

Meeting of the Finance, Planning and Resources Committee

4.00 - 6.00 pm on Tuesday, 7 May 2019
in 1B16 - Technopark, SE1 6LN

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
1.	Welcome and apologies		HM
2.	Declarations of Interest		HM
3.	Minutes from the last meeting	3 - 8	HM
4.	Matters arising	9 - 10	HM
Finance			
5.	Management accounts to 31 March 2019	11 - 18	RF
6.	Student recruitment and retention update	<i>To Follow</i>	NL
7.	Draft facility agreements - LSBU to SBC	19 - 22	RF
People and Organisation			
8.	Strategic HR report <ul style="list-style-type: none"> • Workforce planning update 	23 - 30	SW
Resources and Infrastructure			
9.	Chief Operating Officer's report	31 - 36	SW
Items to note			
10.	KPI targets 2019/20	37 - 40	RF
11.	Corporate roadmaps 2019/20	41 - 50	DP

Date of next meeting
4.00 pm on Tuesday, 2 July 2019

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

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

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Agenda Item 3

	CONFIDENTIAL
Paper title:	Draft Minutes
Board/Committee	Finance, Planning and Resources Committee
Date of meeting:	07 May 2019
Author:	Askari Jafri, Governance Officer
Board Sponsor:	Hilary McCallion, Chair of Committee
Purpose:	For information
Recommendation:	The meeting is requested to approve the minutes and the proposed redactions of the meeting of 26 February 2019

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**Minutes of the meeting of the Finance, Planning and Resources Committee
held at 4.00 pm on Tuesday, 26 February 2019
1B16 - Technopark, SE1 6LN**

Present

Hilary McCallion (Chair)
Jerry Cope
Michael Cutbill
Peter Fidler
Mee Ling Ng
Jenny Owen
David Phoenix

Apologies

Nelly Kibirige
Ralph Sanders
Shân Wareing

In attendance

Pat Bailey
Richard Flatman
Paul Ivey
Nicole Louis
James Stevenson
David Mead
Alexander Enibe

1. Welcome and Apologies

The above apologies were noted.

2. Declarations of Interest

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

3. Minutes from the last meeting

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

4. Matters arising

The committee noted the actions arising from the previous meeting.

Under item 5 of the previous meeting, the committee requested that the update from schools in November 2019, should reflect the outcome of interventions.

The committee noted the NSS progress report update. The committee noted that a number of actions are being implemented by the Executive to reverse the decline in the 2018 NSS report.

The committee requested a further update on NSS progress, which should be measured against the actions from its previous meeting of 6 November 2018.

On workforce planning, raised in previous meetings, the committee agreed for a presentation on milestones and the impact of the Leap project to come to the next meeting in May 2019.

5. **ICT strategic update**

David Mead joined the meeting.

The committee noted the strategic ICT update.

The committee noted the progress made in the last year. The plans for the next 12 to 18 months, set out the approach to developing a long term Digital Strategy to underpin the 2020 corporate strategy.

The committee noted the outcome of the ICT risk-diagnostic led by PwC in summer 2017. The improvement plan has been monitored by the Audit committee.

The committee queried the risk associated with the security of systems and data. This risk would be further mitigated by the Cyber Essentials work.

The committee requested an annual update on strategic ICT.

David Mead left the meeting.

6. **Management accounts to 31 December 2018**

The committee noted that the full year forecast as at 31 December 2018 is trending towards a surplus of £1.5m, in line with budget.

As requested at the previous meeting, the CFO reported that the total full year staffing budget (excluding restructuring) for 2018/19 is £83.8m and so is slightly ahead of the £83.3m in 2017/18. Overall, the CFO is expecting the total staffing costs to be within budget.

The CFO agreed to review the inconsistencies noted with the Research and Enterprise report – see minute 9 below.

7. **Student recruitment update**

The committee noted the student recruitment update on semester 2 2018/19 and semester 1 2019/20.

The committee noted that semester 2 2018/19 has been strong, as LSBU has presently enrolled 510 students against an overall new starter target of 500 across LSBU. With further intakes planned between February and June 2019 (for HSC UGPT and Apprenticeships courses), this is expected to take LSBU even further above its overall target.

The committee noted that semester 1 2019 main cycle performance continues to be strong against previous year. The UGFT applications are up 6.1% year-on-year, which is a greater increase compared to the overall sector (up 0.2%) and compared to our London competitor set (up 1.2%).

The committee discussed the approach to making unconditional offers to undergraduate applicants. The Executive explained that LSBU did not make “conditional” unconditional offers and would review the policy at the end of the academic year.

The committee acknowledged the performance to date.

8. Student retention, lost income and service demand

The committee noted the student retention, lost income and service demand report.

As of 31 January 2019, there has been a reduction in the number of withdrawals and interruptions compared to prior year - 5% of students compared to 7% last year – resulting in 377 fewer student losses. Compared with 2017/18 as of the end of January 2019, all schools have seen a reduction in withdrawals and interruptions.

The committee noted the update on student services and support. There has been an increased in demand for 1:1 mental health appointments (up 27.5%) on the same period last year.

The committee noted that the number of students declaring disabilities to LSBU has remained constant (2.5% rise year on year).

The Chief Customer Officer and the wellbeing team would assess future demand for wellbeing support.

9. Research & Enterprise and International update

The Chief Business Officer reported on Research and Enterprise contracted income and pipeline value. The difference in Enterprise income was addressed – see minute 6 above. LSBU’s growing research reputation was noted.

The committee noted the inconsistencies between this report and the latest Research and Enterprise income reported in the management accounts. The CFO agreed to investigate further and report back.

10. **People and Organisation**

The committee noted the people and organisation report.

The committee noted that the search for a Director of Human Resources is continuing as no appointment was made following the recruitment round just concluded.

11. **Performance Management framework 2020-25**

The committee noted the performance management framework 2020-25.

12. **Treasury management report**

The committee noted the treasury management report and approved the opening of a deposit account with Nationwide.

13. **SU code of practice**

The committee noted and approved the proposed updated student union code of practice in relation to the Education Act 1994. The funding agreement had been updated by the Executive.

14. **Breakdown of fees**

The committee noted the breakdown of undergraduate home fees 2017/18, which would be published on the website.

15. **KPI data for Schools**

The committee reviewed the school KPI report. The report shows the trends against a number of performance measures at school level.

**Date of next meeting
4.00 pm, on Tuesday, 7 May 2019**

Confirmed as a true record

..... (Chair)

**FINANCE, PLANNING AND RESOURCES COMMITTEE - TUESDAY, 26 FEBRUARY 2019
ACTION SHEET**

Agenda No	Agenda/Decision Item	Action	Officer	Action Status
4.	Matters arising	A further update on NSS progress, measured against the actions from the meeting on 6 November 2018 With relation to workforce planning, a presentation on milestones and impact of the LEAP project to be provided for the meeting on 7 May 2019	Pat Bailey Shân Wareing	Verbal update at meeting On agenda for meeting under item 9
5.	ICT strategic update	Annual update on strategic ICT	Shân Wareing	On plan
9.	Research & Enterprise and International update	Clarification of inconsistencies between report presented to the FP&RC and the latest R&E income reported in the management accounts	Richard Flatman	Verbal update at meeting

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	CONFIDENTIAL
Paper title:	March Management Accounts
Board/Committee:	Finance, Planning & Resources Committee
Date of meeting:	07 May 2019
Author(s):	Ralph Sanders, Director of Financial Planning, Reporting & Registry
Sponsor(s):	Richard Flatman, Group CFO
Purpose:	For Approval
Recommendation:	To note the March Management Accounts

Executive Summary

The full year forecast as at 31 March 2019 is trending towards a surplus of £1.5M, this would deliver the University on budget.

- The University had a strong Semester 1 recruitment round, delivered against Semester 2 recruitment targets and continues to enrol Health CPPD and Apprenticeship students. We have now enrolled 678 more New FTE students than at the comparable period in 17/18, an increase of 12%
- We have now billed £103.5M of Tuition Fees and Health Contract income as compared to £100.7M at the same period last year, an increase of £2.8M. We had been indicating that we were expecting Semester 1 to finish between £1M and £2M better than budget due to strong UG and PG recruitment but we were holding our tuition fee forecast steady due to the risk in terms of Semester 2 recruitment. Last month we increased our Full Year Tuition Fee forecast by £2.9M to reflect this position and although we have reduced our TNE income forecast this month we are still expecting to finish the year with almost £3M more income than budget. The University has allocated these funds to the Investment Pot and so continues to report a surplus of £1.5M rather than £4.5M. This will also provide some additional contingency for expected pension cost increases next year.
- The University is currently holding cash and cash equivalents of £45.1M. This is £4.1M less than the comparable position last year however we have transferred £4.6M to South Bank Colleges to support its cash requirements. These funds will be reimbursed

from SBC asset sales. The University is also holding £13.75M with respect to the recent Lambeth College transaction.

The above position will deliver EBITDA at 11.6% which compares favourably to the 10.7% achieved in 17/18. Our recurring staff cost expressed as a % of income is currently forecast to be 55.9% which is slightly above the long term target of 55% target set by the Board of Governors. Income is 1.9% higher than last year.

March Executive Summary

1) This Executive Summary reports on the draft financial position of London South Bank University as at 31 March 2019.

2) RAG Status

Income Growth	1.9%	Staff Cost Growth	-0.7%	Staff Cost %	55.9%	Opex Growth	-4.6%	FYF Surplus	1.0%	EBITDA	11.6%
			<i>excluding restructuring</i>		<i>excluding restructuring</i>						

3) Summary

The full year forecast as at 31 March 2019 is trending towards a surplus of £1.5M, this would deliver the University on budget.

The University had a strong Semester 1 recruitment round, delivered against Semester 2 recruitment targets and continues to enrol Health CPPD and Apprenticeship students. We have now enrolled 678 more New FTE students than at the comparable period in 17/18, an increase of 12%. The number of continuing students is down compared to last year and down against budget. Overall we have 287 FTE more students than last year and are now forecasting a year end population of 13,111 FTE, a year on increase of 3%. We have now billed £103.5M of Tuition Fees and Health Contract income as compared to £100.7M at the same period last year, an increase of £2.8M. We had been indicating that we were expecting Semester 1 to finish between £1M and £2M better than budget due to strong UG and PG recruitment but we were holding our tuition fee forecast steady due to the risk in terms of Semester 2 recruitment. Last month we increased our Full Year Tuition Fee forecast by £2.9M to reflect the current position and although we have reduced our TNE income forecast this month we are still expecting to finish the year with almost £3M more income than budget. The University has allocated these funds to the Investment Pot and so continues to report a surplus of £1.5M rather than £4.5M. This will also provide some additional contingency for expected pension cost increases next year.

