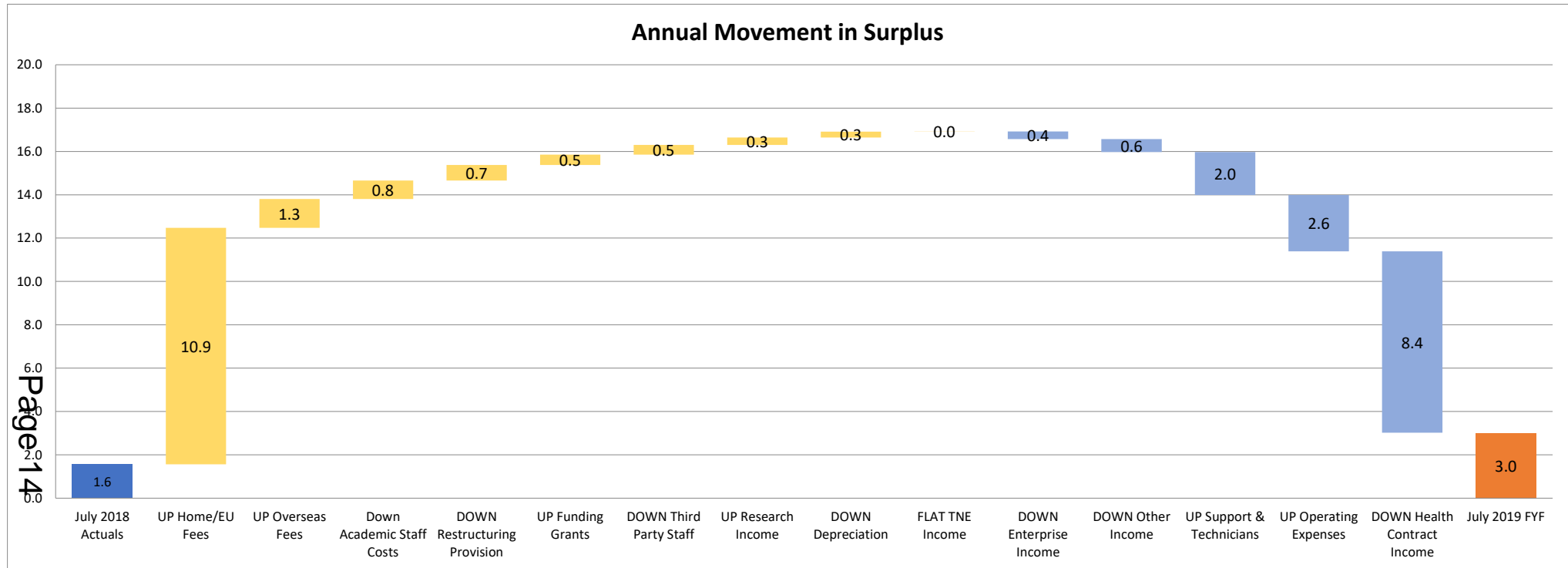
The restructuring provision £0.5M was below budget due to less activity this year,

Depreciation was £1.1M less than budget due to previous write offs and lower than expected short term capital spend

Interest costs were £1.1M less than budget as we did not exercise the Recurring Credit Facility

5) Forecast Summary

As compared to 17/18 we are now forecasting an income increase of £3.7M (2.6%), a £0.7M (0.8%) increase in total staff costs, a £0.7M decrease in the costs associated with staff restructuring, a decrease of £0.3M in depreciation, a £2.6M (5.8%) reduction in operating expenses, and a £0.1M increase in interest payable. This has led to an increase of £1.4M in our annual surplus.



The key movement in the year on year position is the £10.9M increase in Home/EU Tuition fee income. This is driven by strong recruitment and we have 13% more New students than at the comparable position in 17/18. Health Contract income is down by £8.4M as NHS Student's fees are now funded through Tuition fee income rather than through the Health Contract. We are now forecasting a increase of £2.6M in our total income outturn for Home/EU students. Operating expenses were budgeted to fall by £2.5M year on year however a number of areas have been given additional OPEX investments. We have also been able to fund both tactical investments in Equipment and Lab space and reviewed our capital expenditure for items that could be appropriately charged to the accounts including Leap costs and Data Migration charges. This is a 5.8% year on year increase. The University finished 17/18 with a recurring staff cost of £83.3M including £0.5M of Pension costs. The position in 2018/19 was £80.8M with £3.2M of pension costs.

6) Contribution Analysis

In terms of School Income, this is forecast to be £4.9M higher than in 17/18 whilst costs are forecast to increase by £0.6M. This means the net contribution from the Schools will increase by £5.5M or 8.8% year on year. This is driven by strong cost control within the School Portfolio. The key areas of growth are forecast to be the School of Health & Social Care which is growing its contribution by £2.3M, the School of Business which is growing its contribution by £1.4M, Built Environment & Architecture which is growing its contribution by £0.8M and the School of Law & Social Sciences which is growing its contribution by £0.6M

Contribution per School across Teaching, Research and Enterprise activities

	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF
Income (M)	£10.8	£10.8	£11.2	£11.3	£18.3	£18.9	£16.3	£18.0	£16.7	£17.9	£35.6	£36.7	£14.2	£14.4	£123.1	£128.0
Expenditure (M)	£5.4	£5.5	£5.4	£5.2	£7.2	£7.0	£6.8	£7.0	£9.6	£10.7	£19.3	£18.1	£6.8	£6.4	£60.4	£59.8
Contribution (M)	£5.4	£5.3	£5.9	£6.1	£11.1	£11.9	£9.6	£11.0	£7.0	£7.3	£16.3	£18.6	£7.4	£8.0	£62.7	£68.2
Contribution %	50%	49%	52%	54%	61%	63%	59%	61%	42%	40%	46%	51%	52%	56%	51%	53%

The 7 Schools have different levels of Research and Enterprise activities which can mask differences in Staff / Students ratios and contribution and so the teaching only levels of contribution is shown below.

Contribution per School across Teaching activity only (excluding TNE)

Total Income	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF
Teaching Income (M)	£10.0	£9.9	£10.6	£11.0	£17.4	£18.0	£15.9	£17.7	£14.5	£14.3	£31.2	£32.0	£13.8	£14.1	£113.5	£117.2
Teaching Staff (M)	£3.2	£3.3	£2.9	£3.0	£4.7	£4.7	£4.2	£4.1	£4.6	£4.5	£12.9	£12.3	£4.6	£4.6	£37.3	£36.5
Teaching Expenditure (M)	£1.3	£1.4	£1.8	£1.7	£1.8	£1.8	£2.0	£2.6	£2.6	£2.8	£4.5	£3.7	£1.8	£1.7	£15.9	£15.7
Expenditure per FTE	£4,397	£4,654	£4,236	£4,027	£3,719	£3,447	£3,071	£3,228	£5,072	£5,282	£4,529	£4,029	£4,237	£4,031	£4,174	£3,997
Teaching Contribution (M)	£5.4	£5.3	£5.9	£6.2	£10.8	£11.6	£9.7	£11.0	£7.3	£7.1	£13.8	£16.1	£7.3	£7.8	£60.3	£65.0
Contribution %	54%	53%	55%	57%	61%	64%	61%	62%	51%	49%	44%	50%	53%	56%	53%	55%
Full Year Student FTE	1,039	1,007	1,124	1,189	1,763	1,879	2,020	2,096	1,409	1,380	3,844	3,961	1,528	1,546	12,727	13,058
Contribution per Stud FTE	£5,200	£5,200	£5,200	£5,300	£6,200	£6,100	£4,800	£5,200	£5,200	£5,100	£3,600	£4,100	£4,800	£5,100	£4,700	£5,000
Return on Academic Invest	168%	159%	201%	205%	229%	245%	231%	265%	160%	157%	107%	131%	158%	172%	162%	178%

In terms of budgeted performance, the School of Built Environment & Architecture is now expected to deliver £2.8M better than budget, a 30% increase against the budgeted position, Health & Social Care is £3.0M and 19% ahead of budget, Law & Social Sciences is £1.0M and 14% ahead, Arts & Creative Industries are £0.4M and 7% better than budget and the School of Business is now forecast to be £0.6M and 5% better than budget. Overall the School portfolio is now trending £6.9M better than budget. In terms of contribution per student, The average has increased from £4,700 per student to £5,000. The School of the Built Environment & Architecture has the highest contribution per student at £6,100 whilst Health & Social Care delivers £4,100 per student.

7) Student Number Analysis

In terms of Student numbers, we finished 2107/18 with a student body of 12,727 FTE. We currently have 13,058 enrolled FTE and so are 3% ahead of the year on year position. The biggest increase is New students which are now 13% up and there have been significant increases across most schools. In terms of student numbers we finished the year with 17,7908 enrolled students.

New					Continuing					Total				
School	Jul-18	Jul-19	Change	% Change	School	Jul-18	Jul-19	Change	% Change	School	Jul-18	Jul-19	Change	% Change
ASC	434	468	34	8%	ASC	605	539	-66	-11%	ASC	1,039	1,007	-32	-3%
ACI	514	533	19	4%	ACI	610	656	46	8%	ACI	1,124	1,189	65	6%
BEA	730	848	118	16%	BEA	1,033	1,031	-2	-0%	BEA	1,763	1,879	116	7%
BUS	937	1,052	115	12%	BUS	1,083	1,044	-39	-4%	BUS	2,020	2,096	76	4%
ENG	525	599	74	14%	ENG	884	781	-103	-12%	ENG	1,409	1,380	-29	-2%
HSC	1,659	1,930	271	16%	HSC	2,185	2,031	-154	-7%	HSC	3,844	3,961	117	3%
LSS	675	766	91	13%	LSS	853	780	-73	-9%	LSS	1,528	1,546	18	1%
YTD Total	5,474	6,196	722	13%	YTD Total	7,253	6,862	-391	-5%	YTD Total	12,727	13,058	331	3%

8) Student Withdrawal Analysis

At 31 July 2018, the total amount refunded to students who withdrew or interrupted in year totalled £4,591k. This is the difference between Income generated at Enrolment and the amount retained at the end of the Year. The University receives funding for UG students in 3 tranches; 25% for Semester 1, 25% for Semester 2 and 50% for semester 3. If a student does not progress into the following semester then a refund is generated.

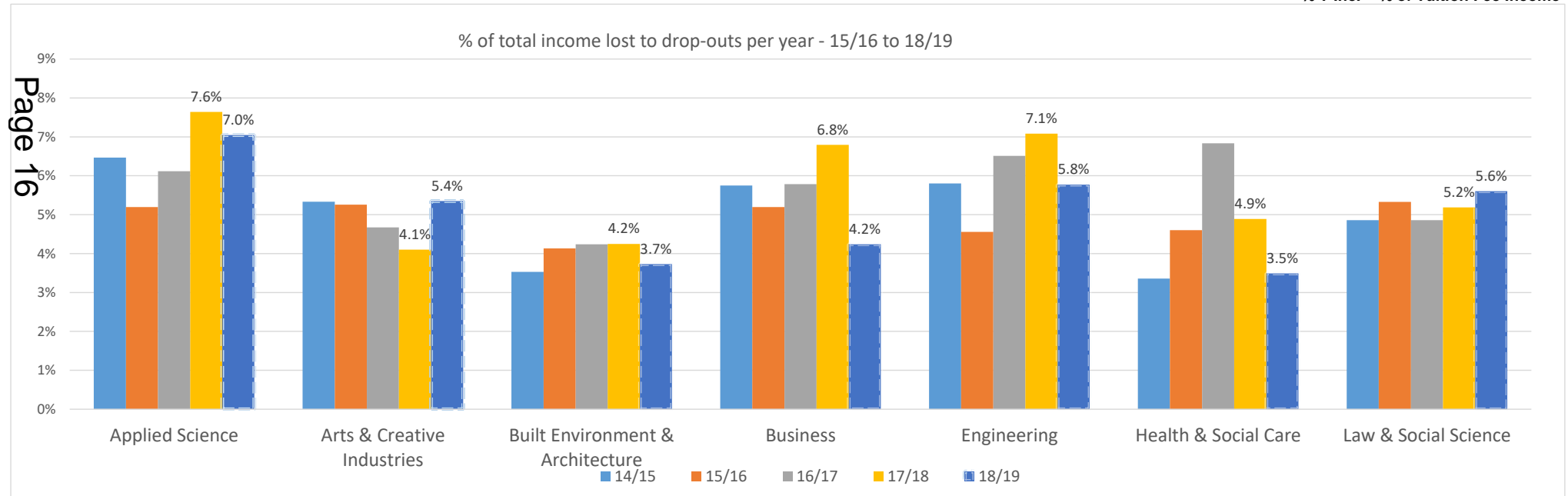
Total lost income due to drop-outs is £4,490k and £101k better than 2017/18's £4,591k or a year on year decrease of income lost by 2.2%. The Head count of drop outs is also down from 2017/18's 1,115 to 2018/19's 1054. Both undergraduate and Postgraduate drop out numbers in terms of head count are down too; PG from 256 to 243 this year, and UG more impressively from 859 to 811. 5 schools performed better than last year, with Business in particular reducing its lost income by over 30%.

The only concern is the increase to the amount of withdrawals as opposed to interruptions, this increased from 2017/18's 550 to 594 students in year by 7.4%. We did believe this was due to tighter, earlier processes to withdraw by census date in mid-November and before the exams in January, but the number of withdrawals before December 2018 were 258 or 43.4% of the total, whilst in 2017 they were almost identical at 43.3% (230 out of 530). We need to review the reason codes for withdrawal in more detail.

Academic year	YTD withdrawals
15/16	1,025
16/17	1,215
17/18	1,115
18/19	1,054

'Lost Fee Income' in £000K	17/18 A	18/19 F	% change	% T Inc.	17/18 A	18/19 F	% change	% T Inc.	
Applied Science	£653	£603	-7.7%	6.6%	Engineering	£815	£659	-19.2%	7.1%
Arts and Creative Industries	£391	£538	37.5%	4.8%	Health & Social Care	£482	£715	48.3%	3.8%
Built Environment & Architecture	£601	£558	-7.2%	4.2%	Law & Social Sciences	£652	£722	10.7%	5.2%
Business	£997	£696	-30.2%	5.8%	Total	£4,591	£4,490	-2.2%	5.2%

% T Inc. = % of Tuition Fee Income



9) Income Analysis

Although Income was overall £3.8M better than budget this was driven by Tuition Fees which finished the year £4.7M ahead of budget. Grant income was £1.2M better than budget mostly due to the release of Catalyst Funding to match Lab and equipment expenditure. TNE income which had been budgeted to grow to £2.7M was broadly flat at £1.8M. Enterprise income declined as compared to 2017/18 and finished the year £1.4M behind budget. Research income finished the year £0.5M behind budget whilst Other Student Operating income was £0.6M behind budget due to changes in the way the catering contract was accounted for. Operating income finished the year £1.1M ahead of budget, £0.5M was due to the recharge to SBC of Interest Payments on the novated loan and there was considerable activity within the School of Health & Social Care.

10) Staff Cost Analysis

In terms of staffing Overall the University delivered an improvement of staff costs against the 2017/18 run rate of £5M

- Staff costs before £0.5M pension were £82.8M in 2017/18
- 2018/19 Budget = £83.8
- 2018/19 Actuals = £80.8 before £3.2M extraordinary pension costs

The 2018/19 position therefore represents a £2M decrease on 2017/18 and assuming a 3.5% rise in cost, a net saving of £5.0M over a 'do nothing' position.