The University is currently holding cash and cash equivalents of £45.1M. This is £4.1M less than the comparable position last year however we have transferred £4.6M to South Bank Colleges to support its cash requirements. These funds will be reimbursed from SBC asset sales. The University is also holding £13.75M with respect to the recent Lambeth College transaction.

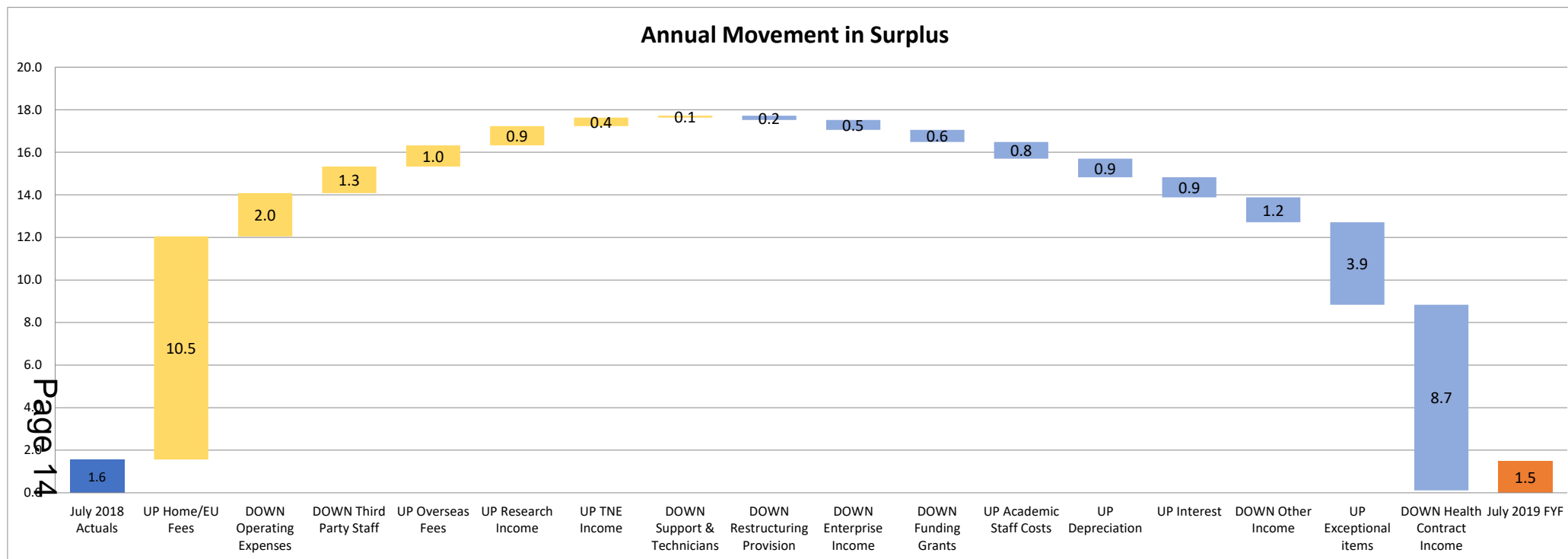
The above position will deliver EBITDA at 11.6% which compares favourably to the 10.7% achieved in 17/18. Our recurring staff cost expressed as a % of income is currently forecast to be 55.9% which is slightly above the long term target of 55% target set by the Board of Governors. Income is 1.9% higher than last year.

4) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	Budget				YTD Position				Full Year Outturn Position				
	17/18 Actuals	18/19 Budget	Change to 17/18	Change %	17/18 Actuals	18/19 Actuals	Change to 17/18	Change %	Feb 18/19 Outturn	Monthly Move	Mar 18/19 Outturn	variance to Budget	Budget variance%
Grants	13.9	13.2	-0.8	-6%	9.4	9.2	-0.3	-3%	13.4	0.0	13.4	0.2	2%
Health - Contract	18.9	9.7	-9.2	-49%	11.7	7.4	-4.3	-37%	10.9	-0.7	10.2	0.5	5%
Home / EU UG Fees	64.4	70.1	5.7	9%	64.9	74.3	9.4	14%	73.1	0.2	73.4	3.3	5%
Home / EU PG Fees	8.5	10.3	1.8	21%	8.3	10.4	2.1	25%	9.9	0.0	10.0	-0.3	-3%
Overseas Tuition Fees	9.0	10.0	0.9	11%	8.9	10.3	1.4	15%	10.0	0.0	10.0	0.0	0%
TNE Income	1.8	2.7	0.9	49%	1.7	1.8	0.1	0%	2.6	-0.4	2.2	-0.5	-18%
Research Activities	5.3	6.1	0.8	15%	3.3	4.0	0.8	24%	6.0	0.2	6.2	0.1	1%
Enterprise Activities	10.9	12.0	1.1	10%	5.4	6.2	0.8	15%	10.8	0.6	11.4	-0.6	-5%
Student Related Income	10.4	11.0	0.6	6%	7.1	7.4	0.3	4%	11.1	0.0	11.1	0.1	1%
Other Operating Income	1.9	0.1	-1.9	-97%	0.4	0.3	-0.1	-14%	0.1	0.0	0.1	0.1	119%
Endowments & Interest	0.2	0.1	-0.1	-39%	0.1	0.2	0.1	99%	0.1	0.0	0.1	0.0	0%
Income	145.3	145.2	-0.1	0%	121.2	131.5	10.3	8%	148.2	-0.1	148.1	2.9	2%
in £'m													
Academic Staff Costs	40.8	42.2	1.4	4%	26.9	26.6	-0.3	-1%	41.8	-0.3	41.6	-0.7	-2%
Support & Technicians	39.4	40.0	0.6	2%	25.9	25.7	-0.2	-1%	39.5	-0.2	39.3	-0.7	-2%
Third Party Staff	3.1	1.6	-1.5	-48%	1.7	1.6	-0.1	-7%	1.9	-0.0	1.9	0.3	16%
Restructuring	1.9	1.7	-0.2		0.5	0.6	0.1	10%	1.7	0.0	1.7	0.0	1%
Depreciation	9.6	10.5	0.9	9%	6.5	5.9	-0.6	-9%	10.5	0.0	10.5	0.0	0%
Operating Expenses	44.5	42.1	-2.4	-5%	27.0	28.1	1.1	4%	42.5	0.0	42.5	0.4	1%
Interest Payable	4.3	5.2	0.9	22%	3.0	2.8	-0.2	-7%	5.2	0.0	5.2	0.0	0%
Exceptional Items	0.0	0.3	0.3	0%	0.0	0.0	0.0	0%	3.5	0.4	3.9	3.5	1053%
Expenditure	143.7	143.7	0.0	0%	91.5	91.2	-0.3	0%	146.7	-0.1	146.6	2.9	2%
Surplus for the year	1.6	1.5	-0.1	-7%	29.7	40.2	10.5	35%	1.5	-0.0	1.5	0.0	0%
Surplus as % of income	1.1%	1.0%			24.5%	30.6%			1.0%		1.0%		

5) Forecast Summary

As compared to 17/18 we are now forecasting an income increase of £2.8M (1.9%), a £0.5M (0.7%) decrease in recurring staff costs, a £0.2M decrease in the costs associated with staff restructuring, an increase of £0.9M in depreciation, a £2M (4.5%) reduction in operating expenses, a £0.9M increase in interest payable, and an increase of £3.9M in exceptional items to fund in-year investments. This has led to a reduction of 0.1M in our annual surplus.



The key movement in the year on year position is the £10.5M increase in Home/EU Tuition fee income. This is driven by strong recruitment and we have 12% more New students than at the comparable position in 17/18. Health Contract income is down by £8.7M 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 £1.7M in our total income outturn for Home/EU students. The university has taken the decision to refloat the Investment Pot to allow for tactical investments and we now have £3.9M in Exceptional items to fund this. Operating expenses were budgeted to fall by £2.5M year on year however a number of areas are struggling to deliver to this budget and we are now forecasting a reduction of £2.0M. This is a 4.6% year on year reduction. The University finished 17/18 with a recurring staff cost of £83.3M and is currently forecast to end 18/19 £0.5M lower. We are currently £1.6M underspent YTD as compared to budget and have recognised just £1.1M and so there is an expectation that our Full Year Forecast is overstated. The increase in Interest payable of £0.9M was to fund a Revolving Credit Facility. This may be no longer required.

6) Contribution Analysis

In 18/19 the University is continuing its strategy of investing in the Schools, Income is forecast to be £4.1M higher than in 17/18 whilst costs are forecast to increase by £2.6M. This means the net contribution from the Schools will increase by £1.5M or 2.4% year on year. The largest decline in terms of contribution is expected to be the School of Applied Sciences whilst the key areas of growth are budgeted to be the School of Business which is growing its contribution by £1.2M, the School of Health & Social Care which is growing its contribution by £0.6M, Arts & Creative Industries which is growing its contribution by £0.5M and the School of Law & Social Sciences which is growing its contribution by £0.4M

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	£10.6	£11.2	£11.4	£18.3	£18.9	£16.3	£17.7	£16.7	£17.4	£35.6	£36.7	£14.2	£14.4	£123.1	£127.2
Expenditure (M)	£5.4	£5.8	£5.4	£5.1	£7.2	£8.2	£6.8	£7.0	£9.6	£10.6	£19.3	£19.8	£6.8	£6.6	£60.4	£63.0
Contribution (M)	£5.4	£4.9	£5.9	£6.4	£11.1	£10.7	£9.6	£10.7	£7.0	£6.8	£16.3	£16.9	£7.4	£7.8	£62.7	£64.2
Contribution %	50%	46%	52%	56%	61%	57%	59%	61%	42%	39%	46%	46%	52%	54%	51%	50%

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	£9.8	£10.6	£11.1	£17.4	£17.9	£15.9	£17.5	£14.5	£14.4	£31.2	£32.2	£13.8	£14.0	£113.5	£116.9
Teaching Staff (M)	£3.2	£3.3	£2.9	£3.0	£4.7	£5.2	£4.2	£4.3	£4.6	£4.7	£12.9	£12.7	£4.6	£4.7	£37.3	£37.9
Teaching Expenditure (M)	£1.3	£1.5	£1.8	£1.7	£1.8	£2.1	£2.0	£2.5	£2.6	£2.9	£4.5	£4.5	£1.8	£1.8	£15.9	£17.0
Expenditure per FTE	£4,397	£4,787	£4,236	£3,942	£3,719	£4,032	£3,071	£3,049	£5,072	£5,440	£4,529	£4,337	£4,237	£4,167	£4,174	£4,184
Teaching Contribution (M)	£5.4	£4.9	£5.9	£6.5	£10.8	£10.6	£9.7	£10.7	£7.3	£6.8	£13.8	£15.0	£7.3	£7.6	£60.3	£62.0
Contribution %	54%	50%	55%	58%	62%	59%	61%	61%	51%	47%	44%	47%	53%	54%	53%	53%
Full Year Student FTE	1,039	1,018	1,124	1,178	1,763	1,811	2,020	2,215	1,409	1,401	3,844	3,965	1,528	1,552	12,727	13,111
Contribution per Stud FTE	£5,200	£4,800	£5,200	£5,500	£6,200	£5,800	£4,800	£4,800	£5,200	£4,800	£3,600	£3,800	£4,800	£4,900	£4,700	£4,700
Return on Academic Invest	168%	148%	201%	217%	229%	204%	231%	251%	160%	145%	107%	118%	158%	161%	162%	164%

As a result of this month's income reforecast including the £0.4M reduction in TNE income, the School of Built Environment & Architecture is now expected to deliver £1.6M better than budget, Health & Social Care is £1.3M ahead of budget, Law & Social Sciences and Arts & Creative Industries are £0.7M better than budget and the School of Business is now forecast to be £0.3M better than budget. 2 Schools have declined in profitability and the School of Engineering is now forecast to be £1.0M worse than budget whilst the School of Applied Sciences is now forecast to be £0.6M worse than budget. Overall the School portfolio is now trending £2.9M better than budget. In terms of contribution per student, 4 schools are close to the average return of £4,700 per FTE, the School of the Built Environment & Architecture has the highest contribution per student at £5,800 whilst Health & Social Care delivers £3,800 per student.