Staff costs also included £3.2M of extra ordinary pension costs including; USS provision £1.2m, LPFA McCloud judgement £1.4m and LPFA cost re redundancy (early retirements) £600k. These costs should not be recurring but there is the potential for the LPFA McCloud judgement to increase future pension costs and we will monitor this case closely.

11) Operating Expense Analysis

Operating Expenses were £5.7M more than budget as we took the opportunity to make a number of unfunded investments during the year. The following labs costs were expensed as we had received Catalyst funding to pay for them, so there was matching income recognised. They have Opex variance but no contribution impact in those areas: In Technicians: Applied Science equipment £297k BEA lab equipment £446k , In Estates: Dynanometer £85k , In Engineering: Informatics Cloud Computing £260k & Mechanical Engineering lab equipment £61k.

The following expenses did not have corresponding income and so generated a variance; Bioscience Labs £250k was expensed in Technicians as long term maintenance as part of UMC's year end investment plans, The Turney Road dilapidations of £306k were expensed in Estates as were Old professional fees re Estates masterplan £53k. We also wrote off Data migration in ICT £306k

Overseas recruitment costs were £1M over budget and £0.9M more than 2017/18

We were able to take advantage of our strong financial position and revenue over £1m of Leap costs including salary costs, communication costs, Align and other expenses.

Opex also included £0.5M of transition expenses subsequently charged to Lambeth College

LONDON SOUTH BANK UNIVERSITY / ENTERPRISES

Management Summary Report from August 2018 To The End Of July 2019

SMT Area: All

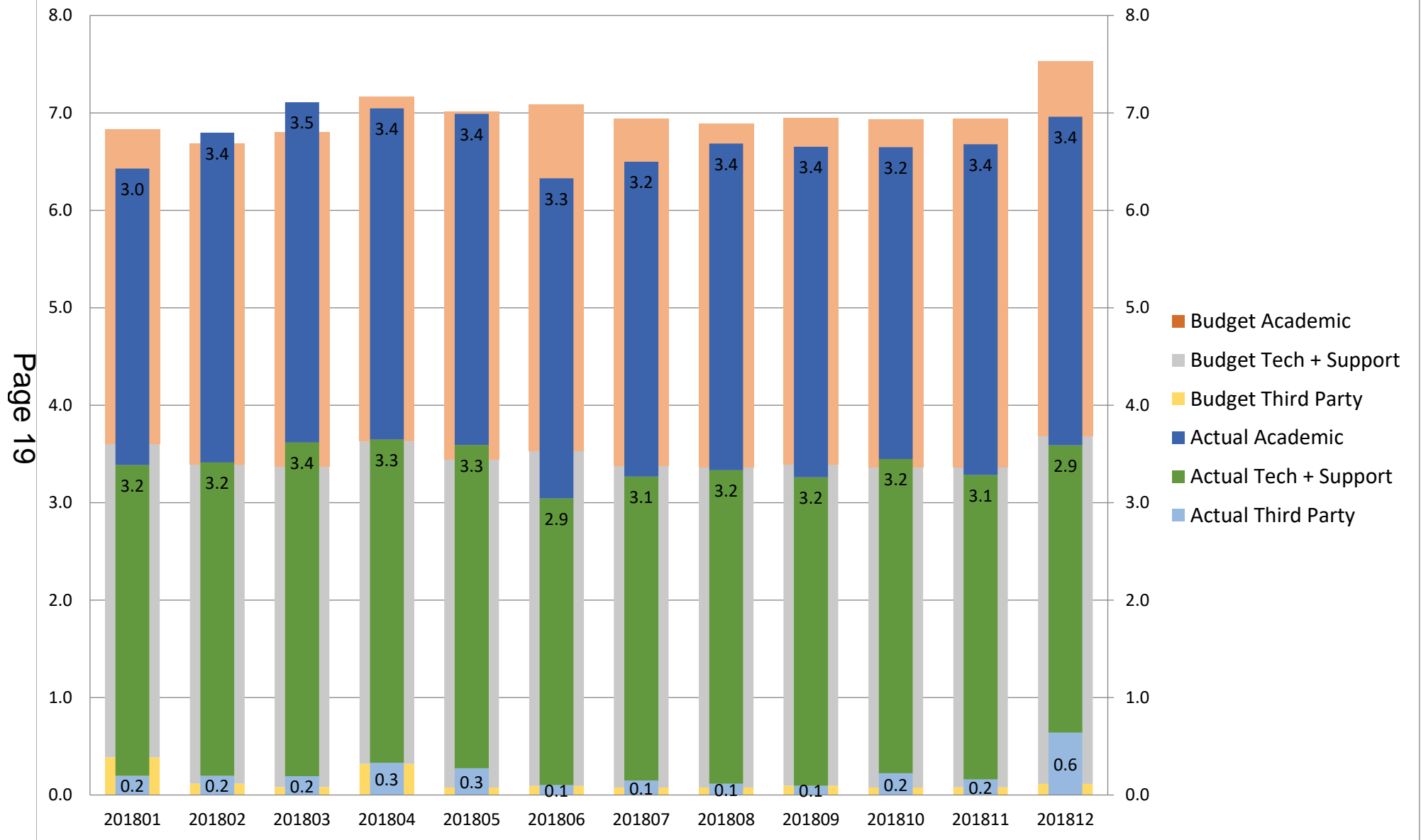
Cost Centre: All



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Full Year Outturn Last Year (£)	Description	Note	YEAR TO DATE				Year on Year variance	
			2018 Actuals (£)	2018 Budget (£)	Variance - Actuals to Budget (£) %	Note	(£)	%
-13,936,135	Funding Grants		-14,414,564	-13,176,875	1,237,689 9%		478,429 3%	
-18,931,753	Health - Contract		-10,562,697	-9,741,020	821,677 8%		(8,369,056) (44%)	
-64,378,797	Fees - Home & EU UG		-73,536,427	-70,076,532	3,459,895 5%		9,157,631 14%	
-8,469,149	Fees - Home & EU PG		-10,219,759	-10,262,244	(42,485) (%)		1,750,610 21%	
-5,772,069	Fees - Overseas UG		-6,319,454	-6,536,255	(216,801) (3%)		547,385 9%	
-3,241,939	Fees - Overseas PG		-4,030,298	-3,425,714	604,584 18%		788,359 24%	
-1,808,004	Overseas Partnerships		-1,811,368	-2,675,000	(863,632) (32%)		3,364 %	
-1,838,146	Research - Funding Grants		-1,923,736	-1,833,764	89,972 5%		85,590 5%	
-2,925,747	Research - Grants		-3,023,919	-3,556,564	(532,645) (15%)		98,172 3%	
-295,578	Research - Collaborations		-346,372	-552,949	(206,577) (37%)		50,795 17%	
253,681	Research - Studentships		-359,752	-188,767	170,985 91%		106,071 42%	
-664,800	Enterprise - Funding Grants		-567,033	-567,033	%		(97,767) (15%)	
-358,146	Enterprise - Research Related Activities		-696,818	-772,485	(75,667) (10%)		338,672 95%	
-3,713,880	Enterprise - University Fees		-2,564,607	-3,266,793	(702,186) (21%)		(1,149,273) (31%)	
175,259	Enterprise - Other		-6,730,605	-7,369,940	(639,335) (9%)		555,346 9%	
-10,420,906	Other - Student Related Income		-10,323,800	-10,970,242	(646,442) (6%)		(97,106) (1%)	
-1,938,387	Other - Operating Income		-1,317,853	-117,824	1,200,029 1,018%		(620,535) (32%)	
-178,950	Endowment Income & Interest Receivable		-300,406	-110,000	190,406 173%		121,456 68%	
-145,301,325	Total Income		-149,049,467	-145,200,000	3,849,468 3%		3,748,143 3%	
37,649,862	Academic - Permanent staff		36,232,188	39,374,692	3,142,504 8%		1,417,674 4%	
3,133,094	Academic - Temporary staff		3,413,560	2,878,478	(535,082) (19%)		(280,466) (9%)	
2,399,278	Technicians staff		2,369,624	2,568,281	198,657 8%		29,654 1%	
	Researchers staff		289,591		(289,591)		(289,591)	
36,416,199	Support - Permanent staff		38,374,999	36,880,016	(1,494,982) (4%)		(1,958,800) (5%)	
602,371	Support - Temporary staff		654,348	466,421	(187,927) (40%)		(51,977) (9%)	
3,133,736	Third party staff		2,683,390	1,591,048	(1,092,342) (69%)		450,346 14%	
1,905,578	Structural staff		1,186,151	1,675,910	489,759 29%		719,427 38%	
85,240,117	Total Staff Costs		85,203,850	85,434,846	230,995 %		36,267 %	
9,625,747	Total Depreciation		9,352,180	10,500,000	1,147,820 11%		273,567 3%	
44,523,872	Total Other Operating Expenses		47,125,182	41,406,220	(5,718,962) (14%)		(2,601,310) (6%)	
4,297,781	Total Interest Payable		4,360,146	5,300,000	939,854 18%		(62,365) (1%)	
	Total Exceptional Items			1,058,934	1,058,934 100%			
-1,613,808	Contribution		-3,008,108	-1,500,000	1,508,108 101%		1,394,301 86%	
57.4%	Recurring Staff costs as % of income		56.4%	57.7%				
1.1%	Contribution %		2.0%	1.0%				

2018/19 Staff Costs

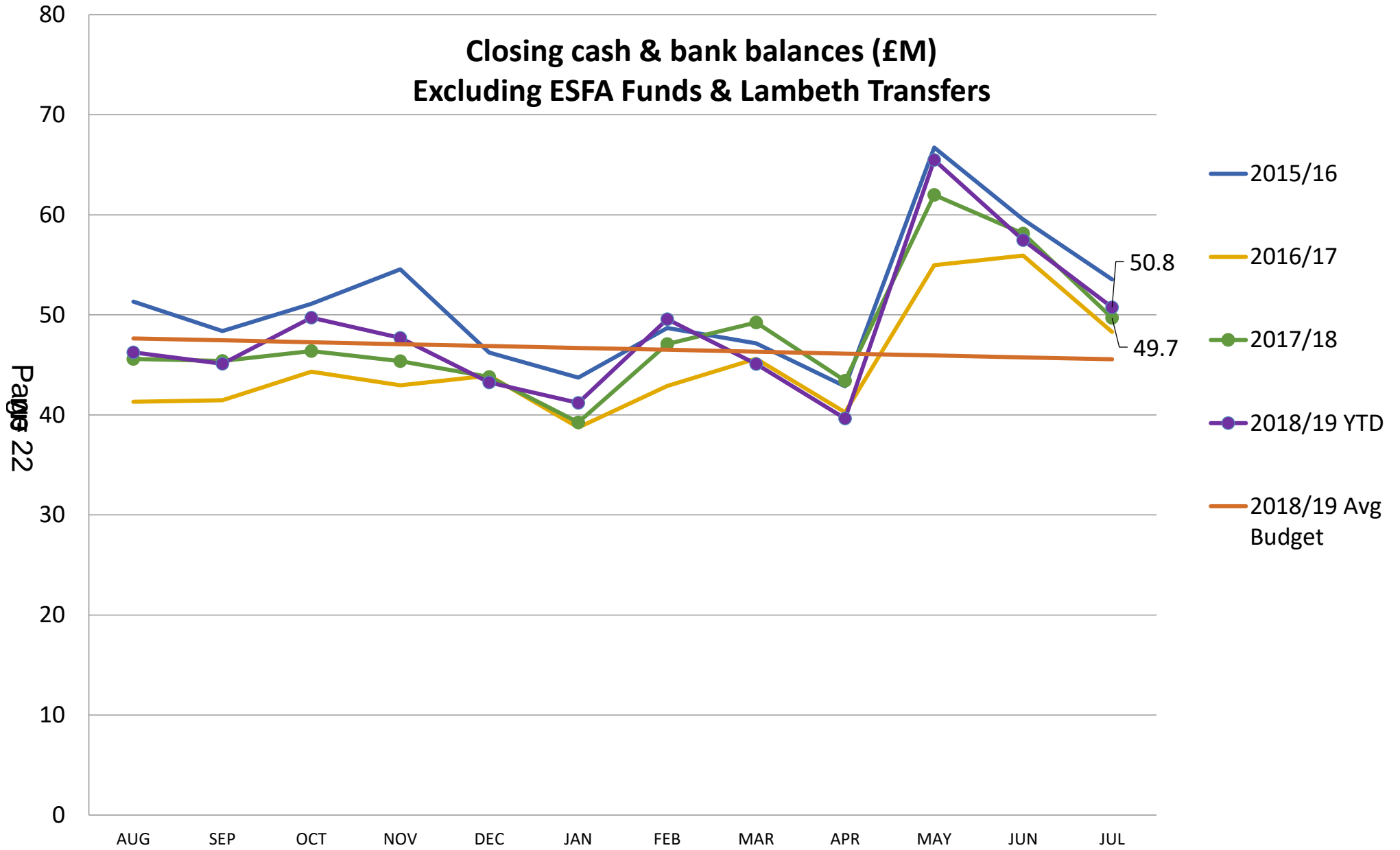




Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	YEAR TO DATE				Year on Year variance	
			2018 Actuals (£)	2018 Budget (£)	Variance - Actuals to Budget (£) %	Note	(£)	%
(5,656,625)	(5,656,625)	Total Income	(6,023,774)	(6,353,687)	(329,913) (5%)		367,149	6%
3,444,710	3,444,710	Total Staff Costs	3,542,456	3,498,438	(44,018) (1%)		97,746	3%
75,100	75,100	Total Depreciation	32,757	32,749	(8) (%)		42,343	56%
2,838,214	2,838,214	Total Other Operating Expenses	3,276,750	3,746,929	470,179 13%		(438,537)	-15%
701,397	701,397	Contribution	828,189	924,429	96,240 10%		(126,792)	-18%
60.9%		Staff costs as % of income	58.8%	55.1%				
(12.4%)		Contribution %	(13.7)%	(14.5)%				

Full Year Outturn Last Year (£)	Description	YEAR TO DATE				Year on Year variance		
		2018 Actuals	2018 Budget	Variance - Actuals to Budget		Note	(£)	%
		(£)	(£)	(£)	%			
(10,123,717)	Total Income	(10,507,043)	(11,428,369)	(921,326)	(8%)		383,326	4%
4,305,451	Total Staff Costs	4,694,623	4,991,928	297,304	6%		(389,173)	9%
25,544	Total Depreciation	25,544	25,548	4	%			
2,388,895	Total Other Operating Expenses	2,640,922	2,866,401	225,479	8%		(252,027)	11%
(3,403,827)	Contribution	(3,145,953)	(3,544,493)	(398,540)	(11%)		(257,874)	(8%)
42.5%	Staff costs as % of income	44.7%	43.7%					
33.6%	Contribution %	29.9%	31.0%					

Closing cash & bank balances (£M) Excluding ESFA Funds & Lambeth Transfers



	CONFIDENTIAL
Paper title:	University Recruitment S1 2019/20
Board/Committee(s)	Financial Planning and Recruitment Committee
Date of original meeting(s):	FPRC: 24 th September 2019
Authors:	Jamie Jones - Head of Student Services Mehmet Tarhan - Planning and Insight Manager Karen McLernon - Head of Performance Analysis
Executive/Operations sponsor:	Nicole Louis, Chief Customer Officer
Purpose:	Information
Recommendation:	The committee is requested to note

Executive Summary

The university is tracking at 98.3% towards our September recruitment target, with 7,065 Firm Accepts achieved against a goal of 7,185. We currently require a further 120 Firm Accepts to fully meet our headcount target, but this gap consists largely of lower income part-time and study abroad courses. From an income perspective, we expect to balance any shortfalls in headcount target by mode, by recruiting a greater mix of higher-fee full time students (FTUG). Clearing is expected to continue until September 20th for home students.

The closure of the Greenwich School of Management has so far generated around 235 firm accepts, predominantly in the schools of Business and Law and Social Sciences. This influx, combined with strong outturns in both main cycle and clearing for both schools has resulted in over-recruitment in some courses which is having an impact on timetabling. We are currently identifying a range of solutions to support the higher than anticipated intake.

Full analysis of the year end outturn for continuing students (progression and retention) will be available in October as we currently processing the outcomes of examination boards following re-sits and re-enrolment is ongoing. In terms of in-year withdrawals and interruptions, which is a partial measure of 'retention', the proportion of the total number of students who withdrew / interrupted in 2018/19 is at 8% compared to 10% in the previous year.

University Recruitment update (Home/EU/OS S1 2019-20 New-entrants) As at Monday 10th September 2019

The majority of our Health courses have now closed for recruitment, in addition to our undergraduate Law and Psychology courses. It is the first time in recent history that the university has been able to close recruitment on non-Health courses before Academic Week-0, which is a significant achievement. There is evidence to suggest that students who enrol after teaching starts have a higher propensity to drop-out, and closing recruitment in these courses early should help minimise future attrition rates.

We've seen a sharp increase in recruitment overall, with an additional 22% or 1,270 Firm Accepts achieved year-on-year. Our growth this year has come from UGFT and Apprenticeship courses, whilst other areas of the university remain broadly on par with the prior year. Apprenticeship courses are becoming a more attractive proposition to part-time learners and employers alike, while the popularity of regular UGPT courses appears to be decreasing. From a student perspective, it is also positive to see that recruitment is up across each of Home, EU and OS. The UK Government has confirmed that students starting university in both 2019 and 2020 will be classed as a Home fee-payer, which will have converted a number of EU-based students to join.

Fig 1 as at 10th September 2019 – Home/EU/OS

LSBU - S1 2019/20 Level / Mode Domicile	As at 10/09/19 Year to Date Firm Accepts	Year on Year Recruitment Performance			Progress to Target	
		LYTD Firm Accepts	+/- Change	% +/- Change	Recruitment Target	Progress to Target
UGFT	4,578	3,584	▲ 994	▲ 27.7%	4,461	102.6%
UGPT	323	376	▼ -53	▼ -14.1%	359	90.1%
Apprenticeships	528	232	▲ 296	▲ 127.6%	589	89.7%
PGFT	1,135	1,115	▲ 20	▲ 1.8%	1,142	99.4%
PGPT	387	365	▲ 22	▲ 6.0%	456	84.8%
Study Abroad	115	123	▼ -8	▼ -6.5%	180	64.1%
LSBU Overall	7,066	5,795	▲ 1,271	▲ 21.9%	7,186	98.3%
Home	5,506	4,448	▲ 1,058	▲ 23.8%	5,859	94.0%
EU	833	697	▲ 136	▲ 19.5%	618	134.7%
OS	727	650	▲ 77	▲ 11.8%	709	102.5%

GSM: The Greenwich School of Management entered administration on the 30th July 2019. A number of London based institutions including LSBU have been supporting students affected by the closure to enable them to continue their studies. Presently we've received 595 applications from GSM students, and have generated a total of 235 Firm Accepts (mainly in BUS and LSS, with the majority entering the university at advanced entry points). At least 130 of these Firm Accepts have engaged with enrolment so far.

NB: It should be noted that these figures are inclusive of 210 Conditional Firm Accepts at UGFT level. Students who do not achieve Unconditional status by 6pm on Thursday 12th September will be withdrawn as per the UCAS 'Reject by Default' deadline. At this late stage, Conditional students are not likely to convert as they haven't been able to confirm their

qualifications yet (which can range from GCSE and IELTS up to A Level or BTEC results). We are therefore expecting a fall in numbers following the UCAS deadline, but do expect to achieve overall target as recruitment continues until the end of September.

School Recruitment Update (*Home/EU/OS S1 2019-20 New-entrants*) As at Monday 10th September 2019

While our overall university performance, as outlined in the previous section, is strong, it is still assuring to see that performance at an individual School level is largely positive as well. LSBU has grown jointly across a variety and number of Schools, as opposed to a strong dependency in any one specific area.

At the UGFT level, which is our main driver of growth this year, all Schools except ACI have seen an increase in Firm Accepts. Year on year growth ranges between 50-60% at the higher end (Business and LSS – due in part to GSM) to 18% at the lower end (for HSC). ACI, despite a -10% fall in UGFT overall, have seen growth in the Division of Creative Industries.

Fig 2 as at 10th September 2019 – Home/EU/OS

By percentage: year-on-year change in Firm Accepts by School / Mode (inclusive of Home, EU and OS)

School	UGFT	UGPT	Apprent'	PGFT	PGPT	St. Abroad	Overall School
BUS	↑57.3%	↑5.9%	-	↑28.4%	↑20.0%	↑2.9%	50.2%
LSS	↑49.1%	↓-28.0%	-	↓-20.6%	↑36.8%	↓-14.3%	34.0%
APS	↑29.1%	↑100.0%	-	⇒0.0%	↑14.6%	↓-50.0%	23.4%
BEA	↑21.0%	↓-9.2%	↑77.3%	↑3.8%	↑2.7%	⇒0.0%	21.5%
ENG	↑24.1%	↓-23.2%	↑125.0%	↓-4.6%	↑55.6%	↑83.3%	15.8%
HSC	↑18.2%	↓-56.7%	-	↑2.7%	↓-41.4%	-	10.4%
ACI	↓-10.5%	-	-	⇒0.0%	↓-12.5%	↑4.6%	-8.1%

(It is the first year that Apprenticeships are running in BUS and LSS. As such, percentage comparison in YoY terms is not available.)

By number: year-on-year change in Firm Accepts by School / Mode (inclusive of Home, EU and OS)

School	UGFT	UGPT	Apprent'	PGFT	PGPT	St. Abroad	Overall School
BUS	▲350	▲1	▲37	▲59	▲7	▲1	455
LSS	▲240	▼-7	▲73	▼-49	▲25	▼-1	281
BEA	▲54	▼-21	▲170	▲5	▲4	⇒0	212
HSC	▲174	▼-17	-	▲9	▼-24	-	143
APS	▲106	▲7	-	⇒0	▲6	▼-1	118
ENG	▲115	▼-16	▲15	▼-4	▲5	▼-10	105
ACI	▼-45	-	-	⇒0	▼-1	▲3	-43

Income Projections (S1, September to December New Starters only; Home, EU and OS)

We are currently 'forecasting' £50.6m of new-starter income against a target of £52.9m overall for S1 based on the current pipeline of firm accepts and not taking in to consideration additional firm accepts to be generated from now until the end of Clearing. This places LSBU at 95.6% to income target, with a further £2.7m required as at 10th September. We are in a strong position to achieve our income target, but enrolment remains the crucial stage of this process. In order to maximise conversion and improve student experience, a LEAP accelerator has revamped the traditional enrolment process. Students in three Schools (BUS, ACI and APS) have been able to enrol digitally following the accelerator, and improvements have been made to the process for students who aren't in one of the pilot Schools. If these improvements deliver a better conversion outturn between Firm Accept to Enrolment stage, then we will be closer to

our income targets than forecasted (as the current projections are modelled on a conversion rate of 90%).

Between mid-September and late-September last year, the university also achieved 350 new Firm Accepts. As work has been done to bring applications and conversion forward, we do not expect to achieve the same number in the closing stages of this year, but the risk to budget appears small at this stage. Additionally, recruitment on Apprenticeships will continue beyond September, and have the ability to offset shortfalls in other areas, if any, through in-year intakes. EU remains on track to deliver a surplus against target, with £6.4m of income forecasted against a target of £4.5m.

NB on income: projections are based on Gross Income, and do not account for in-year drop outs or attrition. Enrolments are calculated on the basis of a 90% conversion of our Home and EU Firm Accepts, and a 90% conversion of our OS deposit paid students. The forecast is indicative and doesn't completely take into account the complexities of our fee structure. It is based on a general Average Fee being applied to each type of student at Level and Mode (e.g. £9250 for UGFT Home students).

Fig 3 as at 10th September 2019 – Home/EU/OS

LSBU - S1 2019/20		Income Projections S1 2019/20 new-starters		
Level / Mode Domicile	Forecasted Income	Target Income	Progress to Target	
UGFT	£ 37,842,525	£ 37,513,727	100.9%	
UGPT	£ 1,362,060	£ 2,012,004	67.7%	
Apprenticeships	£ 1,786,752	£ 2,656,160	67.3%	
PGFT	£ 8,103,715	£ 8,809,326	92.0%	
PGPT	£ 1,215,000	£ 1,551,732	78.3%	
Study Abroad	£ 321,440	£ 408,247	78.7%	
<hr/>				
LSBU Overall	£ 50,631,492	£ 52,951,195	95.6%	
Home	£ 39,488,058	£ 43,209,268	91.4%	
EU	£ 6,466,734	£ 4,559,923	141.8%	
OS	£ 4,676,700	£ 5,182,005	90.2%	

Student Withdrawals and Interruptions Report - @ 12 September 2019

2018/19 end of year update

1. Executive Summary

In the 2018/19 academic year, the total number of students withdrawing and interrupting shows a positive trend compared to the previous year. This also applies to the associated lost income.

Key figures for the academic year are:

- The proportion of the total number of students who withdrew / interrupted in 2018/19 is at 8% compared to 10% in the previous year.
- The total number of interruptions is lower than in the previous year (941 in 2017/18 down to 671 in 2018/19), however there is an increase in the total number of withdrawals (510 in 2017/18 to 593 in 2018/19).
- The main reason for students withdrawing is non-engagement (45.7%).
- The main reason for students interrupting are health reasons (31.6%).
- Full year income loss of £4,489k is 2.2% lower than in 2017/18 (£4,591k).

2. Student Losses 2018/19

Table 1: Withdrawn and Interrupted students as a proportion of Total students

Level of study	Year of programme	2017/18			2018/19
		Total WD/INT	Progression rate	Proportion non-progressors WD/INT	Total WD/INT
First degree	1	13%	71%	42%	11%
	2	7%	81%	27%	8%
	3	5%	-	-	4%
Other undergraduate	1	10%	69%	48%	7%
	2	6%	20%	11%	6%
	3	11%	-	-	0%
Postgraduate (research)	1	11%	80%	46%	9%
	2	11%	88%	13%	10%
	3	8%	-	-	14%
Postgraduate (taught)	1	9%	59%	22%	10%
	2	6%	19%	4%	4%
	3	19%	-	-	12%
Total		10%	66%	26%	8%

- The proportion of withdrawn and interrupted students now stands at 8% compared to prior year of 10%.
- There is year on year improvement across all levels of study and years of programme except for year 2 First degree, year 3 Postgraduate (research) and year 1 Postgraduate (taught) where there is a slight increase in the proportion of students who withdrew / interrupted.
- Note that last year, withdrawals and interruptions only accounted for 42% of the reasons for non-progression. Therefore, this improvement will not necessarily result

in improved progression levels. Progression rate for 2018/19 will be available around October after re-enrolment.

Chart 1a: YTD Withdrawals vs previous year, absolute numbers

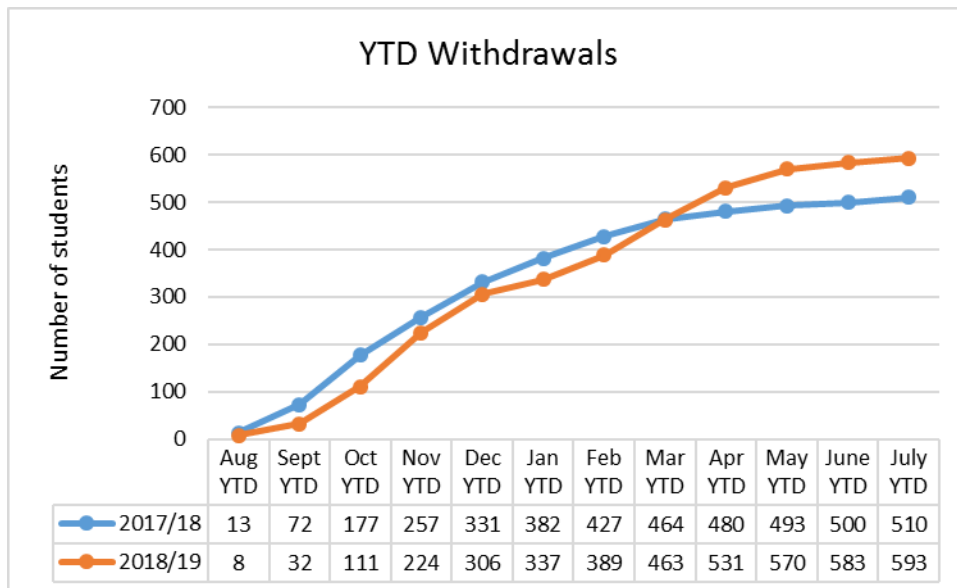
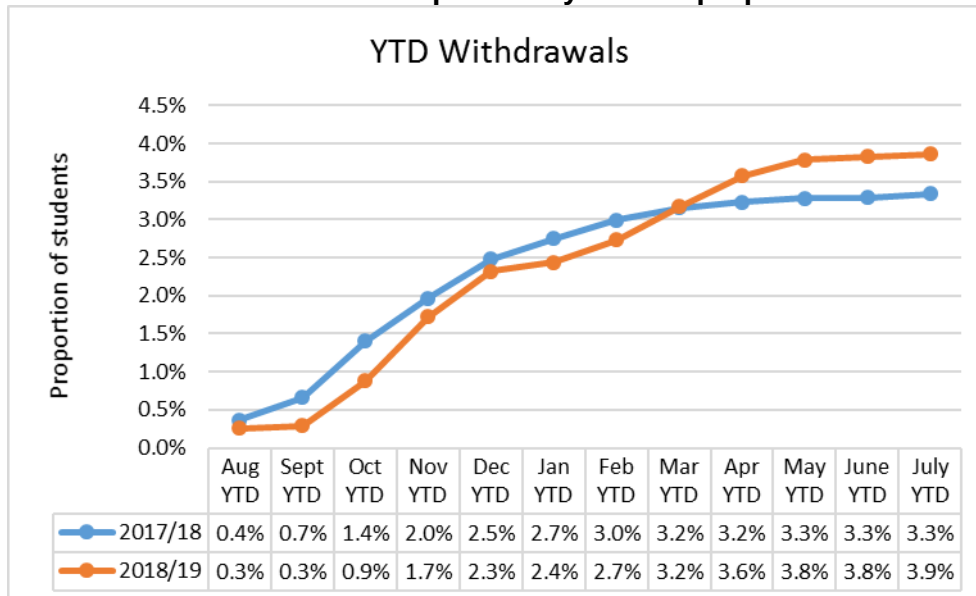


Chart 1b: YTD Withdrawals vs previous year as a proportion of Total students



- The number of withdrawals in July YTD exceeds those in the prior year by 83 which reverses the favourable variance to the prior year we experienced up to March.
- 3.9% of total students withdrew in 18/19 compared to 3.3% in 17/18.
- Compared to the prior year, withdrawals decreased in the School of Business, but increased in all other schools, most notably in the School of Applied Sciences (+30 students), School of Law and Social Sciences (+28) and School of Arts and Creative Industries (+18).
- In 2018/19, the School of Applied Sciences (6.0%) had the highest proportion of students that withdrew followed closely by School of Engineering (5.9%).