7) Student Number Analysis

In terms of Student numbers, at the comparable position in 17/18 had 12,685 FTE and finished the year with a student body of 12,727. We currently have 12,972 enrolled FTE and so are 2% ahead of the year on year position. The biggest increase is New students which are now 12% up and there have been significant increases across most schools. There are still a number of students enrolling particularly on Apprenticeship courses and we are forecasting a final student body for the year of 13,111 FTE

New					Continuing					Total				
School	Mar-18	Mar-19	Change	% Change	School	Mar-18	Mar-19	Change	% Change	School	Mar-18	Mar-19	Change	% Change
ASC	435	472	37	9%	ASC	611	541	-70	-11%	ASC	1,046	1,013	-33	-3%
ACI	514	528	14	3%	ACI	612	656	44	7%	ACI	1,126	1,184	58	5%
BEA	736	852	116	16%	BEA	1,056	1,042	-14	-1%	BEA	1,792	1,894	102	6%
BUS	944	1,052	108	11%	BUS	1,090	1,045	-45	-4%	BUS	2,034	2,097	63	3%
ENG	523	603	80	15%	ENG	896	785	-111	-12%	ENG	1,419	1,388	-31	-2%
HSC	1,598	1,829	231	14%	HSC	2,131	2,014	-117	-5%	HSC	3,729	3,843	114	3%
LSS	676	768	92	14%	LSS	863	785	-78	-9%	LSS	1,539	1,553	14	1%
YTD Total	5,426	6,104	678	12%	YTD Total	7,259	6,868	-391	-5%	YTD Total	12,685	12,972	287	2%
Y / E Total	5,474				Y / E Total	7,253				Y / E Total	12,727	13,111	384	3%

8) Student Withdrawal Analysis

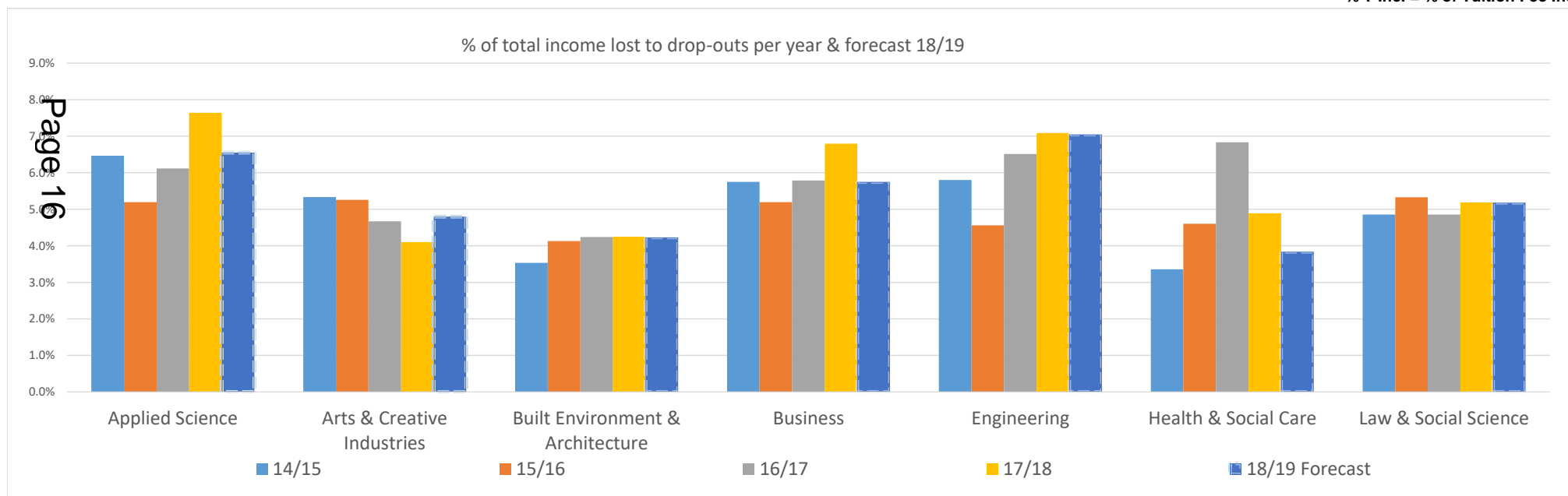
At 31 July 2018, the total amount refunded to students who withdrew or interrupted in year totalled £4,591k. This is the difference between Income generated at Enrolment and the amount retained at the end of the Year. The University receives funding for UG students in 3 tranches; 25% for Semester 1, 25% for Semester 2 and 50% for semester 3. If a student does not progress into the following semester then a refund is generated. Our Overall forecast of lost income has broadly remained the same since September at £4,881k by 31st July.

On a school by school basis, we have two schools reporting an absolute reduction in lost income and five schools reporting a lower % loss of overall income to withdrawals and interruptions than 2017/18. We have retained the refund forecast at broadly the same level as last month, due to the spikes in drop-out numbers we've previously seen in April, but the prognosis looks encouraging when we compare to last year's numbers: Year to date lost income is now £3,724k at 31 March; up by £499k in month, or 13.4%. This represents 3.95% of total tuition fee income lost to drop outs. 2017/18 saw us lose 4.47% at 31 March 2018, so we are performing better in overall terms. The year-on-year jump in the lost income at 31st March, can be attributed to the increase in the average fee level, rather than any underlying problem. As a head count of withdrawn and interrupted students we've lost 731 students by 31 March. This is lower than 2017/18's head count of 757. Drilling down, we have lost less students across both our UG and PG cohort than last year, with less new and continuing students too:

Academic year	FY Withdrawals
15/16	1,025
16/17	1,215
17/18	1,096
18/19	731 YTD

'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	£565	-13.5%	6.6%	Engineering	£815	£820	0.6%	7.1%
Arts and Creative Industries	£391	£488	24.7%	4.8%	Health & Social Care	£482	£725	50.5%	3.8%
Built Environment & Architecture	£601	£644	7.2%	4.2%	Law & Social Sciences	£652	£682	4.6%	5.2%
Business	£997	£958	-3.9%	5.8%	Total	£4,591	£4,882	6.3%	5.2%

% T Inc. = % of Tuition Fee Income



9) Income Analysis

YTD Income is significantly ahead of the 17/18 position particularly in terms of UG income which is 14% ahead and Postgraduate income which is 25% ahead. Some of this increase is due to £9.2M of students who were funded through the Health Contract and who now pay their own Tuition fees. The University is now £7.2M ahead of the comparable position for Home/EU students as compared to last year. In terms of Overseas Tuition fees, these are also £1.4M better than the comparable position in 17/18. We are slightly ahead of budget in terms of YTD Research income and are 24% ahead of the comparable position in 17/18. Enterprise income is 15% ahead of the comparable position in 17/18 but is slightly behind budget. Our Enterprise income forecast increased by £0.6M this month to reflect increased CPPD activity but this was funded by a reduction in our Health Contract and so there was no net change in our income position. We have however increased our Enterprise forecast by £0.6M and are now forecasting income of £11.4M compared to the £12M target. We have reduced our TNE income by £0.4M this month as some of the more speculative partnerships have not been delivered.

10) Staff Cost Analysis

In terms of staffing we have reduced our Full Year Forecast by a further £0.5M this month. Excluding restructuring, the University has spent £1.6M less than budget in the first 8 months of the year. The full year forecast assumes a total staff saving against budget of just £1.1M and so is probably overstated. The majority of the YTD staff savings are in the Schools and Business in particular is behind in terms of spend. There are additional YTD staff costs in the Executive area but these relate to the Lambeth College transaction and Integration costs and will be charged to Lambeth College by year end.

11) Operating Expense Analysis

In terms of Operating Expenses these have been reduced by 15% in the 18/19 budget as compared to the 17/18 budget to fund Staff growth and our Investment Pots. Total YTD expenses are currently within budget however there are some areas that are no longer forecasting to budget including ICT, Estates, Research, Enterprise & Innovation and the International Office. These overspends are being funded by staff savings although ICT and Estates are no longer expected to deliver in totality to budget by year end. The University has also invested almost £300K in terms of transition costs for Lambeth College. The current intention is to recharge these costs to Lambeth once the transaction is closed and this will also reduce our YTD costs.

12) Budget Analysis

The University operates on a Portfolio basis so members of the Executive are expected to manage their portfolio as a whole and if one area requires additional funds this can be generated by reducing investment in another area of the Executive's responsibility. At present all members of the Executive are forecasting to deliver on budget apart from the DVC (Education) due to the overspend in ICT and the CBO due to the overspend in Estates.

13) Investments

In terms of flexible in-year investment the Executive have set aside £2.5M in 18/19 to fund £1M of Research pump priming activities, £1M of normal in-year investments and £0.5M of extra ordinary staff development activity. The Executive approved in June areas for £1M of Research Investment and have so far approved £1.5M of in year investments. We have added £3M to Exceptional Items to fund this overspend and any additional projects identified between now and year end.