- There is little difference in the proportion of full-time and part-time students that withdrew in 2018/19, however within the part-time mode the proportion of BAME students who withdraw is significantly higher than White students.

Chart 2a: YTD Interruptions vs previous year, absolute numbers (inc. ESLEPs)

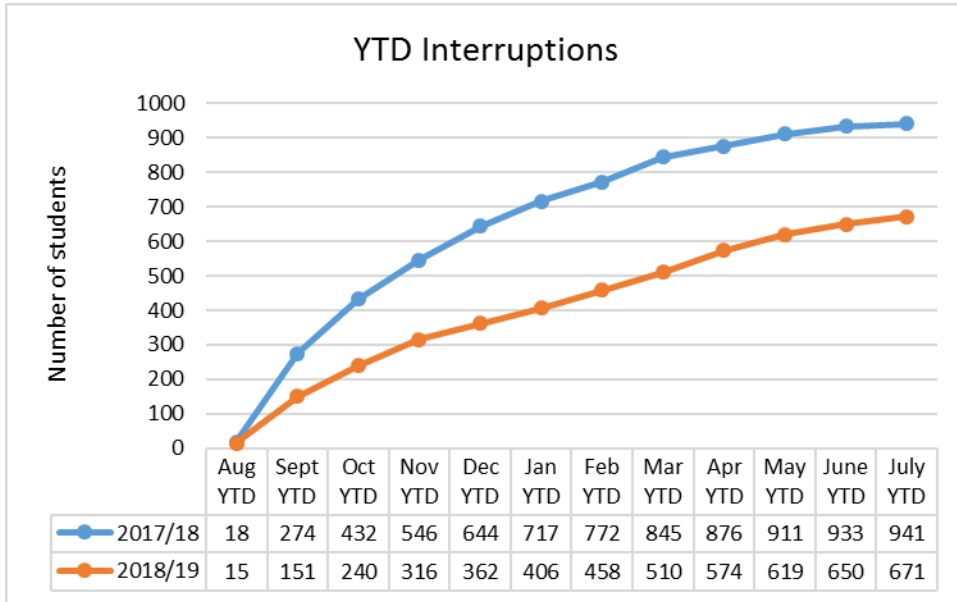
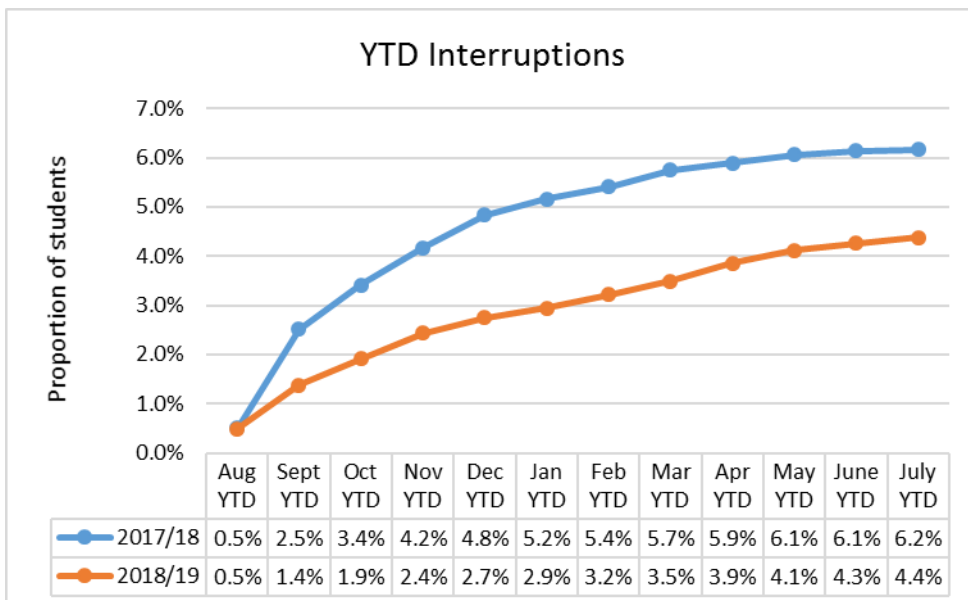


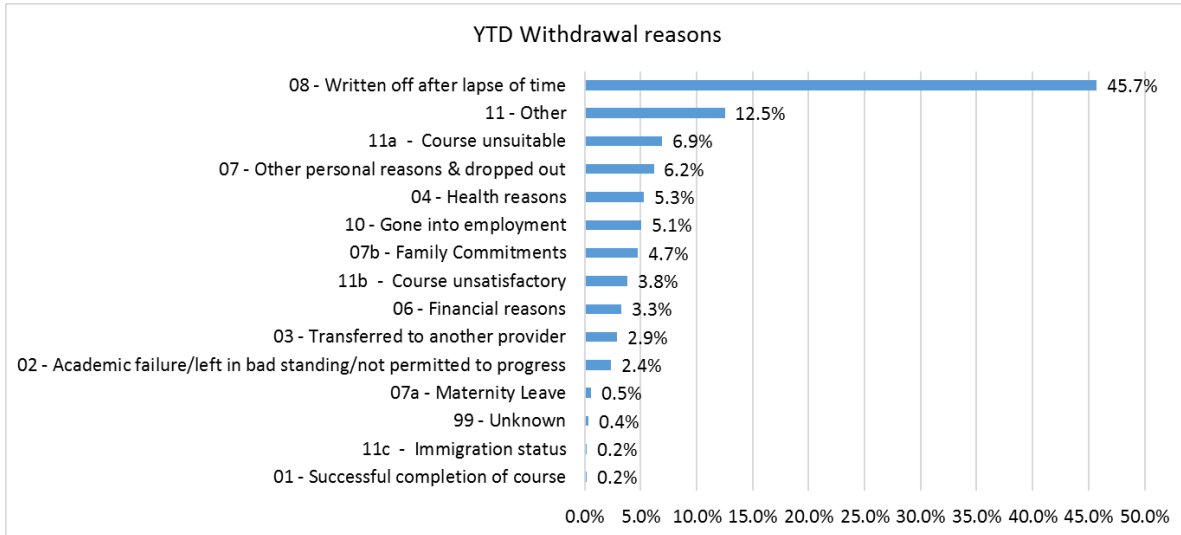
Chart 2b: YTD Interruptions vs previous year as a proportion of Total students (inc. ESLEPs)



- The number of interruptions was lower than the previous year throughout 2018/19 and now stands at 270 fewer interruptions, of which 205 are in relation to students who are taking a year out and have not re-enrolled for the current academic year (ESLEPs).

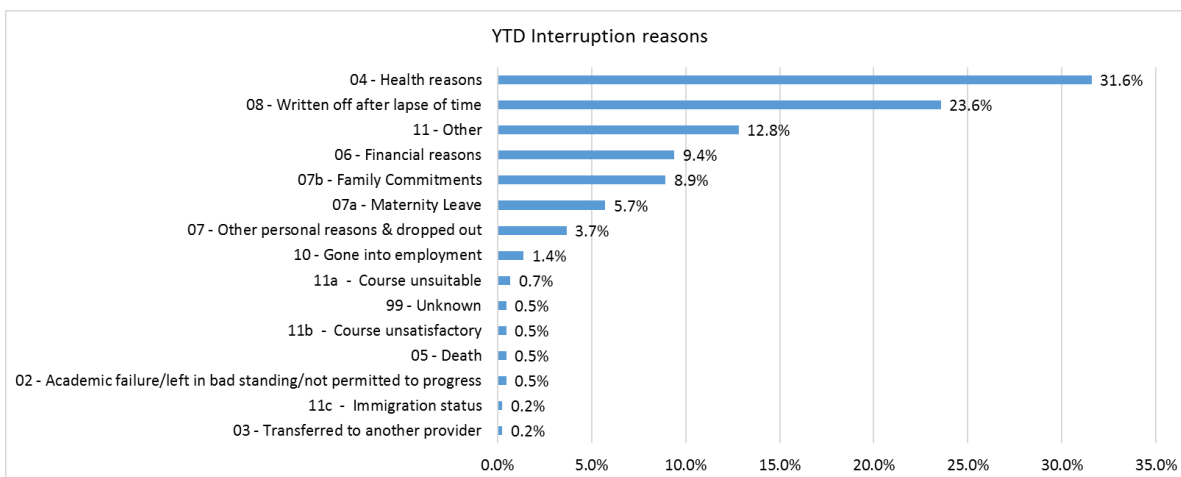
- The number of students that interrupted decreased notably across all schools apart from the Schools of Health and Social Care and Arts and Creative Industries where there was a slight increase compared to the previous year.
- In 2018/19, the School of Applied Sciences (7.1%) had the highest proportion of students that withdrew followed by the School of Law and Social Sciences (6.0%).

Chart 3: YTD Withdrawals reasons



- The primary reason for withdrawals is written off after lapse of time¹ (45.7%) followed by other reasons (12.5%).
- There is an increase of 9.7 percentage points in 18/19 in the proportion of students that are written off after lapse of time compared to last academic year.
- Note the above figures only include the 18/19 academic year enrolled students and do not include students that enrolled on 17/18 calendar year courses (courses that straddle both academic years).

Chart 4: YTD Interruption reasons



- The primary reasons for interruptions are health reasons (31.6%) followed by written off after lapse of time (23.6%)
- There are no prior year comparisons for the interruption reasons.

¹ Written off after lapse of time due to non-attendance / non-engagement.

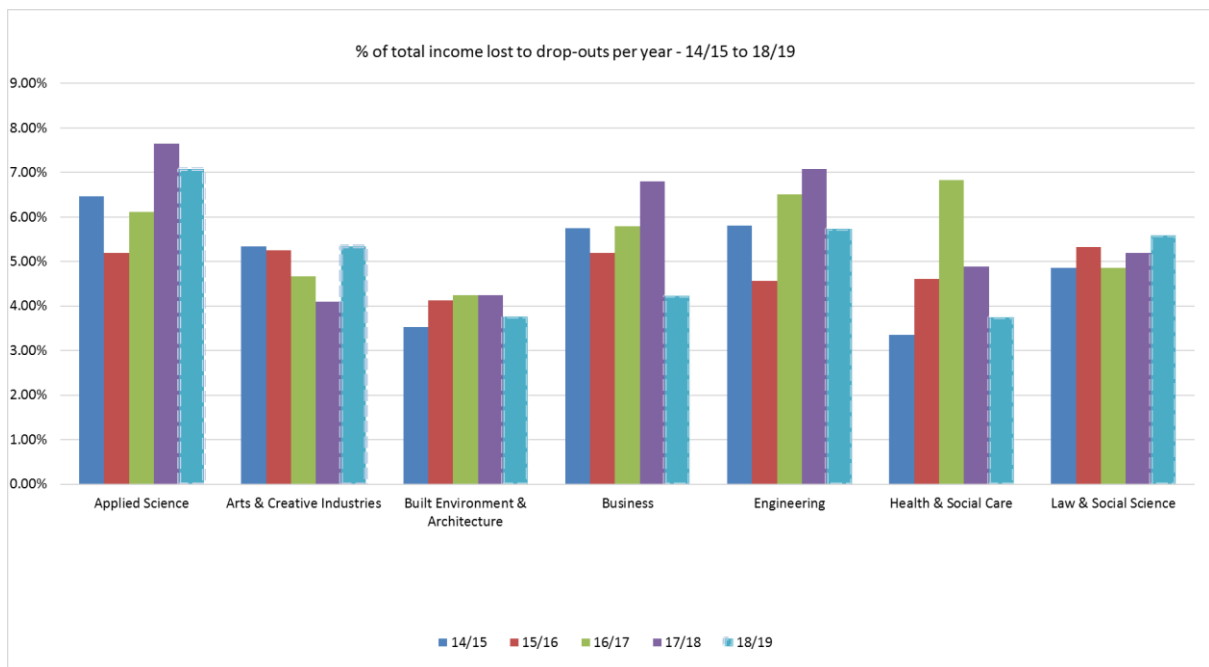
- Note the above figures only include the 18/19 academic year enrolled students and do not include students that enrolled on 17/18 calendar year courses (courses that straddle both academic years).

3. Lost Income 2018/19 YTD

- Full year income loss recorded in the 2018/19 annual accounts is £4,489k compared to £4,591k in 2017/18. This is a 2.2% reduction.
- Five schools are reporting a lower % loss of overall income than 2017/18 due to withdrawals and interruptions.
- Following adjustments to account for 2018/19 withdrawals and interruptions recorded after 31st July, income loss is now £4,528k which is 1.8% lower than in 2017/18 (£4,613k).

Chart 5: Percentage of total income by school lost to withdrawals and interruptions

The chart below shows lost income by school as a percentage of total tuition fee income for the last five academic years as per the management accounts.



2018/19 Proportion of withdrawn/interrupted students by Schools

Schools	Withdrawals	Interruptions	Total
School of Applied Sciences	6.0%	7.1%	13.2%
School of Arts and Creative Industries	4.7%	3.5%	8.2%
School of Built Environment and Architecture	2.9%	3.1%	6.1%
School of Business	3.7%	4.0%	7.7%
School of Engineering	5.9%	4.0%	9.9%
School of Health and Social Care	2.6%	4.4%	7.0%
School of Law and Social Sciences	4.7%	6.0%	10.6%
Total	3.9%	4.4%	8.2%

Student Services Report - @ 12 September 2019

Number of Mental Health and Wellbeing appointments offered			
	01/08/2017 - 31/08/2018	01/08/2018 - 31/08/2019	% change
August	54	100	+85%
September	80	109	+36%
October	190	229	+20.5%
November	202	235	+16.5%
December	136	173	+27%
January	141	178	+26%
February	163	195	+19.5%
March	155	196	+26.5%
April	150	157	+4.5%
May	202	183	-9%
June	136	123	-9.5%
July	93	97	+4%
August	100	78	-22%
Total	1802	2053	+ 14%

Safety Concern Response

	01/08/2017 - 31/08/2018	01/08/2018 - 31/08/2019	% change
Total cases	115	160	+ 39%

Student Life Centre and Student Administration Helpdesks

01/08/2017 – 01/08/2018

31/08/2018 31/08/2019

Student Administration	1307	3798*
Fees	2692	2143
Employability	1870	1286
Estates	179	148
Advice	5035	4685
International	594	595
Library	174	223
Other	1494	837
Skills	35	31
Registry	143	141
SU	187	159
Student Life	7547	6884
Wellbeing	8223	8337
	29480	29267
		<1% change

*Student Administration have only been using our Enquiry Management system to log enquiries since July 2019. This figure will be much higher as we enter the first months of 2019/20

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Agenda Item 7

	CONFIDENTIAL
Paper title:	Group Cashflow Requirements 2019 – 2023
Board/Committee:	Finance, Planning and Resources Committee
Date of meeting:	24 September 2019
Author(s):	Ralph Sanders, Director of Financial Planning, Reporting and Registry
Sponsor(s):	Richard Flatman, Chief Financial Officer
Purpose:	For Information
Recommendation:	The Committee is requested to note the attached cash flow forecast and the requirement for additional funds

Executive Summary

The shape of the 2019/20 LSBU budget was discussed at the Board of Governor's strategy day on April 10 as were changes to the 5 year forecast.

The Board asked for a view of the cashflow requirements of the Group particularly in light of the funding required for LSBU estate development plans, SBC estate development plans and the Leap programme

Financial modelling would suggest that the Group which had cash and cash equivalents of £51.5M at 31 July 2018 will breach our £20M minimum cash target in July 2019/20, with a maximum cash deficit of £31M in July 2021/22. Having tested our covenants, the Group would be in a position to borrow between £45M and so this deficit can be funded.

The analysis is based on the forecast outcome for 2018/19 as at July 2019 rather than the final accounts.

The Committee is requested to the note the attached cash flow forecast and the requirement for additional funds.

Introduction

The HEFCE/OFS 5 year forecast submitted in September 2018 had an income target of £155M for 2019/20 with Overseas Recruitment, TNE income and Enterprise being expected key areas of future growth. In April of this year the Board of Governors were briefed that these areas were unlikely to generate their expected levels of activity and so their corresponding income targets in both the 2019/20 budget and the 5 year forecast would be reduced. The University has however had an extremely strong Home & EU UG and PG recruitment round in 2018/19 and continues to experience growth in these applications. This increased recruitment will have a positive impact on future income as that cohort progresses.

The university has been modelling the impact of BREXIT on European Student recruitment now that the UK Tuition Fee regime has been extended for EU students until September 2020. Our assumption now, is that EU UG and PG recruitment will be reduced by 50% from September 2021. The university has also taken a view on the future of Student Opportunity funding and has reversed the assumed 60% reduction in future funding that had been signalled in 2016 but has not yet materialised.

The net impact of the above is that the University has reduced its 2020/21 income forecasts from £166M to £160M and its 2021/22 income forecasts from £175M to £170M.

Lambeth College has also been modelling its recruitment targets and now expects additional growth in 16-18 income following planned growth in the number of students in 2019/20, a growth in Adult income supported by delivery at planned level in 2019/20 of students fundable by the GLA and growth in Apprenticeship income as a renewed strategy takes effect.

The net impact of the above is that Lambeth College has reduced its 2020/21 income forecasts from £27M to £26M whilst maintaining its 2021/22 income forecasts at £28M.

Adjusted income forecasts are shown below

Forecast Income

LSBU (£000)	2018/19	2019/20	2020/21	2021/22	2022/23
Funding Grants – Teaching	13,439	12,115	13,500	13,600	13,500
Health Contract	10,858	2,170	2,700	2,800	2,900
Home/EU Apprenticeship	677	1,000	2,000	3,000	4,500
Home/EU UG / FE	72,584	81,500	83,600	84,900	86,700
Home/EU PG	9,975	12,500	11,000	12,000	13,000
Overseas Fees	10,210	11,600	12,000	14,000	16,000
TNE	1,950	2,000	3,000	4,000	4,000
Research incl. QR	5,937	7,000	7,800	8,800	10,000
Enterprise incl. HEIF	10,149	10,933	12,000	14,000	16,000
Other Student Income	11,195	10,784	12,000	12,500	13,000
Other Operating Income	286	398	400	400	400
Total Income	147,260	152,000	160,000	170,000	180,000
Change to 5 Year forecast	+2,260	-3,000	-6,000	-5,000	

Lambeth College (£000)	2018/19	2019/20	2020/21	2021/22	2022/23
Funding Grants – Teaching	37,520	21,534	22,734	25,064	25,064

Health Contract					
Home/EU Apprenticeship					
Home/EU UG / FE	1,487	1,817	1,817	2,404	2,404
Home/EU PG					
Overseas Fees					
TNE					
Research incl. QR					
Enterprise incl. HEIF					
Other Student Income					
Other Operating Income	1,238	1,190	1,190	892	892
Total Income	40,245	24,541	25,741	28,360	28,360
Change to 5 Year forecast	+3,632	-2,927	-2,619	-	-

The LSBU Group is now expected to deliver income of almost £200M by 2021/22 excluding SBA

Forecast Surplus

Both the University and SBC have flexed their expenditure in line with the changes in income and so our forecast levels of surplus are broadly commensurate with the previous 5 year forecast, although we have adjusted the surplus down due to the additional costs of the TPS pension scheme notwithstanding the transitional funding available to SBC.

The key change to LSBU is a decline in surplus commensurate with the decline in income and the increase in TPS costs

The key change to SBC / Lambeth College is the increase in 18/19 surplus as a result of increased support from the UK Government's 'Transaction Unit' at the time of the Lambeth College transaction and a better than expected financial result in the last 6 months of the 18/19 Academic year. We have assumed that 2022/23 SBC will have a broadly comparable deficit to the previous year and require the same level of cash funding from the University, although this is considered pessimistic as we would have expected the college to have delivered on its financial turnaround by that date.

LSBU (£000)	2018/19	2019/20	2020/21	2021/22	2022/23
2018 5 Year Forecast	1,500	2,500	4,000	5,000	4,000
2019 5 Year Forecast	3,000	1,500	1,500	2,000	3,000
Change in Surplus	+1,500	-1,000	-2,500	-3,000	-1,000

Lambeth College (£000)	2018/19	2019/20	2020/21	2021/22	2022/23
2018 5 Year Forecast	5,292	(2,785)	(2,435)	(2,435)	
2019 5 Year Forecast	10,213	(2,785)	(2,435)	(2,435)	(2,435)
Change in Surplus	+4,921	-	-	-	-

Delivering to the above surplus, with corresponding income will deliver the following KPIs

LSBU	2018/19	2019/20	2020/21	2021/22	2022/23
Staff Cost as a % of Income	56%	58%	59%	58%	57%
Operating Expenses as a % of income	30%	30%	29%	30%	29%
EBITDA	13%	11%	11%	12%	13%

Lambeth College	2018/19	2019/20	2020/21	2021/22	2022/23
Staff Cost as a % of Income		59%	59%	58%	58%
Operating Expenses as a % of income		40%	39%	38%	38%
EBITDA		1%	2%	4%	4%

Capital Expenditure and Lambeth College financial support

The following items of items of expenditure are expected to be funded during the period 2018 - 2023

LSBU	2018/19	2019/20	2020/21	2021/22	2022/23
Phase 1 LSBU	5,845	30,872	27,098	2,852	0
Chapel	0	5,000	5,000	0	0
Leap !	2,418	5,765	9,164	9,266	2,147
Additional Annualised Expenditure	1,500	2,000	4,000	8,000	10,000
Total LSBU Expenditure	9,762	43,637	45,262	20,118	12,147

The above assumes that Phase 1 of the LSBU Estate development Plan will cost £66.7M. This is in excess of the £65M budget and is considered prudent whilst value engineering is taking place with a view to reducing that overspend. Leap Costs in the years following 2022/23 have not been included in the cash flow forecast

Lambeth College	2018/19	2019/20	2020/21	2021/22	2022/23
Capital Expenditure (NESC +)	1,781	6,167	14,087	0	0
Financial Support	4,912	1,183	500	500	500
Novated Loan Repayment	450	900	900	900	900
Total SBC Expenditure	7,143	8,250	15,487	1,400	1,400

The above assumes that the GLA will match our expenditure profile on the Nine Elms Skill Centre rather than paying in advance or in arrears

The Financial support for Lambeth College is as per the ESFA Financial Plan 2019 and includes the additional funding requested by the college to move the financial health score to 'Requires

Improvement'. The Lambeth College plan does not include the repayment of the novated Barclays loan.

Group cashflow

The detail of the Group cashflow is included in Appendix A

LSBU Group	2018/19	2019/20	2020/21	2021/22	2022/23
Cash and cash equivalents at the beginning of the year	51,514	61,460	21,440	-25,429	-31,069
Cash and cash equivalents at the end of the year	61,460	21,440	-25,429	-31,069	-25,736
(Decrease)/Increase in cash and cash equivalents in the year	11,648	-40,020	-46,869	-5,640	5,332

The analysis suggests that LSBU group will require additional funds through a mix of the sale of LSBU group assets (the cashflow makes no assumptions about Clapham part disposal) or a loan/credit facility (an RCF of c£30m has previously been approved by Board).

Retaining the current £20m cash buffer would require additional funds of £51m. We may need to review and reduce the minimum cash buffer. A total of £10m working capital would reduce the requirement to a maximum of £41m in 2021/22. We have sufficient funds to manage group cashflow in 2019/20 but will need to make early arrangements to cover cashflow deficits in 2020/21, depending on the position regarding Clapham redevelopment.

Covenant Check

The amount that the LSBU Group can borrow is limited by the Covenants on our existing debt. These covenant include LSBU not making a loss for 2 consecutive years and restricting any borrowing to 5 times EBITDA.

Our EBITDA Calculation would suggest that we can borrow up to £91.5M

LSBU £	2018/19	2019/20	2020/21	2021/22	2022/23
Surplus	3,000	1,500	1,500	2,000	3,000
Depreciation	10,500	10,500	12,500	13,500	15,500
Interest	5,165	4,179	4,300	4,300	4,300
EBITDA	18,665	16,179	18,300	19,800	22,800
Maximum Borrowing at 5 x EBITDA	93,325	80,895	91,500	99,000	114,000

Affordability of capital projects

	£m
Consolidated I& E reserves (pre Lambeth acquisition) at 31/7/18	<u>82.70</u>
Forecast consolidated cash reserves at 31 July 2019	61.50
To be remitted to SBC	<u>-13.75</u>
	47.75
Plus cash generated over next 4 years (forecasts subject to approval)	<u>68.00</u>
	115.75
Total assumed capex spend over next 4 years to 2022/23 (not all approved by MPIC/Board - see below)	
LSBU	120.80
SBC	<u>26.50</u>
	<u>-147.30</u>
	-31.55
Additional borrowing required (to provide sufficient working capital) NB (no allowance for asset disposals - business case for NESC assumed minimum £22.5m from part disposal of Clapham)	<u>45.00</u>
Current borrowings:	
Barclays -	23.00
Barclays - novated from Lambeth College	<u>13.75</u>
	36.75
Plus new borrowing	<u>45.00</u>
Total borrowings pre asset disposals	<u>81.75</u>
Covenant check - 5x multiple of EBITDA in 2020/21	<u>91.50</u>

LSBU Group Cashflow forecast Summary

Jul-19

	LSBU					Lambeth College					LSBU Group						
	2018/19	2019/20	2020/21	2021/22	2022/23	2018/19	2019/20	2020/21	2021/22	2022/23	2018/19	2019/20	2020/21	2021/22	2022/23		
Funding Body Teaching & Capital Grants	13,439	14,115	13,500	13,600	13,500	37,520	21,534	22,734	25,064	25,064	50,959	35,649	36,234	38,664	38,564		
Health Contract	10,858	2,170	2,700	2,800	2,900						10,858	2,170	2,700	2,800	2,900		
Home/EU Apprenticeship	677	1,000	2,000	3,000	4,500						677	1,000	2,000	3,000	4,500		
Home/EU UG	72,584	81,500	83,600	84,900	86,700	1,487	1,817	1,817	2,404	2,404	74,071	83,317	85,417	87,304	89,104		
Home/EU PG	9,975	10,500	11,000	12,000	13,000						9,975	10,500	11,000	12,000	13,000		
Overseas Fees	10,210	11,600	12,000	14,000	16,000						10,210	11,600	12,000	14,000	16,000		
TNE	1,950	2,000	3,000	4,000	4,000						1,950	2,000	3,000	4,000	4,000		
Research Grants	4,103	5,166	5,966	6,966	8,166						4,103	5,166	5,966	6,966	8,166		
QR Grants	1,834	1,834	1,834	1,834	1,834						1,834	1,834	1,834	1,834	1,834		
Enterprise	9,582	10,366	11,500	13,500	15,500						9,582	10,366	11,500	13,500	15,500		
HEIF Grant	567	567	500	500	500						567	567	500	500	500		
Other Student	11,195	10,784	12,000	12,500	13,000						11,195	10,784	12,000	12,500	13,000		
Other Income	286	398	400	400	400	1,238	1,190	1,190	892	892	1,524	1,588	1,590	1,292	1,292		
Donation Income											0	0	0	0	0		
Total Income	147,261	152,000	160,000	170,000	180,000	40,245	24,541	25,741	28,360	28,360	187,506	176,541	185,741	198,360	208,360		
						[ESFA_Financial_Plan_2019_MW version 1 july (003)]											
2. Expenditure																	
2a. Staff costs	82,661	88,100	93,631	98,250	103,161	14,313	14,397	15,117	16,510	16,510	96,974	102,497	108,748	114,760	119,671		
2b. Fundamental restructuring costs	1,701	1,500	1,500	1,500	1,500						1,701	1,500	1,500	1,500	1,500		
2c. Other operating expenses	44,233	46,221	46,569	50,450	52,539	11,713	9,904	10,034	10,857	10,857	55,946	56,125	56,603	61,307	63,396		
2d. Depreciation	10,500	10,500	12,500	13,500	15,500	2,071	1,900	1,900	2,588	2,588	12,571	12,400	14,400	16,088	18,088		
2e. Interest and other finance costs	5,165	4,179	4,300	4,300	4,300	1,942	1,125	1,125	840	840	7,107	5,304	5,425	5,140	5,140		
2f. Total expenditure	144,261	150,500	158,500	168,000	177,000	30,039	27,326	28,176	30,795	30,795	174,300	177,826	186,676	198,795	207,795		
3. Surplus/(deficit)	3,000	1,500	1,500	2,000	3,000	10,206	-2,785	-2,435	-2,435	-2,435	13,206	-1,285	-935	-435	565		
Profit																	
Operating Profit																	
Staff Cost as a % of Income	56%	58%	59%	58%	57%	36%	59%	59%	58%	58%		58%	59%	58%	57%		
Operating Expenses as a % of income	30%	30%	29%	30%	29%	29%	40%	39%	38%	38%		32%	30%	31%	30%		
EBITDA	13%	11%	11%	12%	13%	35%	1%	2%	4%	4%		9%	10%	10%	11%		
7. (Decrease)/Increase in cash and cash equivalents in the year	10,797	-40,020	-46,869	-5,640	5,332	851	0	0	0	0	11,648	-40,020	-46,869	-5,640	5,332		
8. Cash and cash equivalents at the beginning of the year	49,413	60,210	20,190	-26,679	-32,319	2,101	1,250	1,250	1,250	1,250	51,514	61,460	21,440	-25,429	-31,069		
9. Cash and cash equivalents at the end of the year	60,210	20,190	-26,679	-32,319	-26,986	1,250	1,250	1,250	1,250	1,250	61,460	21,440	-25,429	-31,069	-25,736		
Capital Expenditure																	
Phase 1 LSBU	5,845	30,872	27,098	2,852	0						5,845	30,872	27,098	2,852	0	Total 66,667	
Chapel	0	5,000	5,000	0	0						0	5,000	5,000	0	0	10,000	
Leap !	2,418	5,765	9,164	9,266	2,147						2,418	5,765	9,164	9,266	2,147	28,759	
Additional Annualised Expenditure	1,500	2,000	4,000	8,000	10,000						1,500	2,000	4,000	8,000	10,000	25,500	
Total LSBU Capital	9,762	43,637	45,262	20,118	12,147						9,762	43,637	45,262	20,118	12,147	130,926	
Lambeth College Cash requirements																	
Capital Expenditure (NESC +)	1,781	6,167	14,087	0	0						1,781	6,167	14,087	0	0	22,035	
Financial Support	4,912	1,183	500	500	500						4,912	1,183	500	500	500	7,595	
Interest/Repayment of Novated Barclays loan	450	900	900	900	900						450	900	900	900	900	4,050	
Total Funds out	7,143	8,250	15,487	1,400	1,400						7,143	8,250	15,487	1,400	1,400	33,680	

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	CONFIDENTIAL
Paper title:	Treasury Management Report
Board/Committee:	Finance Policy and Resources
Date of meeting:	24 th September 2019.
Author(s):	Rebecca Warren, Head of Financial Accounting
Sponsor(s):	Richard Flatman, Group Chief Financial Officer
Purpose:	For Approval
Recommendation:	note this Treasury Management Report

1. Executive Summary

On 31 July 2019 the University and connected companies held total bank balances in current accounts and deposit accounts of £59.980 million and loans outstanding of £36.361 million.