In terms of the Capital Expenditure investment funds, the University has set aside £0.6M to fund ICT based Innovation activities, £0.3M to fund Teaching and Learning Equipment and £0.6M to fund Estates Minor works. There are some large capital projects that will require monitoring during the year including the investment in the Leap transformation project, the relocation of the Business School to the LRC building and the redevelopment of London Road including Chapel stabilisation works. The London Road redevelopment is currently forecast to overspend by £2.8M and the scope of this programme is being reviewed in order to deliver Phase 1 of the building program on budget

LONDON SOUTH BANK UNIVERSITY / ENTERPRISES

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

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
			2018 Forecast (£)	2018 Budget (£)	Variance - Forecast to Budget (£) %		Note	2018 Actuals (£)	2018 Budget (£)	Variance - Actuals to Budget (£) %		Note	
(145,301,325)	(121,224,246)	Total Income	(148,083,750)	(145,200,000)	2,883,751	2%		(131,477,310)	(124,513,297)	6,964,014	6%		(16,606,440)
85,240,117	55,077,580	Total Staff Costs	84,482,889	85,543,022	1,060,133	1%		54,481,173	55,779,299	1,298,126	2%		30,001,716
9,625,747	6,470,871	Total Depreciation	10,500,000	10,500,000		%		5,913,373	5,894,548	(18,825)	(%)		4,586,627
44,523,872	27,007,041	Total Other Operating Expenses	42,487,992	42,081,226	(406,766)	(1%)		28,086,072	28,722,095	636,023	2%		14,401,920
4,297,781	2,970,525	Total Interest Payable	5,240,000	5,240,000		%		2,756,605	2,926,768	170,163	6%		2,483,395
		Total Exceptional Items	3,872,870	335,752	(3,537,117)	#####			109,809	109,809	100%		3,872,870
		Total Internal Allocations						8,612	8,612	100%			
(1,613,808)	(29,698,230)	Contribution	(1,500,000)	(1,500,000)		%		(40,240,088)	(31,072,165)	9,167,922	30%		38,740,088
58.7%		Staff costs as % of income	57.1%	58.9%				41.4%	44.8%				
1.1%		Contribution %	1.0%	1.0%				30.6%	25.0%				

	CONFIDENTIAL
Paper title:	Facility Agreements between LSBU and SBC
Board/Committee:	Finance, Planning and Resources Committee
Date of meeting:	07 May 2019
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	Richard Flatman, Group CFO
Purpose:	For Information
Recommendation:	The committee is requested to note the key terms of the proposed facility agreements between LSBU and SBC.

Executive Summary

It is proposed that two facility agreements are entered into between LSBU and SBC: 1) to enable SBC to fund the turnaround of Lambeth College; and 2) to enable SBC to manage cash-flow for its estates redevelopment plans.

Turnaround of Lambeth College

On 31 January 2019, Lambeth College Corporation (LCC) transferred its assets, liabilities and undertaking to South Bank Colleges (SBC), a wholly-owned subsidiary of LSBU.

As a condition of this transfer, LSBU agreed to take on LCC's commercial debt of £13.7m with Barclays Bank plc. In consideration of this condition, SBC transferred to LSBU grant funding of £13.75m received from the Education and Skills Funding Agency (ESFA). This ESFA grant funding is to be used solely for the turnaround of Lambeth College as run by SBC.

Under a letter of comfort from LSBU to SBC dated 31 January 2019 (see attached), LSBU proposed to SBC to make a number of loan payments to SBC up to a total amount of the ESFA grant in order to support the turnaround of the College over the next three years.

A facility agreement has been drafted to formalise this loan arrangement. Under the draft facility agreement:

- SBC will drawdown the loan funding from LSBU over the next three years to 31 July 2022;
- Repayment of the loan to LSBU will be by 2035 (to tie in with the repayment date of the Barclays loan);
- A management charge will be charged to SBC by LSBU to offset interest incurred by LSBU on its loan with Barclays;
- LSBU is not requesting any security over SBC as:
 - SBC is restricted from giving additional security in its asset deed and legal charge with the Secretary of State; and
 - LSBU retains ultimate control through its powers as member and under the Governance Agreement.

Estates redevelopment plans

As part of its estates redevelopment plans, SBC plans to invest in a new skills centre on its Vauxhall site. The development will be funded by GLA match-funding and the sale of part of SBC's Clapham site. In order for SBC to manage the cash-flow for this development, it is proposed that LSBU lends SBC money from its reserves under a facility agreement.

Under this draft facility agreement:

- SBC will drawdown the loan funding from LSBU over the next 3 years;
- Repayment of the loan to LSBU will be on the sale of part of the Clapham site;
- Interest will be charged to SBC by LSBU at an average rate of c.3% to recognise interest foregone by LSBU (c.1%) and opportunity cost that LSBU could have used the funds instead to repay Barclays at c.6%. If LSBU is required to take out additional borrowing to finance this loan the actual rate of interest on that loan will be passed to SBC; and
- LSBU is not requesting any security over SBC as:
 - SBC is restricted from giving additional security in its asset deed and legal charge with the Secretary of State; and
 - LSBU retains ultimate control through its powers as member and under the Governance Agreement.

Recommendation:

The committee is requested to note the key terms of the proposed facility agreements between LSBU and SBC.



London South Bank University
103 Borough Road
London SE1 0AA

The Trustees
South Bank Colleges
103 Borough Road
London
SE1 0AA

31 January 2019

Dear Sirs

Lambeth College
Proposed funding arrangements

We refer to the proposed transfer of the undertaking of Lambeth College (**College**) and its associated property, assets and liabilities (**Proposed Transaction**) by the Corporation of Lambeth College (**LC**) to South Bank Colleges (**SBC**), and the grant funding in the sum of £13.75m to be paid by the Secretary of State for Education to SBC (**Grant**) pursuant to a grant facility agreement between the Secretary of State and SBC (**Grant Facility Agreement**).

As you will be aware, in order to facilitate the Proposed Transaction, LSBU has agreed to take on the outstanding debt owed by LC to Barclays Bank plc. We have therefore agreed that, on receipt of the Grant from the Education and Skills Funding Agency, you will arrange for the total of the Grant to be paid to LSBU. This payment of the Grant to LSBU complies with the terms of the Grant Facility Agreement.

The purpose of the Grant, in accordance with the terms of the Grant Facility Agreement, is to support the transfer of the College to, and its future conduct by, SBC including future cash-flow requirements.

We therefore acknowledge that you will require funding to facilitate the turnaround of the College within the first three years of its operation by you. Because SBC is a wholly-owned subsidiary of LSBU, we wish to ensure that you have sufficient funding available to you in order to implement your turnaround plan in respect of the College for the benefit of SBC's current and future students, and the LSBU group as a whole.

This letter is intended to confirm that we propose to make a number of grant payments to SBC up to the total amount of the Grant in order to support the turnaround of the College over the next 3 years, and in such amounts and at such intervals as we agree with you. We also propose to enter into a grant agreement with SBC in order to set out our obligations in this regard in more detail and on a legally binding basis following completion of the Proposed Transaction.

This letter is not intended to be legally binding on LSBU or SBC and is intended to confirm our proposed approach to providing funding to SBC in advance of entering into the grant agreement referred to in the previous paragraph.

Yours faithfully,

Authorised signatory, for and on behalf of London South Bank University

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Agenda Item 8

	CONFIDENTIAL
Paper title:	Strategic People and Organisation Report
Board/Committee	Finance, Planning and Resources Committee
Date of meeting:	7 May 2019
Author:	Dr. Markos Koumaditis, Acting Director of People & Organisation; Professor Shan Wareing – DVC Education and Chief Operating Officer
Executive/Operations sponsor:	Professor Shan Wareing – DVC Education and Chief Operating Officer
Purpose:	Discussion
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Goal 8 People and Organisation
Recommendation:	The committee are asked to note the report.



Key Developments across People and Organisation

1.0 People and Organisation Structure

- 1.1 The Director P&O post is in a second recruitment cycle, after no appointment was made on the first attempt. The recruitment agency Minerva is supporting the process. Shortlisting will take place 16th May 2019; final interviews are scheduled for 7th June.
- 1.2 There are interim leadership and management arrangement currently in place.
- 1.3 To supplement current capacity to deliver strategic change projects, Sarah Cowley has temporarily joined the team as Director of Organisational Development (Projects) on a contract that runs to 31 December 2019. It is anticipated she will progress projects in the areas of enhancing leadership capability, Equality, Diversity and Inclusivity, workforce planning, and developing proposals to evolve the remuneration and reward package for new starters in the context of the pensions challenge.

2.0 Employee Relations

- 2.1 A constructive meeting took place on 17 April 2019 with Unison and GMB, following a request to discuss the Align programme.
- 2.2 The HR Business Partner Team report that the informal 6-weekly meeting with joint unions is working well and it provides an opportunity to discuss key issues and policy work, outside the JNCs committee cycle.
- 2.3 A change programme has been initiated in ACI following the suspension / closure of English and Creative Writing. UCU requested an emergency JNC to raise issues of potential conflict of interest of the Dean of ACI. People & Organisation are working with the Provost to resolve this.
- 2.4 Lambeth College are in dispute with recognised unions regarding pay and terms and conditions. In March, the Unions have rejected the Principal's offer

of an additional 1.5% above the 1% national offer, alongside increased annual and sick leave.

- 2.5 There are 38 LSBU current live 'casework' issues, which includes grievances, disciplinary, employment tribunals, sickness management and performance improvement (capability) processes. (**Appendix 1** provides full details).

3.0 Organisational Development

3.1 Leadership Development

The OD team are continuing to focus on academic leadership and are launching next month our new School Heads of Divisions development programme. This marks a new approach with OD partnering with the Business School to deliver the programme. The new HoDs programme is scheduled to start on the 9th of May with a cohort of 12-14 delegates.

3.2 Internal Change Management Programme

OD have commissioned a development programme supporting managers across the Group focussing on change and collaborative working. The programme will start in June with the following objectives:

- To increase the organisational capacity to manage change and ambiguity and create a positive working culture;
- Build skills and confidence of staff across the group in managing self and supporting others through change leadership;
- To provide the opportunity to build networks of staff across departmental structures and institutions within the group;
- To create the right working environment which supports collaboration, problem solving, shared leadership.

3.3 Engagement

OD have just completed a procurement exercise to commission a new engagement survey provider. 'People Insight' have been selected for the next staff survey with the intention to launch in June. The survey will be open to all staff within the LSBU Group.

3.4 Staff conference

The staff conference is scheduled to take place on the 12th June. Invites are being sent to all staff within LSBU Group.

4.0 Learning & Development

4.1 Appraisals

The staff appraisal period will commence on 1st June. The L&D Team are working on a report to review our current approach and put forward recommendations to improve the appraisal process, ensuring it is fit for purpose across the Group.