The cash flows since February include a receipt of funds of £13.75 million and several payments out relating to South Bank Colleges.

As part of the novation of loans from Lambeth College to LSBU, the University has agreed to transfer our day to day banking business from NatWest to Barclays. The final stage of this transfer will take place on 1 October.

2. Cash Balances and term deposits

2.1 Details of all the University's bank and deposit balances at the year-end are shown below. (There have been no significant changes since then). The movement in the current account during July is normal for this time of year.

Bank / Title	Type of Account	Previous Month Balance	31 July 2019	
			Balance Currency	Balance Sterling
NatWest [LSBU's Main Trading Account]	Corporate Cash Manager Plus Euro Currency Account Business current account	£	€	£
		25,832,100		17,531,536
		5,079,385	5,502,385	4,412,194
		97,337		101,304
NatWest [Charitable Funds]	Corporate Cash Manager Plus	1,785,592		1,786,074
Lloyds TSB	Corporate Special Account 95-day notice	2,095 10,836,034		2,095 10,855,975
Bank of Scotland	Corporate Deposit Account Corporate Instant Access	5,929,251 198,447		5,932,630 198,455
Federated Investors LLP UK	Sterling Liquidity Fund 3 Sterling Cash Plus GBP	1,871 5,355,334		1,872 5,359,360
Barclays	Business Account FiBCA	5,067 10,375,097		291 7,380,669
Scottish Widows Bank Plc	Deposit Account	612 502		612 502
Nationwide	95 Day Deposit Account	0		3,000,000

Total LSBU Funds at Bank		65,498,724	56,563,569
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NatWest [SBU Enterprises Ltd]	Business Current Account CCMP	0 702,669		0 104,361
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Total Access & Enterprises Funds		702,669	104,361
Total SBC funds at bank	Barclays	983,670	1,380,666
Total SBA Funds at bank	Lloyds TSB	1,917,682	1,930,951

Total of all Funds at Bank		69,102,745	59,979,547
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2.2 The table below shows the interest rates we currently receive for our accounts and fixed term deposits.

Bank	Account	Funds held at 31/07/19 £'000	Maturity date	Interest rate %
Natwest	CCMP	17,937	No notice	0.15
Natwest	Euro current account	5,012	No notice	0.15
Natwest	Charitable funds	1,786	No notice	0.15
Lloyds TSB	Fixed Term Deposit	10,845	95 days	1.00
Bank of Scotland	Corporate Deposit account	5,933	No notice	0.65
Federated Investors	Liquidity fund	5,365	No notice	variable*
Barclays	FIBCA	7,731	No notice	0.60
Nationwide	Fixed Term Deposit	3,000	95 days	1.15

* Variable rate of return (between 0.57% - 0.91%)

2.3 The actual interest income for the 2018/19 year was £267,000.

2017/18 Actual £'000	2018/19 actual £'000	2018/19 Budget £'000
£149,000	£267,000	£302,000

2.4 A detailed list showing how much the University family holds at each bank and assessment of counterparty limits is shown below. In line with our Treasury Management Policy: the University is permitted to place deposits with banks and building societies operating in the UK which are authorised and regulated by the Financial Conduct Authority and Prudential Regulatory Authority in accordance with the following credit rating criteria. The minimum rating criteria must be met by at least 2 of the main three credit rating agencies.

Credit Rating agency	S&P	Moody's	Fitch	Bank Limit (£ Millions)
Band 1 (Minimum Ratings)	A	A2	A	£10.0
Band 2 (Minimum Ratings)	BBB+	Baa1	BBB+	£5.0

To maintain sufficient balances in our main current account with NatWest, the policy allows up to £25m to be held with this institution with deposits or term accounts being for no longer than 1 month.

Bank	S&P	Moody's	Fitch	Band	Maximum deposit in line with TMP £'000	Funds held at 31/07/19 £'000
Natwest	A	A1	A+	1	£25,000	£24,873
HSBC	AA-	Aa3	AA-	1	£10,000	£774
Lloyds TSB	A+	Aa3	A+	1	£10,000	£12,778
Bank of Scotland	A+	Aa3	A+	1	£10,000	£6,131
Federated Investors	AAAm	N/A	AAA	1	£10,000	£5,365
Barclays	A	A1	A+	1	£10,000	£11,781
Nationwide	A	Aa3	A	1	£10,000	£3,000

2.5 Deposits maturing

Banks	Deposit (£M)	Rate (%)	Term (Days)	Maturity Date
Lloyds	10.8	1.00	95	95 day notice
Nationwide	3.0	1.15	95	95 day notice

2.6 Investment options

The University subscribes to the Finalysis UK Banking Market Review. This shows that there are a few options available to the University that will return slightly higher rates that we are obtaining at present. Examples of rates available are shown below. The University has already opened an account with Nationwide.

Santander time deposit	£250k +	6 months	0.75 %	Band 1
Santander time deposit	£250k +	12 months	1%	Band 1
Lloyds bank	£50k - £5m	12 months	1.05%	Band 1
Close Brothers notice account	£50k	12 month notice	1.15%	Band 1 (not rated by S & P)
Nationwide		95 days notice	1.10%*	Band 1

*Base rate (0.75%) +0.35%

Because of the significant amounts of cash involved, and the time commitment required to manage accounts on a day-to-day basis, research interest rates and open new accounts, we are considering using an outsourced company to manage Treasury deposits and proposals will be reported in the future.

3. Loans

3.1 Including the loans novated to LSBU the loan balance outstanding is £36.4m as follows:

Lender	31/1/19 £'000	31/1/19 £'000	Term	Interest rate	Security
Allied Irish Bank (GB)	3,302	3,113	26.5 years to 2027	6.67% Fixed	Dante Road halls of residence
Barclays Bank 2	4,042	3,886	25 years to 2032	5.67% fixed	McLaren House
Barclays Bank 3	5,000	5,000	To April 2029	5.25 % fixed	
Barclays Bank 4	7,104	6,909	23.25 years to 2032	5.54% fixed	
Barclays Bank 5	3,935	3,786	23 years to 2032	0.225% over Libor	
Barclays Loan Lambeth	13,723	13,467	To 30 th Aug 2035	5.2% fixed + margin 1.65%	
Salix	200	200			None
Total Group loans	37,306	36,361			

4. Recommendations

Committee are requested to note this Treasury Management Report

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	CONFIDENTIAL
Paper title:	Research, Enterprise and Innovation (REI) update
Board/Committee:	Finance, Planning and Resources Committee
Date of meeting:	24 September 2019
Author(s):	Professor Paul Ivey, Deputy Vice Chancellor and Chief Business Officer Linsey Cole, REI Acting Director
Sponsor(s):	Professor Paul Ivey – Deputy Vice Chancellor and Chief Business Officer
Purpose:	For information
Recommendation:	The committee is requested to note this report

Executive Summary

REI reporting at Executive and Governors has necessitated monitoring income diversity through research, applied research and enterprise business generation. This approach ignores the wider REI contribution. Consequently it is agreed that alongside quarterly reporting of the management accounts (including REI income figures), REI will produce at this time an update of activity and direction. This paper is the first and 'base report' for this reporting series.

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REI Update

Introduction

REI reporting at Executive and Governors has necessitated monitoring income diversity through research, applied research and enterprise business generation. This approach ignores the wider REI contribution, for example; the significant contribution to LSBU (and increasingly Group) student experience, employability and enterprise culture delivered by the student enterprise team and their wider network of entrepreneurs in residence and school enterprise champions which was the significant deciding factor in winning Entrepreneurial University of the Year, the leading contribution to the South Bank Innovation District concept and community impact from the very significant awards of European Regional Development Funding, European Social Funding and Knowledge Transfer Partnership funding, and finally sustaining a wide variety of SME tenant companies on campus, contributing to student experience, employment and curriculum development / delivery. It is an ecosystem rated of its type, 15th in the world, 4th in Europe and 2nd in the UK. These achievements are after just 5 years of development within the Clarence centre. Consequently it is agreed that alongside quarterly reporting of the management accounts (including REI income figures), REI will produce an update of activity and direction. This paper is the first in these reports.

Directorate

REI is some 50 people, the majority is employed by SBUE Ltd. and within this some 50% of colleagues are employed by awards won competitively. Executive line reporting is in the main to DVC (Innovation) and Chief Business Officer, the substantive exception is the responsibility to the Provost for research environment (research centres and groups, REF preparation, codes of conduct etc.). In terms of income diversity, 4 income team leaders for enterprise education, regeneration, research and enterprise business generation (pre and post contracting) report to the Acting Director (Linsey Cole), and in terms of support functions there is administration, commercial operation, and system development for back and front office functions (HAPLO and Mediasphere, respectively). For 2019 / 2020 this team is at full strength, with improving staff satisfaction excepting SBUEL employment T&Cs (this was the subject of a speak up matter).

Enterprise Education

Since 2015 almost 22000 students and alumni have engaged in enterprise education activities and 445 extra-curricular activities and 267 curriculum activities have been

delivered. In 2019/20 activities will be linked to Entrecomp (the European framework) and engagement will deepen by:

- Development a lifetime engagement with students and alumni;
- Greater focus on creating an entrepreneurial community;
- Developing student led initiatives, expanding the South Bank Collective, and reshaping the Business Solutions Centre;
- Developing enterprise as a life/skill mindset, mapping curriculum and evidencing impact on student skills and outcomes (not just start-ups);
- In addition to British Council contracts in China, there are further British Council projects with Azerbaijan University of Architecture and Construction in Baku, Azerbaijan and Tashkent State Technical University in Uzbekistan; and
- The Sino UK International Innovation and Enterprise Skills Competition for Schools and Universities.

Community Regeneration

Winning some £11M of contracts has established LSBU as the largest University provider in London for this work with projects across many sectors. 2019 / 2020 will see work continuing across the following:

- Greentech access to innovation;
- Simulation for digital health;
- London Agri Food Innovation Clinic (LSBU Borough Market food stand);
- Low Carbon London (clean tech);
- ACE IT (creative / digital tech);
- Business support workshops and student consultancy;
- Enterprise Steps (business support workshops and student consultancy);
- DEK Growth (business support workshops and student consultancy);
- Mayors Digital Talent Programme “Digital Grid” Project, new Level 4+ digital skills content for students working with SMEs £340k;
- CEDaCI will establish a circular economy for NWE data centre industry;
- Fresh Start an EU partnership programme to support migrant entrepreneurs;
- ETEE project designing and developing training for enterprise educators; and
- AGILE on-line platform for 1500 in work learners to gain management, leadership and digital accreditations via online platform.

Sales, business generation, pre and post contracting oversight

REI allocates to each school a pre award Research Development Officer (RDO) and a business development manager (BDM) to assist academics with the identification, preparation and submission of contract applications. Having agreed school targets, RDOs and BDMs detail delivery plans and agree these with Deans. Plans are

developed to align funding streams (UKRI, Industrial Strategy Challenge Fund, Innovate UK etc), market needs and school excellence. Post award support for research is coordinated by the post award research officer and for enterprise by the BDMs. For both income streams, progress is monitored via quarterly meetings with schools and finance. Currently some £16M of annual income flows via this process with growth plans to £20M. Authority to contract sits with the DVC (Innovation) following individual sign off by schools, finance, REI and legal colleagues.

Strategic Partnerships

Executive are considering a Knowledge Exchange Campus at Cambridge (KEMPUS) partnering with The Welding Institute (TWI) which is a membership-based organisation with 700 international engineering industrial members. Over the last four years LSBU has collaborated with TWI to establish three Innovation Centres (ICs) specialising in non-destructive testing robotics and polymers. The signature attraction is access to this industrial base. Similarly in terms of accessing as a partner another industrial consortium, a collaboration agreement for a new Innovation Centre, jointly funded by LSBU and BSRIA, has been agreed and is due to be signed at a formal signing ceremony later in the autumn.

Operations and systems

A new REI administrative function serves to increase productivity, risk reduction by creating cover for critical operational tasks, and standardisation of practice. Haplo is the University's strategic platform of choice for management of research and enterprise data, delivering systems consolidation / simplification and improved information combined with significant cost reductions. Following a competitive tender process earlier this year, Mediasphere is the REI platform of choice for a commercial gateway service. Work during 2019 / 2020 will develop with finance a commercial approach to payments, work with marketing on a commercial site and content, link seamlessly with HAPLO and expand the gateway function beyond the current development phase for CPD to encompass data analytics and full business planning.

Highlight grants (active 2018/19)

CRYOHUB: Developing Cryogenic Energy Storage at Refrigerated Warehouses as an Interactive Hub to Integrate Renewable Energy in Industrial Food Refrigeration and to Enhance PowerGrid Sustainability

The CroyoHub project is funded by the EU's Horizon 2020 programme, coordinated by Professor Judith Evans from the School of Engineering at LSBU with total grant value of €2.15M Euro. The project commenced in April 2016 and is due to complete in September 2020.

CroyoHub utilises the heating and cooling resources that are available in refrigerated warehouses and food factories to optimise the application of liquid air storage.

LoT-NeT: Low Temperature Heat Recovery and Distribution Network Technologies

LoT-NeT is an EPSRC funded network, lead by the University of Warwick, in which Prof Graeme Maidment from School of Engineering is Co-Investigator. Total grant value to LSBU is £724,664. The project commenced in January 2019 and continues to the end of December 2023.

The aim of Lot-NET is to consider how waste heat streams from industrial or other sources feeding into low temperature heat networks can combine with optimal heat pump and thermal storage technologies to meet the heating and cooling needs of UK buildings and industrial processes.

MMEAW: Modelling the MEchanics of Animal Whiskers

Lead by Geoff Goss at LSBU, MMEAW is an EPSRC funded project in collaboration with Manchester Metropolitan University and UCL. The project started in December 2017 and is due to complete at the end of November 2020 and has a total grant value of £304,086.

MMEAW is a multidisciplinary project, lying at the interface between structural engineering, robotics and comparative animal physiology. It aims to extend our understanding and knowledge of how whiskers are adapted to their function and apply that understanding to applications in engineering.

E-cigs Homeless: Exploring the uptake and use of electronic cigarettes provided to smokers accessing homeless centres: a feasibility study

The E-Cigs Homeless project is funded by the National Institute for Health Research (NIHR) to a total value of £393k of which £268k is allocated to LSBU as lead organisation. Professor Lynne Dawkins from School of Applied Science is the Principal Investigator for the project which commenced in October 2018 and is due to complete at the end of March 2020.

This study will explore whether supplying free e-cigarette starter kits to smokers accessing homeless centres is a good idea and look at the best ways to do this.

ISOPREP: Ionic Solvent-based Recycling of Polypropylene Products

ISOPREP is an EU H2020 funded project in which LSBU's ARCTIC Innovation Centre, lead by Prof Geraldine Durand, is a partner with a funding of 895k euros. The project started in October 2018 and is due to complete at the end of September 2021.

A method (ISOPREP) is proposed for recycling polypropylene (PP) products into virgin quality PP and hence reusable for the production of the highest grade PP products.

ENABLEH2 : ENABLING cryogenic Hydrogen based CO2 free air transport- EnableH2 is funded by the EU's H2020 programme and coordinated by Cranfield University. LSBU is a partner on the project with allocated funding of 620k euros. The project started in September 2018 and continues to the end of August 2021.

ENABLEH2 will mature critical technologies for LH2 based propulsion to achieve zero mission-level CO2 and ultra-low NOx emissions, with long term safety and sustainability.

SUNRISE: Strategic University Network to Revolutionise Indian Solar Energy LSBU joined the SUNRISE project in September 2019 following the transfer of Prof Hari Upadhyaya, Co-Investigator on the project, to LSBU. The project is funded via the Global Challenges Research Funding through the EPSRC and is lead by Swansea University. Grant value to LSBU for the first stage is £451k with further funding to be allocated to the second stage, due for completion in December 2021.

SUNRISE is an ambitious programme to rapidly accelerate and prove low cost printed PV and tandem solar cells for use in off grid Indian communities within the lifetime of the project.

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	INTERNAL
Paper title:	Research update
Board/Committee:	Finance, Planning & Resources Committee
Date of meeting:	24 September 2019
Author(s):	Karl Smith, Peter Doyle, Joe Arnold
Sponsor(s):	Pat Bailey (Provost)
Purpose:	For Information
Recommendation:	The committee is asked to note the progress of the 8 Research Centres following the Mock REF2021 exercise, and to note the preparations for our REF2021 submission.

Executive Summary

The next government assessment of research is in 2021. This affects reputation and income.

The Mock REF exercise was carried out in November-December 2018 and was reported in full in January 2019. This analysis served as a health check for REF2021, and will be repeated for 2019, reporting in January 2020.

The key findings were as follows:

- It is proposed that LSBU makes returns in 8 Units of Assessment
- The projected size of LSBU's submission is ca. 170 FTE
- The Research outputs (60% of the REF's funding allocation) element of each of the UoAs is broadly on track to meet the 2.8 GPA target (5 of the 8 UoAs have already met this target)
- All Units of Assessment have Impact case studies but in most cases, they require further development and investment to maximise their impact, with emphasis on: (1) impact development; (2) impact evidence collection; and (3) case study optimisation. This is progressing.
- LSBU's Research Environment (15% of REF funding) has seen a big progression since 2014, but the Environment Statements provided for the majority of the Mock-UoAs require further development
- Provisional estimates of QR income from REF 2021 are as follows:
 - Total annual income based on projected GPA scores for Research outputs is £1.2 million, i.e. £8.4 million over 7 years

- Total annual income if the 3.0 Impact target is met is £381k: *i.e.* £2.7 million over 7 years
 - A 4* Research output could be worth up to £94.6k over 7 years
 - A 4* Impact case study could be worth up to £772k over 7 years
- A number of further steps and recommendations following the Mock REF process were identified.

	CONFIDENTIAL
Paper title:	Chief Operating Officer's Report
Board/Committee	Finance, Planning and Resources
Date of meeting:	24th September 2019
Author:	Marcelle Moncrieffe-Johnson, Alison Chojna
Purpose:	For Information
Recommendation:	The committee is requested to note the updates on ICT and People and Organisation.

Chief Operating Officer's Report

1. People and Organisation

Key points:

- Marcelle Moncrieffe-Johnson has started as the Executive Director for People and Organisation.
- Line management of People and Organisation has transferred from the Chief Operating Officer and Deputy Vice Chancellor Education role to the Chief Customer Officer, with effect from 9th September 2019.
- The Executive Director is preparing to develop and lead the People and Organisation Strategy, and getting to know her team and ensure they are equipped to deliver what the LSBU Group needs for the next phase of our journey.

Major projects for the coming months include:

- Establish a Target Operating Model for roles with Group responsibility, which will enable role and job descriptions, plus terms and conditions, to be defined and implemented.
- Leadership of the People and Culture Transformation Area in LEAP, LSBU's Student Journey Transformation Programme.
- Reward and recognition: deliver the outcomes from a review of LSBU reward and recognition, in the context of changes to pension schemes
- Workforce Planning
- Recruitment of a lead for the Equality, Diversity and Inclusivity team

2. ICT

Key points:

- Good progress continues to be made with the Digital Strategy, IT developments, and cyber security.
- We are reviewing the title of this PSG function, to reflect more closely the role of Library and Learning Resources, and ICT, in digital innovation.
- Work towards minimising technical debt in the IT infrastructure will prioritise implementation of an enterprise service bus and refreshed identity management.

The Higher Education Achievement Report (HEAR)

The HEAR provides a single comprehensive record of a student's achievement throughout their time at university, including academic work (credit), and extra-curricular activities, prizes and employability awards, voluntary work and offices held in student union clubs and societies that have been verified by the institution. Many universities offer a version of this. The LSBU HEAR is intrinsic to LSBU's Educational Framework, and our HEAR plans have a unique element, an integral university reference letter, providing students with a single record to take to employers. This project had been stalled for three years but the software solution has now been procured and will be deployed shortly, supporting our student employability strategy and KPI.

Student flexible access to computing

AppsAnywhere is a web-based tool which provides access to almost all software applications from a single app store interface, allowing students to access software from any student facing PC on campus. In the coming months, students will be able to access AppsAnywhere from their own Windows devices from any location. Deployment took place this summer.

Integrated learning resource planning

Full integration between the Talis Aspire online reading list system and Moodle has now taken place (using Learning Tools Interoperability, which is a standard protocol to allow different learning tools to integrate), supporting embedded online reading lists for an improved students experience and seamless linking from course documents through to online library resources. This project is now complete.

Universal systems access for staff

The existing identify management product, ISIM, is central to how systems are accessed. However, due to the bespoke code used in the original configuration, ISIM has not been upgraded in 7 years. This has prevented progress in several key projects, such as staff mailbox (email) migration to Office365. The incumbent support provider has now been replaced with a provider capable of performing the required upgrades and work will soon be underway to resolve this situation and remove the barriers to mailbox migration.

Further activities during summer 2019 include:

- IT have been heavily involved in the first student accelerator, developing an online enrolment system.
- Contributing to the Estates programme, installing AV into the newly developed teaching spaces and supporting the office moves of large numbers of staff.
- Lecture capture has been deployed into 30 teaching spaces.
- Student facing and teaching PCs have been upgraded to Windows 10.

Planned for Autumn 2019:

A programme of work will soon be launched to upgrade all staff facing devices to Windows 10. Staff will need to be supported to ensure that materials are not lost in the switchover. Communications and support arrangements are being planned.

Office365 is currently available to all staff and students but decisions taken in the original configuration resulted in take-up being patchy. Student/staff licenses need to be brought in line and online collaboration between user groups needs to be explored. Configuration will be taken back to a vanilla state to ensure the tools operate as expected. Following that, a formal launch will be undertaken.

A cyber security health assessment is soon to be undertaken by an external provider to identify any vulnerabilities. Patching and upgrades to 300 servers are about to commence to ensure all security upgrades are current.

An approach to developing the Group digital strategy has been agreed. A facilitated session with sub-strategy area leads is being organised for October, to agree overarching principles for the Group approach to digital.

The wired and wireless network reaches end of life in August 2020. A tendering process will be undertaken to identify a strategic partner to support the redesign and deployment of the latest network technology and security principles.

A staffing structure has been agreed to blend SBC and LSBU IT staffing. The design of a SBC IT manager role (reporting into LSBU) is in progress, with recruitment beginning in the near future.

An Assessment & Feedback tool and tool to support CMA compliance are under development.

Activities are underway to prepare the first on-premise services to begin to move to public cloud from January 2020.

A business partnering model in IT Services is currently being planned to ensure IT developments are more closely linked to Group plans. This should also help to reduce the introduction of new shadow IT.

IT continues to be closely involved with the LEAP programme.

	CONFIDENTIAL
Paper title:	Business Continuity update
Board/Committee	Finance, Planning and Resources Committee
Date of meeting:	24 September 2019
Author(s):	Ed Spacey, Head of People and Organisational Development Compliance and Jack Newing, Safety and Resilience Adviser.
Sponsor(s):	Prof. Shan Wareing, DVC Education and Chief Operating Officer
Purpose:	For information. To give an outline of the current business continuity arrangements for LSBU and the wider Group, and the actions being undertaken to enhance compliance and overall organisational resilience.
Recommendation:	To note the arrangements identified in this report.

1.0 Purpose

- 1.1 This report outlines the extent of current business continuity arrangements in place for London South Bank University, as well as the actions being undertaken to enhance compliance and overall organisational resilience. An additional section outlines the arrangements for the wider LSBU Group.
- 1.2 A separate report relating to ICT recovery (The ICT Disaster Recovery Plan) will be submitted to the Finance, Planning and Resources Committee by the ICT team.

2.0 Review and Development of Current Processes

- 2.1 During recent years, there has been a focus on emergency planning and incident management. During this time, an incident response plan, command structure and associated capabilities have been developed and implemented, and were successfully tested in January 2019.
- 2.2 The Safety and Resilience Adviser, appointed in March 2019, reviewed business continuity plans and processes in April 2019. Primary findings indicated business continuity planning needed to be increased, with the following points of note:
 - Planning should be consistent across the University; the goal is that all Schools and PSGs have arrangements in place with a level of detail in the planning that will enable them to be effective;
 - To achieve this, engagement of staff will need to be increased.
- 2.3 In order to support business continuity planning, a new, standardised departmental business

continuity plan template has been developed.

2.4 The template is intended to support a simplified planning process and create a clear and useable document should business continuity arrangements need to be invoked. A summary of the additions and improvements are as follows:

- Reinforced ownership and authorisation requirements;
- Reinforced activation processes;
- Inclusion of guidance on information governance and security;
- Inclusion of review and testing processes;
- Adoption of a priority rating model for critical functions;
- Expansion of critical resource requirements;
- Development of initial response processes;
- Identification and development of scenario based response processes;
- Development of a new incident log;
- Development of a new situation report template;
- Development of a new expenditure log.

2.5 Of particular significance is the adoption of a priority rating model, enabling a standardised approach to the critical functions of each department. Each critical function can now be set against the same criteria, ensuring a much higher level of consistency than in previous iterations.

3.0 Roll out of LSBU Business Continuity Development Programme

3.1 In tandem with this review, the Safety and Resilience Adviser has conducted a mapping exercise to determine which departments are required to hold and maintain a business continuity plan.

3.2 The required number of plans is 40, breaking down to 33 plans as sub-divisions of the Professional Service Groups, and one for each of the seven Schools.

3.3 An owner has been identified for each of the 40 plans, with the Safety and Resilience Adviser working in close collaboration with each, providing assistance and guidance to ensure that their plans are completed to a consistent and high standard.

3.4 Coordination of the rollout has been structured to ensure that plans with the most cross departmental impact, such as those of Estates and ICT, are prioritised. This is to enable the relevant information to be fed in to the remaining plans for additional robustness and consistency.

3.5 At the time of writing, 97% of the new plans are in the completion stage with their respective owners. Each owner has a clear completion deadline, with the expectation that all plans will be returned by the end of September 2019.

3.6 In developing this dialogue, it has been possible to start developing a culture of organisational resilience across all areas of the University, with a noticeable improvement in engagement and confidence around the subject.

- 3.7 The robustness of the new format has been successfully tested with the recent activation of the Clearing business continuity plan (one of the first developed due to its criticality) during the telephony Major Incident on 15th August 2019. Feedback notes that it effectively enabled contingency processes to be activated quickly, and ensured that Clearing was able to operate throughout the disruption.

4.0 LSBU Corporate Business Continuity Plan

- 4.1 The completion and return of all departmental business continuity plans in September will enable the collation of a master list of all University critical functions ranked from highest to lowest priority.
- 4.2 This information will form the basis for development of a LSBU Corporate Business Continuity Plan. It will outline the processes and arrangements needed to enable a successful response at a strategic level, should a University wide disruption occur. Development will begin on this plan in October 2019.
- 4.3 This information will further enable a list of ranked critical resources to be collated, such as ICT applications. This can then be fed back into the review process for each relevant departmental plan, further reinforcing organisational resilience.

5.0 Business Continuity for the Wider Group

- 5.1 The Business Manager for the Multi Academy Trust is responsible for their business continuity arrangements and has identified the need to further develop business continuity plans and improve emergency incident management arrangements.
- 5.2 Further work in this area also needs to commence by staff at Lambeth. This matter has been directed to the Transition Joint Executive Group.

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	CONFIDENTIAL
Paper title:	KPI strategic enablers
Board/Committee:	Finance, Planning & Resources
Date of meeting:	24 September 2019
Author(s):	Richard Duke (Director of Strategy & Planning)
Sponsor(s):	Richard Flatman (COO)
Purpose:	For Information
Recommendation:	The document is noted by the FP&R Committee

Executive Summary

The report presents the latest performance figures for the KPIs for strategic enablers (the full KPI report is provided for information) and 2019/20 targets.

Note – KPI 17 – Overseas student income, includes TNE income. This was incorrectly omitted from the last update.

There are a number of indicators, where finalised data is still awaited. The timing of this is indicated where relevant.