4.2 Academic Development

The Learning and Development (L&D) Team has initiated a working group with 2x Directors of Education and Student Experience (DESEs), Teaching Quality Enhancement (TQE), Centre for Research and Informed Teaching (CRIT) (Jenny Owen chair) looking at the teaching and learning development and support offer, though creating a Community of Practice.

5.0 Equality, Diversity and Inclusion

- 5.1 Our Athena Swan application was submitted to Advance HE on 18th April 2019. The submission and action plan has been shared with two external critical friends, with good feedback. In-depth action plan consultations with key leads have been running concurrently alongside work on the submission, to ensure accountability of SMART actions moving forward.

6.0 Employee Wellbeing

- 6.1 On 10th April a Staff Wellbeing Conference successfully took place, to which all members of the LSBU family were invited. It provided useful seminars, information and activities, ranging from blood pressure monitoring/BMI, to launching details of a new staff wellbeing health application - "WellSpace".
- 6.2 An award submission highlighting the successful LSBU journey has been submitted for the international CIPD People Management Awards 2019, Health and Wellbeing category.
- 6.3 Plans are underway to undertake the Virgin Pulse Global Challenge Event again this year. This is an international competitive staff wellbeing programme, to improve exercise and general wellbeing. (<https://www.virginpulse.com/en-gb/global-challenge/how-it-works/>). Last year LSBU team results were in the top 10% of all competitors.

- 6.5 The electronic health and safety software system for recording accidents and incidents and undertaking DSE assessment used at LSBU, has been procured for Lambeth and recommended for the Multi Academy Trust.
- 6.6 On 7th March 2019 a major table-top incident management training exercise took place, involving Gold Commanders/Executive Members and a range of wider staff.

7.0 Family of Institutions

7.1 The following developments have taken place during this period:

- ICT review completed to identify immediate needs;
- The electronic health and safety software system for recording accidents and incidents and undertaking DSE assessment used at LSBU, has been procured for Lambeth and recommended for the Multi Academy Trust;
- Tours of LSBU for Lambeth staff completed with approx. 50 staff taking part;
- Recruitment of staff at Lambeth - Deputy Principal appointed;
- Undergoing explorative work to integrate key systems of iTrent and Agresso as enablers of greater shared working, which requires assessment of impact;
- New Programme Management governance and reporting structures to the Transition Joint Executive Group for PSG's leads to improve decision making.

8.0 Workforce planning (WFP)

8.1 Workforce planning will align changing organisation needs with our people strategy, in the context of factors including:

- LEAP and our digital strategy which is driving a re-invention of our processes, over a number of years, and which will in due course have a significant effect on workforce planning
- Athena Swan and Race Charter Marks Action Plans who aim to help us develop a more inclusive approach towards our talent pipeline and tackle the under-represented groups at senior levels – BAME staff and women in particular – as well as the differences between career paths in professional services and academic posts
- Group LSBU Corporate Plan - It is our expectation that once the proposed Workforce Plan process is implemented and consolidated within LSBU, it will be used across the Group

- External changes in the HE sector (Augar Review) and nation-wide (Brexit) which will affect the shape or competitiveness of the labour market.

8.2 Before identifying future workforce needs, we plan to undertake an analysis of the current workforce. As there has been a limited formal process of workforce planning, following the departure of the Head of Organisational Development (OD), in recent years, the following actions are proposed for 2019:

- a. Obtain approval from Executive to roll out workforce capacity analysis programme, prioritising academic areas
- b. HR Business Partners to work with their areas to undertake talent management assessment of the workforce
- c. HRBPs to work with their areas to undertake succession planning
- d. Obtain relevant data to inform workforce planning
- e. HRBPs to work with their areas on Align (PSGs only) and factor this into the assessment of future workforce needs.
- f. HRBPs work with Deans to identify future workforce requirements (3-5 years) and develop an action plan.

It is our expectation that once the proposed WFP process is consolidated within LSBU, it will be used across the Group.

Appendix 1

Casework Stats

We have 38 current live 'casework' issues which includes grievances, disciplinary, employment tribunals, sickness management and performance improvement (capability) processes. The table below shows the distribution of casework across these areas.

Procedure	No. of cases	% of total casework
Grievance	10	26%
Disciplinary	4	11%
Employment Tribunal	1	3%
Sickness Management	18	47%
Performance Improvement (capability)	5	13%
	38	100%

The casework includes processes that are at the informal or investigation stage of the procedure. The distribution of casework over the areas in which they occur is detailed below.

School / PSG	Cases	% of total cases
ACI	1	3%
Applied Science	2	5%
ARR	2	5%
BEA	3	8%
ENG	3	8%
EAE	1	3%
FMI	3	8%
HSC	6	15.5%
LSS	5	13%
MAC	3	8%
BUS	3	8%
Student Services	6	15.5%
	38	100%

The areas with the highest level of casework is HSC, Student Services, and LSS.

The high percentage in LSS is due to a number of cases relating to 1 individual.

Student Services' casework is due to proactive management of sickness cases. HSC's casework involves 2 grievances, 2 disciplinary cases, 1 ET case and 1 sickness management. HR Business Partners and Advisors are working closely with their areas to support these processes.

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Agenda Item 9

	CONFIDENTIAL
Paper title:	Chief Operating Officer's Report
Board/Committee	Finance, Planning and Resources Committee
Date of meeting:	07 May 2019
Author:	Shân Wareing, Paul Ivey
Executive/Operations sponsor:	Shân Wareing, Paul Ivey
Purpose:	To update Finance, Planning and Resources Committee regarding developments within ICT and progress on the Estates Strategy

Executive Summary

The early stages of developing a Digital Strategy, and the progress of LEAP, triggered a review of ICT which has led to staffing changes, summarised in this paper.

The paper also provides an update on the Estates Strategy implementation.

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Information and Communications Technology Developments

1 Staffing and Activity Changes

- 1.1 Executive responsibility for Academic Related Resources (ARR), including ICT, Technical Support Services, Library and Learning Resources, and the Academy of Sports, transferred to the Pro Vice-Chancellor (Education and Student Experience) in April 2018.
- 1.2 A restructure of the Executive Portfolio resulted in ARR being reshaped so that Technical Support Services and the Academy of Sports transferred inot other Executive portfolios, resulting in Academic Related Resources consisting of ICT and Library and Learning Resources only. The Pro Vice-Chancellor (Education and Student Experience) became Chief Operating Officer and DVC (Education) on 1 October 2018.
- 1.3 The new COO leads on LEAP, the LSBU Student Journey Transformation Programme, and on the ICT and Digital Strategies. Through these various processes, it became apparent that a different approach would be required in ICT to deliver the LSBU Group's Digital vision.
- 1.4 As a result of these changes, two staff members in ARR decided to leave the organisation in April 2019: the Director of Academic Related Resources and the Deputy Director of IT Services. Alison Chojna, Head of Library and Learning Resources, is now Acting Director of Academic Related Resources.

2 Priority Actions

- 2.1 The Acting Director is reviewing current risks and priority developments within ICT, including incident management and reporting, governance and communications, budget and procurement processes, and staffing structure, with timelines based on perceived urgency, ranging from one month to one year.
- 2.2 Benchmarking information is available from Tribal, and the internal Align process is being used to consider possible changes to process.
- 2.3 A 'critical friend', Robert Westcott (Chief Information Officer, Royal Holloway, University of London) is supporting ARR in this transitional period.
- 2.4 Consultation on a Digital Strategy is commencing, as part of the Fit for the Future pillar of the 2020-2025 Corporate Strategy.
- 2.5 An ICT strategy, addressing IT architecture and other infrastructure matters, will be developed when the team has stabilised.

Estates Developments

3 SBC Estate Development

- 3.1 Work to date at Lambeth comprises refining the building design to meet the internal sponsor needs given the SBC academic strategy, and working with Lambeth Council to finalise use not only for the NESC but more importantly the remaining buildings: to this end so-called 'block D' has been added to the scheme to support again a so-called 'maker space'. A compliant tender and procurement process has been completed to source a main contractor and the submission for planning is anticipated in June.
- 3.2 The estate at Clapham has been reviewed by Wilkinson Eyre to maximise massing, and therefore income potential. This study is with a QS team to appoint values and Lambeth Council to clear any objections to the three options proposed.
- 3.3 This project is on time and on budget at £45M (with the caveat that construction cost are estimated not finalised), however a planning change for block 'C' at Lambeth has used up most time contingencies and there is 6 months (max) pressure on project completion time. The GLA grant (LEAP funding) has been removed from Lambeth College, and the replacement grant agreement from the GLA to SBC is imminent.

4 LSBU Phase 1 development

- 4.1 Phase 1 of the Southwark Campus re-development is now underway. Currently 10 projects are required to be completed in this phase are now in progress or have been completed. These are:
 1. The move of the LRC to the Perry Library was completed over the summer 2018 and the combined facility opened in September 2018.
 2. Works to create a dedicated Business School in the vacated LRC building has been completed and staff relocated into the new facility on 15th April 2019 on programme.
 3. During the closure of the London Road (LR) building Elephant Studios will need to be temporarily relocated elsewhere on campus and possibly in off-site commercial premises if required.
 4. Closing London Road from August 2019 until April 2021 for full refurbishment and re-launch as a so-called 'Learning Hub'.
 5. As part of the rationalisation of the campus, wherever possible, office spaces and teaching spaces are being co-located. However work to the first floor of Technopark to create additional office space for staff has been completed and works to provide further changes have commenced on the ground floor.

6. Temporary modular buildings have therefore been procured as a replacement for the larger lecture theatres, some office space and additional toilet provisions. These will be located on the vacant Hugh Astor Court site and Clarence Centre courtyard.
7. Space has been identified in the basement of J Block to provide staff, students and community use with limited gym and weight lifting facilities for the duration of the LR works. Whilst it was originally envisaged that these facilities would not be for community use the designs have had to be changed to allow the community access, due to the ongoing issues of securing planning consent for the London Road building.
8. Works to create teaching space within K2 has commenced and EAE's Technical Services have designed a scheme that satisfies the increased number of occupancy levels.
9. Similarly works to create teaching space within Keyworth Centre has commenced and EAE's Technical Services have designed a scheme that satisfies the increased number of occupancy levels.
10. Space has been identified on the 3rd Floor of Borough Road Building to relocate Law School from Keyworth Centre.

4.2 The phase 1 development is on time however the £65M budget has £2.8M of cost pressure (albeit final construction costs for London Road are estimated ahead of appointing a construction contractor). There is a 5% contingency in the development budget to match this. Governors should note that every project is being value engineered either by the estates team and/or the contractor so not to drawn down on this contingency. A considerable amount of unforeseen work has arisen either from the challenge of replacing the capacity of London Road into the remainder of the campus (1 in 3 staff members are being relocated), and the replacement of critical student facilities. Finally Governors should note the considerable estates workload from both the SBC and LSBU phase 1 development projects.

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	CONFIDENTIAL
Paper title:	KPI strategic enablers
Board/Committee:	Finance, Planning & Resources Committee
Date of meeting:	07 May 2019
Author(s):	Richard Duke, Director of Strategy & Planning
Sponsor(s):	Richard Flatman, Group CFO
Purpose:	For Information
Recommendation:	The FP&R Committee approves the KPI targets for 2019/20

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 for approval.

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2019/20 KPI Targets – Agreed Executive 30/1/19 and 3/4/19

Corporate Strategy Goals	20/20 Success Measures	#	Key Performance Indicators	End of Corporate Strategy Ambition	Past Performance				2018/19				Actuals *forecast as of April 2019	Future Agreed 2019/20 Target (Exec 30/1/19 except finance targets which were agreed Executive of 3/4/19)	Comments
					14/15	15/16	16/17	17/18	Green	Amber	Red	Target			
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%		Not Applicable	No numerical indicator will be available due to movement towards GO survey, but an internal forecast will be available. 2020 Ambition has already been achieved.
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%		84%	Short of 2020 ambition, but represents 2017/18 sector average +1%
		3	International Student barometer (% recommending LSBU)	81%		77%	77%	80%	80% +	77 - 79%	< 77 %	78%		81%	As 2020 ambition
		4	PGT experience (% satisfaction)	82%	74%	74%	71%	71%	74 % +	70 - 73 %	< 70 %	77%		76%	Short of 2020 ambition, but level of realism
		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		16-18:1	As 2020 ambition
		6	DLHE Positive Outcomes; employment or further study (EPI)	95%	90.2%	90.8%	94.6%	95.3%					94%		Not Applicable
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%		Not Applicable	No numerical indicator will be available due to movement towards GO survey, but an internal forecast will be available. 2020 Ambition has already been achieved.
	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		65	Short of 2020 ambition. This is not a reliable metric when comparing to thers due to the level of ambiguity of definition. LSBU only counts sustainable startups
Research & Enterprise	Top 50% UK for Research & Enterprise Income	8	Research Income (non Hefce)	£6.0 m	£2.0	£1.9	£2.8	£3.5	£4.3 m +	£4.0 - 4.3 m	< £4 m	£3.5m	£4.3m*	£5.2m	Short of 2020 ambition, but level of realism
		9	Enterprise Income	£19.0 m	£8.1	£7.8	£9.2	£10.9	£12 m +	£11 - 11.9 m	<£11 m	£13.0	£10.8m*	£11.0m	Short of 2020 ambition, but level of realism
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%		8-10%	As 2020 ambition
		11	FTUG % (w/o HSC contract) recruited before Clearing	90%	75.0%	76.4%	77.2%	78.0%	78 % +	74 - 77 %	< 74 %	77%	74.7%*	+77%	Short of 2020 ambition, but level of realism
	Exceed expectations on completion	12	First Degree Completion projection (at or above benchmark)	+3%	-7 %	-5.8%	-5.5%	-1.8%	>= -1 %	-2 to -3 %	<-3 %	-1%		0%	Short of 2020 ambition. This is based upon a three year cycle.
		13	Year 1 progression (can change due to Jan 2019 2nd Semester)	85%	73.1%	77.3%	74.7%	73.0%	76 % +	72 - 75%	<72%	82%		80%	Short of 2020 ambition, but level of realism. 2018/19 target set before 2017/18 result known
		14	Good Honours	63 - 67%	61.2%	66.4%	69.1%	70.0%	66-71%	72-73% >73% <64%	<64%	63-67%		65-70%	Should not go any higher than this figure given OfS concerns
15	PGT completion	85%	61.5%	58.7%	69%	61.0%	75% +	71-74%	< 71%			72%	Short of 2020 ambition, but level of realism. The PTES survey typically has response taes of less than 20%		
International	4 QS Stars	16	QS Star Rating	4	3 stars	3 stars	4 stars	4 stars	4	3	2	4	4	4	Not intended to resubmit, so 4 stars will remain
		17	Overseas student income (millions)	£20m	£11.2	£9.8	£11.2	£10.8	£12.6 m +	£12.2 - 12.5 m	<£12.2 m	£15.0	£10m*	£11.6m	Short of 2020 ambition, but level of realism
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%	100%	As 2020 ambition
		19	Average Engagement Score as a %	75%		58%	62%	61%	69%	65 - 68 %	< 64 %	69%		70%	Short of 2020 ambition, but target reflects LSBU's benchmark figure
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%	1.0%*	1.0%	Short of 2020 ambition, but represents budget
		21	Income (£m)	£170.0m	£140.8m	£138.2	£144.5	£146.3	£145.2 m +	£142 - 145 m	< £142 m	£156.1m	£148.1m*	£152.0m	Short of 2020 ambition, but represents budget
		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%	11.6%*	11.4%*	Short of 2020 ambition, but represents budget
	Student satisfaction with facilities & environment in top UK quartile	23	Student satisfaction ratings with facilities & environment (FD)	90%	87.7%	90.0%	87.2%	83.9%	87 % +	84 - 86 %	< 84%	90.0%		90.0%	As 2020 ambition
		24	ICS Service Index %	80%	68%	76%	66%						76%	80%	Change in measurement, no longer an LSBU overall figure, but benchmarking
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		90	Short of 2020 ambition, but level of realism
		26	Guardian – League table ranking	70	111 / 119	107 / 119	92 / 121	78 / 121	75 or higher	76 - 78	79 or lower	79		70	As 2020 ambition
		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	As 2020 ambition

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	CONFIDENTIAL
Paper title:	2019/20 Corporate Roadmap
Board/Committee:	Finance, Planning & Resources Committee
Date of meeting:	07 May 2019
Author(s):	Richard Duke, Director of Strategy & Planning
Sponsor(s):	Richard Flatman, Group CFO
Purpose:	For Information
Recommendation:	To note the 2019/20 Corporate Roadmap

Executive Summary

The attached 2019/20 Corporate Roadmap has been assembled through a collaborative Executive exercise and identifies priorities for 2019/20.

This Corporate Roadmap, underpins the planning process to develop Local Roadmaps in Schools and Professional Service Groups. This process will be completed by June 2019.

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LSBU Corporate Roadmaps 2019/20

Teaching & Learning

Our Goal:

We will ensure that our teaching remains highly applied, professionally accredited and demonstrably linked to research and enterprise, developing attributes that will make our graduates highly sought after.

2020 Targets:

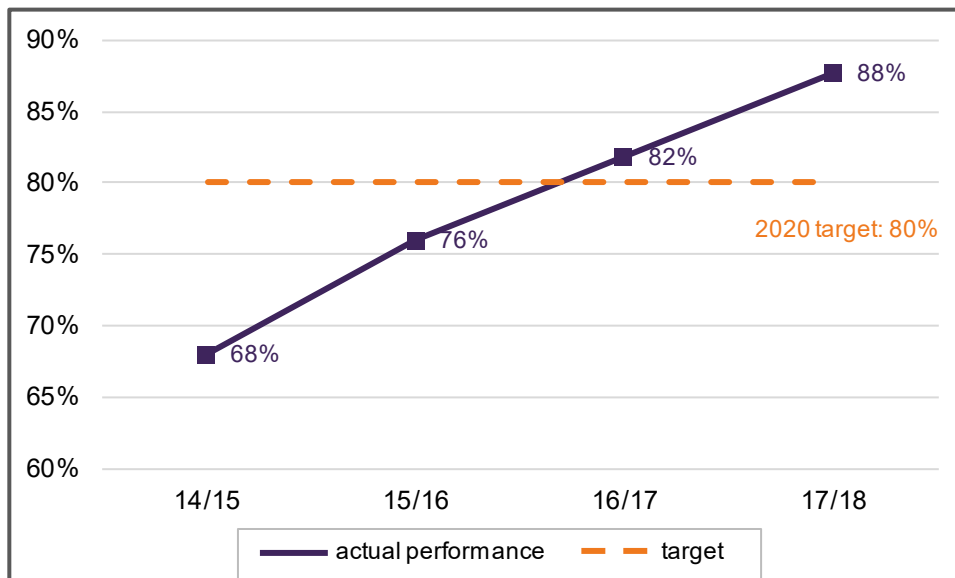
- 80% of our graduates will be in graduate level employment
- Top 50% of UK universities for both graduate employment and starting salaries

19/20 Priorities:

- TEF metrics indicate silver rating, or better, for every subject.
- Assessment and feedback is improved, reflected in the Assessment & Feedback NSS metrics, and greater efficiency of marking processes by academic and course administration staff.
- Clearer ownership of student success at module level, through use of the data from the new MEQ process.
- Continue portfolio reviews ahead of LEAP, to improve marketing, simplify the offerings, and improve efficiency of course delivery.

Progress:

KPI 1 – DLHE graduate level employment or further study – EPI cohort



Student Experience

Our Goal:

We will ensure that students are seen as participants in their learning, and that the student voice is encouraged and listened to.

2020 Targets:

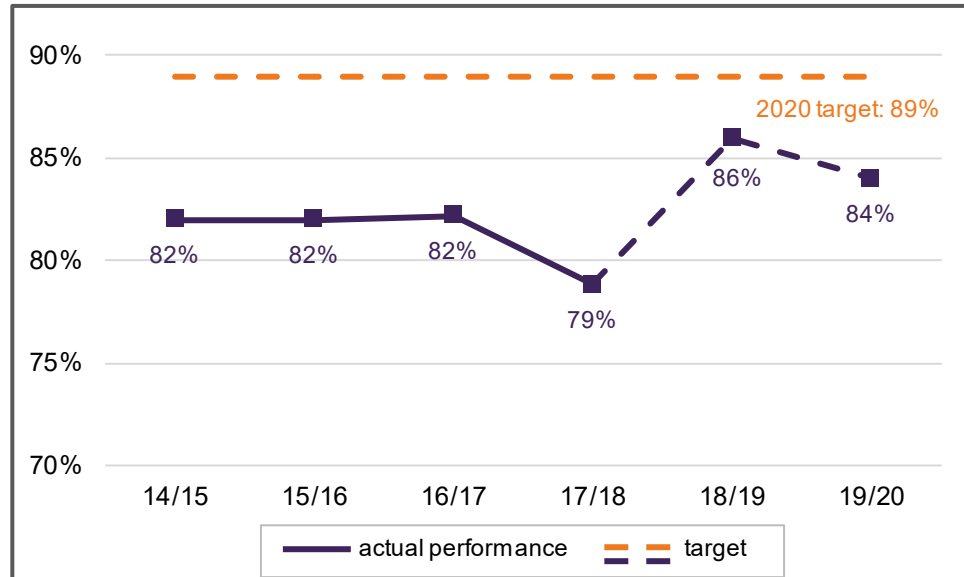
- Our Students will rate us in the top quartile of all universities in the NSS, with 89% overall satisfaction
- 81% of our international students will recommend LSBU

19/20 Priorities:

- Improvement by 2% in the average NSS score vs 2017/18.
- Develop target interventions for new UG students based on profiling to support improve transition for Year 1 students, as evidenced by a 2% improvement in overall Yr1-to-Yr2 progression and a 3% improvement in the BAME progression.
- High quality timetabling in place, with students informed in good time, and with high accuracy, of the times and locations for teaching and learning.
- Improvement in NSS student voice metric, through the use of student temperature testing and communicating responses to students regarding their concerns raised.