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2018/19 KPI Performance and 2019/20 KPI Targets

Corporate Strategy Goals	20/20 Success Measures	#	Key Performance Indicators	End of Corporate Strategy Ambition	Past Performance				2018/19					2019/20
					14/15	15/16	16/17	17/18	Green	Amber	Red	Target	Actual	Agreed 2019/20 Target (Exec 30/1/19 except finance targets which were agreed Executive of 3/4/19)
Teaching and Learning	Top 50% of universities for graduate employment / starting salaries.	1	Graduate level employment &/or Further study (EPI population)	80%	68.0%	76.0%	81.8%	87.7%				82%	No data available in 2018/19	Not Applicable
Student Experience	Top quartile of all universities in NSS	2	NSS scores – overall satisfaction (First Degree respondents)	89%	82%	82.0%	82.2%	78.8%	83 % +	80 - 82 %	< 80 %	86%	82.4%	84%
		3	International Student barometer (% recommending LSBU)	81%		77%	77%	80%	80% +	77 - 79%	< 77 %	78%	78%	81%
		4	PGT experience (% satisfaction)	82%	74%	74%	71%	71%	74 % +	70 - 73 %	< 70 %	77%	71%	76%
		5	Student Staff Ratio	18:1	19.7:1	20.5:1	19.8:1	16:1	16.5 - 17.5	16 - 16.5 < 16	> 18	17:1	17:1 (Draft)	16-18:1
Employability	95% students in employment / further study (EPI)	6	DLHE Positive Outcomes; employment or further study (EPI)	95%	90.2%	90.8%	94.6%	95.3%				94%	No data available in 2018/19	Not Applicable
	Top 10 UK universities for student start ups	7	Number of Student start ups (Active Firms in HE-BCI 4aiv)	150	30	50	45	48	110 +	100 - 109	< 100	110	Data available January 2020	65
Research & Enterprise	Top 50% UK for Research & Enterprise Income	8	Research Income (non QR)	£6.0 m	£2.0	£1.9	£2.8	£3.5	£4.3 m +	£4.0 - 4.3 m	< £4 m	£3.5m	£4.1m	£5.2m
		9	Enterprise Income	£19.0 m	£8.1	£7.8	£9.2	£10.9	£12 m +	£11 - 11.9 m	<£11 m	£13.0	£10.5m	£11.0m
Access	Top London Modern for LPN recruitment	10	% recruits from low participation neighbourhoods (Young FT FD)	9.0%	7.7%	8.4%	9.2%	8.9%	8.0% +	7.7 - 7.9 %	<7.7 %	8.6%	7.6%	8-10%
		11	FTUG % (w/o HSC contract) recruited before Clearing	90%	75.0%	76.4%	77.2%	78.0%	78 % +	74 - 77 %	< 74 %	77%	75.3%	+77%
		12	First Degree Completion projection (at or above benchmark)	+3%	-7 %	-5.8%	-5.5%	-1.8%	>=-1 %	-2 to -3 %	<-3 %	-1%	-4.0%	0%
	Exceed expectations on completion	13	Year 1 progression (can change due to Jan 2019 2nd Semester Enrolment)	85%	73.1%	77.3%	74.7%	72.4%	76 % +	72 - 75%	<72%	82%	Data available October 2019	80%
		14	Good Honours	63 - 67%	61.2%	66.4%	69.1%	70.0%	66-71%	72-73% >73%	64-65% <64%	63-67%	Data available October 2019	65-70%
		15	PGT completion	85%	61.5%	58.7%	69%	61.0%	75% +	71-74%	< 71%		Data available October 2019	72%
International	4 QS Stars	16	QS Star Rating	4	3 stars	3 stars	4 stars	4 stars	4	3	2	4	4	4
		17	Overseas student income (millions). Includes TNE	£20m	£11.2	£9.8	£11.2	£10.8	£12.6 m +	£12.2 - 12.5 m	<£12.2 m	£15.0	£12.1m	£11.6m
People and Organisation	Rated as a good employer	18	Appraisal completion % (Amongst all eligible staff)	100%	90%	91%	95.6%	85.3%	100%	95 - 99 %	< 95 %	100%	Data available October 2019	100%
		19	Average Engagement Score as a %	75%		58%	62%	61%	69%	65 - 68 %	< 64 %	69%	66%	70%
Resources & 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	5.0%	0.9%	2.4%	1.3%	1.1%	1 % +	0.7 - 0.9 %	< 0.7%	1.4%	2%	1.3%
		21	Income (£m)	£170.0m	£140.8m	£138.2	£144.5	£146.3	£145.2 m +	£142 - 145 m	< £142 m	£156.1m	£149m	£152.0m
	Student satisfaction with facilities & environment in top UK quartile	22	EBITDA margin (EBITDA expressed as % of income)	15.0%	9.2%	11.8%	12.0%	10.7%	12.8% +	11.7 - 12.7%	<11.7%	13.5%	11.2%	11.4%
		23	Student satisfaction ratings with facilities & environment (FD)	90%	87.7%	90.0%	87.2%	83.9%	87 % +	84 - 86 %	< 84%	90.0%	84.9%	90.0%
		24	ICS Service Index %	80%	68%	76%	66%					76%	No score available in 2018/19	80%
Overall	Top London Modern university (excl UAL)	25	Times - League table ranking	85	120 / 127	120 / 128	106 / 128	107/132	99 or higher	100 - 104	105 or lower	96	Data available end of Sept 2019	90
		26	Guardian – League table ranking	70	111 / 119	107 / 119	92 / 121	78 / 121	75 or higher	76 - 78	79 or lower	79	68/121	70
		27	Complete University Guide – League table ranking	87	119 / 126	115 / 127	108 / 129	93 / 131	90 or higher	91 - 94	95 or lower	98	87/131	87

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	CONFIDENTIAL
Paper title:	Insurance Claims
Board/Committee	Financial Planning & Resources Committee
Date of meeting:	24 September 2019
Author:	James Rockliffe – Director of Procurement Antonia Goodyer – University Solicitor
Executive/Operations sponsor:	Richard Flatman - Chief Financial Officer
Purpose:	The Executive recommends that the Finance, Planning & Resources Committee notes this report.
Recommendation:	The Committee is requested to note this report.

Executive Summary:

This paper is presented to Committee for information and to report the extent to which the University’s insurance policies were relied upon in the 2018/19 period.

The University remains a member of the London Universities Purchasing consortium for insurance purposes, with Zurich Municipal being the principal insurer. The claims experience in 2018/19 is summarised in Appendix 1 and is considered to be low.

The Committee is requested to note the report.

1. BACKGROUND

- 1.1 The University's Financial Regulations require that the University Secretary and Chief Financial Officer ensure;
 - 1.1.1 That appropriate insurance cover is provided for all aspects of the University's activities;
 - 1.1.2 The verification of insurance of any incidents which may give rise to a claim;
 - 1.1.3 The submission of a full claim where appropriate.
- 1.2 The University is a member of the London Universities Purchasing Consortium (LUPC) and retains the brokerage services of Arthur J Gallagher as part of a LUPC group insurance arrangement.
- 1.3 Effective from 1 January 2010 the insurance claims process has been administered by the University Governance, Information and Legal Team.
- 1.4 The University's claims record is reviewed annually with the appointed broker and insurers as part of the annual policy renewal process.
- 1.5 With effect from 1 August 2019 Insurance cover and Claims experience will be merged with South Bank Colleges to provide a LSBU Group.

2. INSURANCE POLICIES

- 2.1 Insurance policies held by the University are renewed annually with effect from 1 August. A detailed report is submitted to Financial Planning & Resources Committee each year in advance of renewal.
- 2.2 For the period 1 August 2018 to 31 July 2019 the University maintained the following insurance policies:

Policy	Insurer	Covers maintained	Claims in 2018/19 period
All Risks Policy	Zurich Municipal	Material damage Works in Progress Business Interruption Money Public Liability Employers Liability Libel & Slander Motor Engineering Computer Engineering inspection	Yes
Professional Indemnity	Royal Sun Alliance	Professional Negligence Management Protection (D&O) Employee & Third Party Fraud	No
Terrorism Policy	UMAL	Property reinstatement Contents Business Interruption	No
Travel & Personal Accident	RSA	All risk travel cover for Students, University Employees including those living and operating outside of UK territorial limits.	No
Fine Arts Policy	Blackwell Green	Cover for the Sarah Rose Art Collection.	No
Medical Malpractice	Newline Group	Cover for students and staff in practice placement based teaching or providing support for learning and assessment in practice settings	No
Special Contingency	AIG		No

3. UNIVERSITY EXPOSURE TO RISK UNDER 2018/2019 CLAIMS

- 3.1 Although unsettled claims were carried forward to 2019/2020 in the following All Risks categories – Public Liability (3 cases) and Employers Liability (4 cases) – the University carries no excess for these types of claim, so the insurer Zurich effectively carries all the risk exposure.
- 3.2 A full breakdown of claims for 2018/19 is detailed in Appendix 1

4. DECLARED LOSSES WITHIN POLICY EXCESS

- 4.1 The University is also required to declare to its insurers the incidence of insured perils which fall within policy excess and do not result in the submission of a claim.
- 4.2 There were no incidents falling into this category during 2018/19.

APPENDIX 1

LSBU POLICY WITH ZURICH MUNICIPAL NHE-01CA07-0013 CLAIMS SUMMARY - 1 AUGUST 2018 TO 31 JULY 2019

Insured risk	Excess Value	Claims brought forward from last period	New claims in this period	Claims carried forward to next period	Value of payments made on claims open in this period
Material damage	£20k	1	0	0	£138,527.80
Works in Progress					
Business Interruption					
Money					
Public Liability	Nil	0	3	3	£0
Employers Liability	Nil	4	0	4	£38,582.65
Libel & Slander					
Professional Negligence					
Governors Liability					
Motor					
Engineering					
Fidelity Guarantee					
Personal Accident					
Travel					
Computer					
Engineering inspection					
Fine Arts Policy					
Medical Malpractice					
Special Contingency					

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	CONFIDENTIAL
Paper title:	Committee Work Plan
Committee:	Finance, Planning and Resources Committee
Date of meeting:	24 September 2019
Author:	Michael Broadway, Deputy University Secretary
Sponsor:	James Stevenson, University Secretary and Clerk to the Board of Governors
Purpose:	For Information
Recommendation:	The meeting is requested to note the paper for information

Executive Summary

The Finance, Planning and Resources committee meets five times a year. The committee's work plan for 2019/20 is attached.

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FPR Committee plan, 2019/20

Meeting date	Title	Presenter
Tuesday, 24th September, 2019	Business continuity update	Shân Wareing
Tuesday, 24th September, 2019	FPR business plan	James Stevenson
Tuesday, 24th September, 2019	Group cashflow	Richard Flatman
Tuesday, 24th September, 2019	Insurance claims	Richard Flatman
Tuesday, 24th September, 2019	KPI strategic enablers	Richard Flatman
Tuesday, 24th September, 2019	Management accounts	Richard Flatman
Tuesday, 24th September, 2019	REI update	Paul Ivey
Tuesday, 24th September, 2019	Student recruitment and retention update	Nicole Louis
Tuesday, 24th September, 2019	Treasury management report	Richard Flatman
Tuesday, 5th November, 2019	Annual fundraising report	Nicole Louis
Tuesday, 5th November, 2019	Draft 5 year forecasts	Richard Flatman
Tuesday, 5th November, 2019	Annual report and accounts	Richard Flatman
Tuesday, 5th November, 2019	COO's report	Shân Wareing
Tuesday, 5th November, 2019	FPR TOR and membership	James Stevenson
Tuesday, 5th November, 2019	Gift acceptance policy review	Nicole Louis
Tuesday, 5th November, 2019	KPI strategic enablers	Richard Flatman
Tuesday, 5th November, 2019	KPI targets	Richard Flatman
Tuesday, 5th November, 2019	Management accounts	Richard Flatman
Tuesday, 5th November, 2019	REI annual report	Paul Ivey
Tuesday, 5th November, 2019	Strategic HR report	Shân Wareing
Tuesday, 5th November, 2019	Student recruitment and retention update	Nicole Louis
Tuesday, 5th November, 2019	Students Union draft accounts	Richard Flatman
Tuesday, 25th February, 2020	COO's report	Shân Wareing
Tuesday, 25th February, 2020	Gender pay gap report	Shân Wareing
Tuesday, 25th February, 2020	KPI strategic enablers	Richard Flatman
Tuesday, 25th February, 2020	Management accounts	Richard Flatman
Tuesday, 25th February, 2020	REI update	Paul Ivey
Tuesday, 25th February, 2020	Strategic HR report	Shân Wareing
Tuesday, 25th February, 2020	Strategic IT update	Shân Wareing
Tuesday, 25th February, 2020	Student recruitment and retention update	Nicole Louis
Tuesday, 25th February, 2020	Treasury management report	Richard Flatman
Tuesday, 28th April, 2020	CC20 compliance	Nicole Louis
Tuesday, 28th April, 2020	Corporate roadmaps	David Phoenix
Tuesday, 28th April, 2020	KPI strategic enablers	Richard Flatman
Tuesday, 28th April, 2020	Management accounts	Richard Flatman
Tuesday, 28th April, 2020	OfS grant settlement	Richard Flatman
Tuesday, 28th April, 2020	REI update	Paul Ivey
Tuesday, 28th April, 2020	Strategic HR report	Shân Wareing
Tuesday, 28th April, 2020	Student recruitment update	Nicole Louis
Tuesday, 28th April, 2020	Treasury management report	Richard Flatman
Tuesday, 30th June, 2020	COO's report	Shân Wareing
Tuesday, 30th June, 2020	Draft budget	Richard Flatman
Tuesday, 30th June, 2020	Insurance renewal	Richard Flatman
Tuesday, 30th June, 2020	KPI strategic enablers	Richard Flatman
Tuesday, 30th June, 2020	Management accounts	Richard Flatman
Tuesday, 30th June, 2020	REI update	Paul Ivey
Tuesday, 30th June, 2020	Student recruitment and retention update	Nicole Louis
Tuesday, 30th June, 2020	Students Union code of practice compliance	Shân Wareing

	CONFIDENTIAL
Paper title:	FPR area of focus
Board/Committee:	Finance, Planning and Resources Committee
Date of meeting:	24 September 2019
Author and sponsor:	Michael Cutbill, Chair of the committee
Purpose:	For Discussion
Recommendation:	The committee is requested to discuss the proposed areas of focus.

Subject Matter for the Committee

Background

Based on minutes from FPR over the 2017-19 period, the Committee has addressed itself to a wide variety of issues, in addition to the core repeating matters that always feature in its agenda.

Following LSBU's expansion into a family of institutions, and its Board Effectiveness Review, Governor-led committees may need to deal with a wider range of issues than FPR has usually addressed. While the ToR of the Committee (and its name) offer general guidance, Committee members should find it useful to consider in practical terms what the Committee should and shouldn't cover on a three-year view.

Proposed core areas

- 1 Review of management accounts, budgets and forecasts. Track adjustments made by the Executive needed to de-risk and meet financial targets and strategy objectives.

- 2 Review of student numbers (recruitment and retention) and LSBU's reputation among the national student population, measured through league tables, NSS and so on. Consider recommendations from the Executive on how to build numbers and reputation.

- 3 Review Executive's report on human resources, including the Executive's development of organisational design, to ensure it is capable of supporting LSBU's strategy goals.

- 4 Provide assessments and approvals of LSBU policies in Finance-related areas such as banking, investment, insurance, indebtedness, charitable funds, Student Union finances, and major gifts to Group institutions. Review annual accounts and recommend to the Board for signature. Assess major litigations as they arise.

Possible extension areas

(already covered to some extent by FPR)

5 IT strategy and resourcing, including infrastructure integrity, student user experience, and cyber security.

6 Student wellbeing, reviewed across a wide range of measures

7 Fundraising development

8 Enterprise activities

Appendix

FPR Terms Of Reference

Finance, Planning and Resources Committee

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 opening of bank accounts ; 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 to review regular reports on human and physical resources
- 1.1.5 monitor progress against the KPIs – strategic enablers as approved by the Board and alert the Board of key potential variations against target;
- 1.1.6 approve investment and treasury management policies;
- 1.1.7 recommend opening of bank accounts to the Board;
- 1.1.8 approve investment policies for charitable funds and to receive an annual report on expenditure;
- 1.1.9 receive an annual report of all donations above £25,000 and to monitor adherence to the Gift Acceptance Policy and any regulatory guidance on charity fundraising;
- 1.1.10 receive a six monthly report on the Students' Union's income and expenditure;

1.1.11 review litigation involving over £0.5 million or otherwise material to the interests of LSBU and recommend to the Board for decision; and

1.1.12 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.

3. Reporting Procedures

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

Approved by the Board of Governors on 14 May 2015.

Revision approved by the Board of Governors on 18 October 2018.