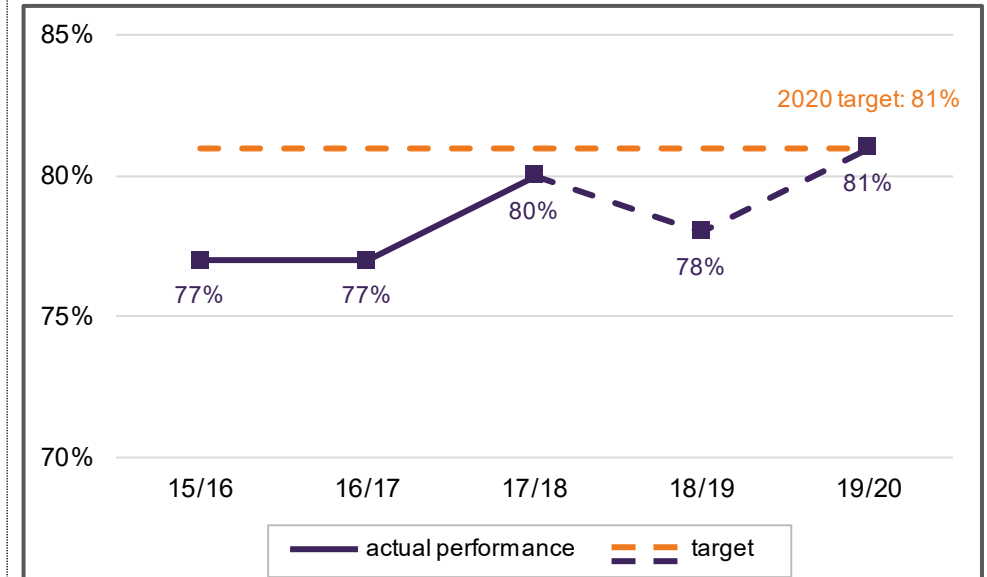
Progress:

KPI 2: NSS scores – overall satisfaction (First Degree respondents)



Progress:

KPI 3: International Student barometer (% recommending LSBU)



Employability

Our Goal:

We will provide students with an individualised learning experience to develop the skills and aspirations that enable them to enter employment, further study or start their own business.

2020 Targets:

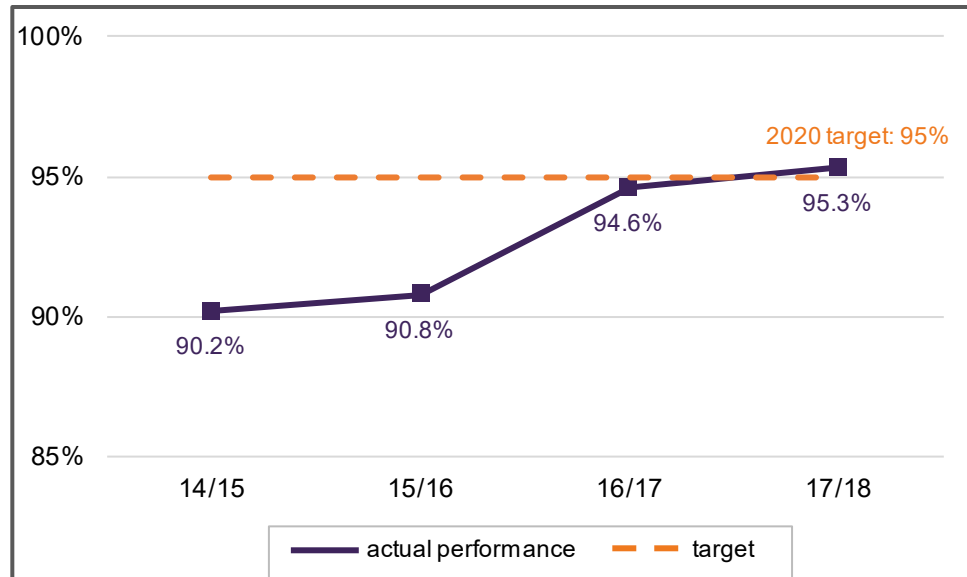
- 95% of our students will be in employment or further study within 6 months of graduating
- One of the ten best UK universities for supporting and fostering student start-ups with 150 new start-ups per year

19/20 Priorities:

- ▶ Graduate Outcome Survey transition project to support move to new method of data collection for UK KPIs on employability.
- ▶ Provide every student with the opportunity of a placement, internship or work experience and underpin employment opportunities with quality assessment and benchmarking.
- ▶ Develop infrastructure so that the Higher Education Achievement Record is available to 1st, 2nd and 3rd year students to support their employability.
- ▶ Deliver a cohesive enterprise education offer (within and outside of curriculum) across the LSBU family, in line with the Entrecomp framework, to successfully measure impact.
- ▶ Enhance start-up support offer and review provision to identify gaps and ensure we remain sector-leading in our support for students and alumni <5 years.

Progress:

KPI 6: DLHE Positive Outcomes - employment or further study – EPI Cohort



Research & Enterprise

Our Goal:

We will deliver outstanding economic, social and cultural benefits from our intellectual capital, by connecting our teaching and research to the real world through commercial activities and social enterprise.

2020 Targets:

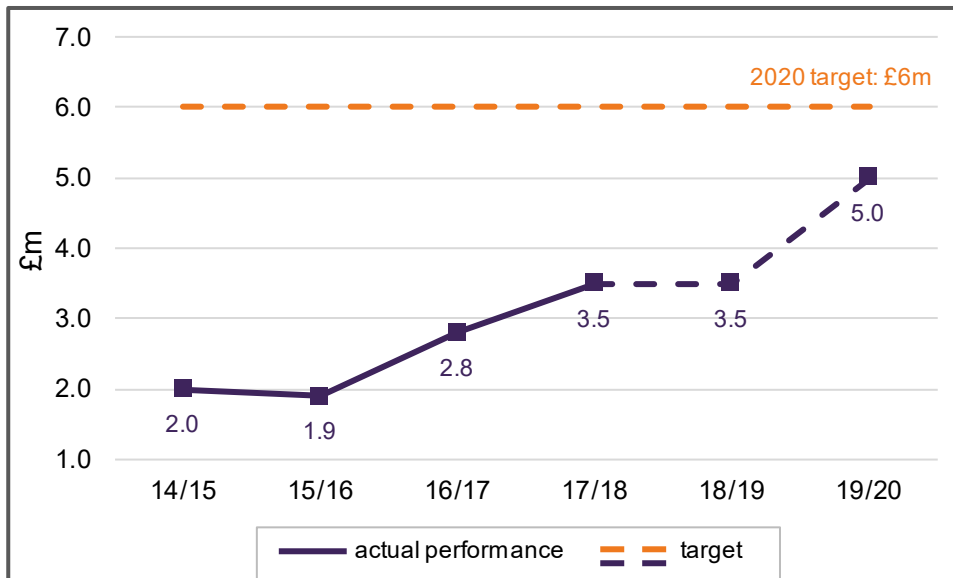
- We will be in the top 50% of UK universities for research and enterprise income
- Research income outside of QR funding will increase to £6 m
- Enterprise income will increase to £19 m

19/20 Priorities:

- 1 ▶ Additional development of TWI, contract pre and post award management, bid writing development and research centre / group operation in schools.
- 2 ▶ Widen the base for enterprise income, build upon the success between 2015-2018 to inject capital and profit more into the activity, capacity and speed of response.
- 3 ▶ Ensure REF 2021 submission is optimised through targeted support for late publications/grants; draft REF submission to be finalised, with target GPA of 2.80, and 150-200 staff submitted; research grant income of >£4M and >300 publications (>20 4* papers; >60% of papers 3* or 4*) for 2019/20.

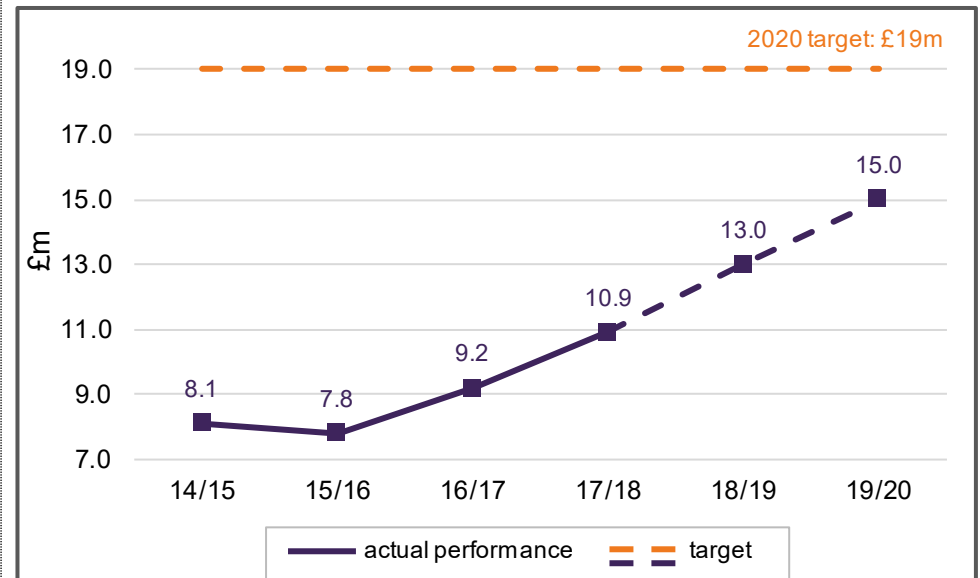
Progress:

KPI 8: Research income (non Hefce)



Progress:

KPI 9: Enterprise income



Access

Our Goal:

We will work with local partners to provide opportunities for students with the potential to succeed, and through active engagement, ensure we retain them.

2020 Targets:

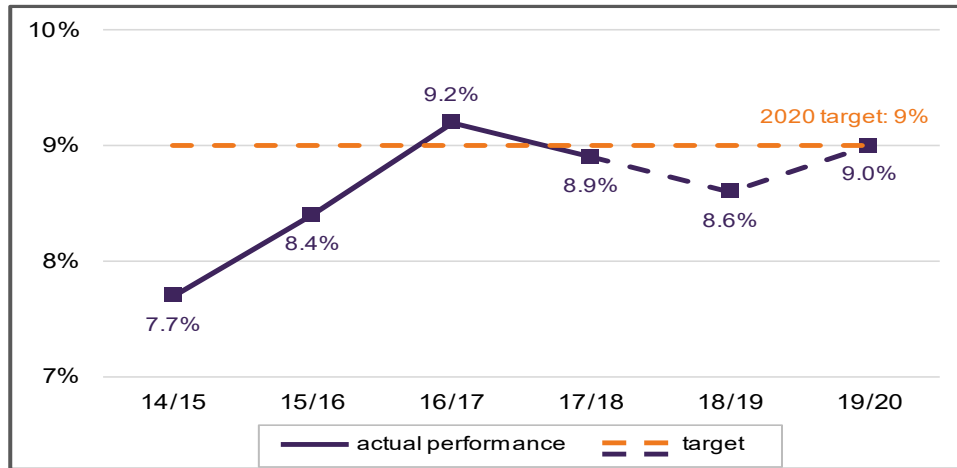
- 9% of recruitment will come from low participation neighbourhoods
- 75 % of our applicants will be recruited before Clearing
- 85% of our full time, first degree students will progress from year 1 to year 2

19/20 Priorities:

- 1 ▶ Continue to increase main cycle and clearing recruitment above market and competitor baselines to deliver maximum income generation through execution of a robust, and appropriately weighted brand-led marketing campaign supported by conversion activities.
- 2 ▶ Secure the addition of a further 600 apprentices during the 19/20 academic year, to be on target for 2000 by 2020
- 3 ▶ Support improved student retention by affecting a step change in re-enrolment operations to take place earlier in the academic year, move to auto-enrolment, and identify/address any retention issues whilst students are still in session.
- 4 ▶ Improve recruitment and success of PGT students.

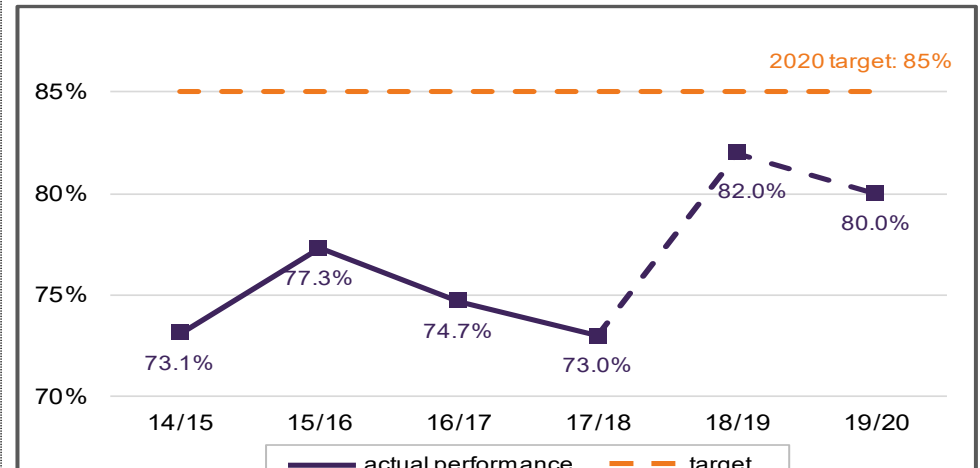
Progress:

KPI 10: % recruits from low participation neighbourhoods - Young FT FD



Progress:

KPI 13: Year 1 progression % - FT FD students



Internationalisation

Our Goal:

We will develop the multicultural community of students and staff, working through international alliances and partnerships to further build our capacity and capabilities in education, research and enterprise.

2020 Targets:

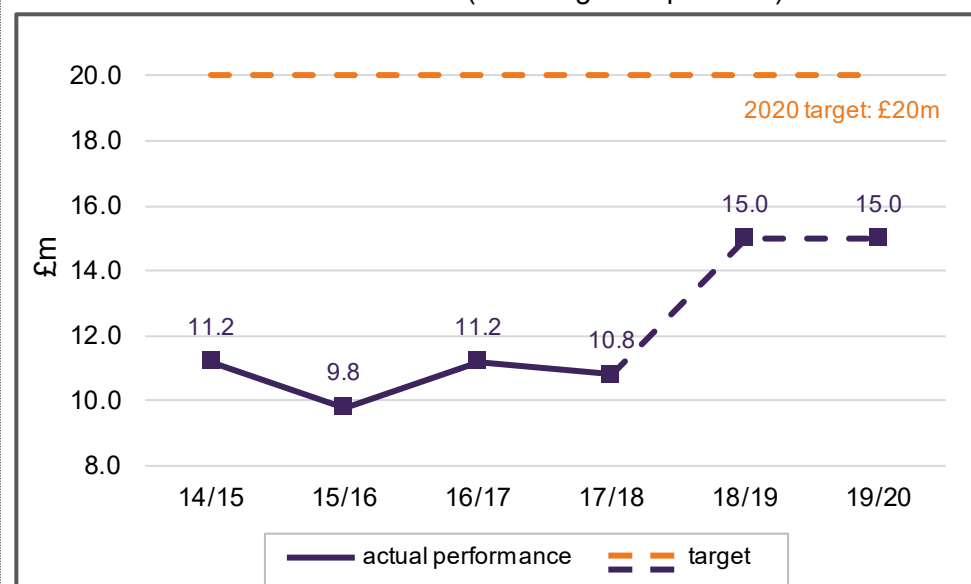
- We will achieve 4 QS Stars
- Grow overseas student income to £20 m (including £4 m of TNE)

19/20 Priorities:

- 1 ▶ Maintain and improve all areas excepting research (see priority 2) to maximise chances of a bid for 5 QS Stars
- 2 ▶ Review the research profile, environment, processes and outputs to raise the score contributing to the QS rating.
- 3 ▶ Further develop the transnational education model, with increased student numbers in British University Egypt (BUE) and Applied Science University Bahrain (ASU).
- 4 ▶ Development of operational model in relation to a potential branch campus in Cairo.

Progress:

KPI 17 – Oversea Student income (including TNE partners)



QS Stars Ratings for London South Bank University



People & Organisation

Our Goal:

We will create an environment which attracts and fosters the very best staff, and within which all staff feel their achievements are equally and fairly valued and rewarded, feel proud of their university and take appropriate responsibility for its development.

2020 Targets:

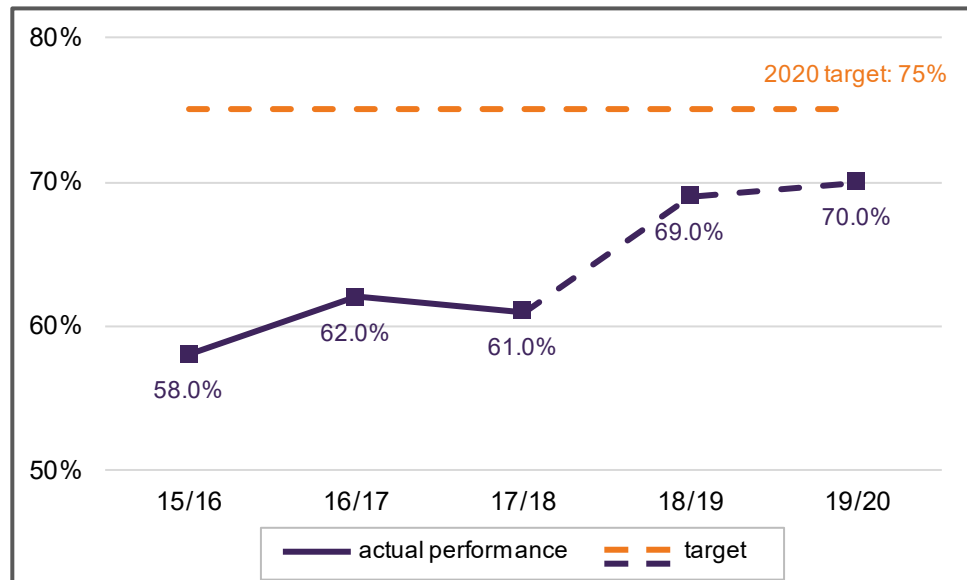
- Our average employee engagement score will be 75%
- 100% appraisal completion for all eligible staff

19/20 Priorities:

- Staff engagement of 70% as measured in pulse survey. Implement Schools and PSG action plans with link to Athena Swan and Race Charter Mark plans. Tackle Bullying and Harassment through emphasis on accountability, inclusive language and access to reporting.
- Leadership development for delivery of corporate strategy – specifically academic leadership as identified in the Education Strategy. New Managers Charter & Induction. Launch PSG Career Pathways.
- Appraisals reach 100% completion target – review of the process to improve quality by strengthening the link to academic promotions, PSGs Career Pathways as well as benefits and rewards for all staff.
- Launch new workforce planning process which will introduce talent management and succession planning to ensure that the Group has required current and future skillset.
- Develop change management organisational approach and toolkit which will help our leaders and managers to be more effective.
- EDI progress – successful Athena SWAN submission, further reduction of gender pay gap, reporting of ethnicity pay gap.

Progress:

KPI 19: Average Staff Engagement Score



Resources & Infrastructure

Our Goal:

We will strategically invest in the creation of first class facilities and infrastructure services which are responsive to academic needs and outcome focused.

2020 Targets:

- 90% of our students will be satisfied with our facilities
- We will achieve an average ICS Service Index % score of 80%

19/20 Priorities:

- 1 ▶ Deliver minimum income £152m (excluding SBC) and surplus in line with budget.
- 2 ▶ Effective completion of Align programme, and integration into LSBU planning and budgeting processes going forward.
- 3 ▶ Finalise and approve SBC financial turnaround plan.
- 4 ▶ Group policies, procedures and delegated authorities developed that are fit for purpose and adhered to. No material control breakdowns in any group company.
- 5 ▶ Delivery of capital expenditure projects in line with agreed cost envelope. Implement annual plan for capital replacement of IT equipment. Ensure the capital investment in teaching equipment purchase, maintenance and replacement support the Educational Framework.
- 6 ▶ Deliver LEAP work packages 2-3.
- 7 ▶ Initiate addressing IT technical debt through improved strategic approach to IT architecture, including resolution of identity management system.
- 8 ▶ Establish a Digital Strategy, which will create a co-dependency with Estates planning, the Group integration, and workforce planning.
- 9 ▶ Deliver Estates strategy milestones for London Road, Vauxhall and SBC.

Progress:

KPI 23: Student satisfaction ratings with facilities & environment (FD)

