

**Minutes of the meeting of the Finance, Planning and Resources Committee
held at 4.00 pm on Tuesday, 30 June 2020
via MS Teams**

Present

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

In attendance

Pat Bailey
Richard Duke (minute 14 only)
Richard Flatman
Paul Ivey
Kerry Johnson
Nicole Louis (up to minute 7)
Marcelle Moncrieffe-Johnson (minutes 8 and 9 only)
Fiona Morey (minute 10 only)
Ralph Sanders
James Stevenson

1. Welcome and Apologies

The Chair welcomed members to the meeting. No apologies had been received.

2. Declarations of Interest

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

3. Minutes from the last meeting

The committee approved the minutes of the previous meeting, held on 28 April 2020, and their publication as redacted.

4. Matters arising

The Provost provided a verbal update on the ACI portfolio review, currently on hold due to the coronavirus pandemic. The committee noted that a revision of the ACI divisions would be carried out to reflect the increased recruitment to media and technology courses.

All other actions were noted as completed.

5. **Management accounts to 31 May 2020**

The committee discussed the management accounts to 31 May 2020. It was noted that the full year forecast was trending towards a surplus of £1.5m, which was £1.5m less than the outturn for 2018/19. It was noted that the total year to date income had been downgraded in May by just over £0.5m but at £154.2m was still ahead of budget.

The executive confirmed that they were reasonably confident, under the current national circumstances, that the latest income forecast had taken into account all foreseeable impacts of the coronavirus pandemic and would keep this under close review. In addition, further in-year investment may be required to be ready to re-open the campus in semester one.

It was noted that the full year forecast for staff costs had been reduced by approximately £0.6m to £87.2m and these were forecast to represent 56.6% of income by the end of the year. The CFO considered that nothing further had arisen at this stage to cause us to move further away from budget scenario 2(b).

6. **Student recruitment and retention update**

The committee discussed the update on LSBU group recruitment and retention. Full-time undergraduate recruitment, where there had been no impact felt from the coronavirus pandemic, was up 27% compared with the previous year.

It was noted that there were challenges in the international student pipeline, where the university was currently down by 50% on the previous year. The committee noted that the deadlines and processes were different this year, making it difficult to draw a direct comparison. Changes to UKVI regulations had been announced two weeks previously making concessions for international students who wished to enroll but may not be attending for semester one.

The committee noted that the main recruitment cycle had now ended, and pre-clearing was due to start within the next week for students with non-traditional entry requirements. Clearing would take place as usual in August, aiming for 1,300-1,400 'firm accepts'. It was noted that clearing would take place both on and off site, involving over 100 staff volunteers.

The committee noted that retention numbers were in line with the forecast. University-instigated withdrawals had been ceased due to the pandemic. It was noted that the increased demand had been met for requests for funding to enable students to purchase laptops. It was noted that the retention rate for students who received hardship funding was 10% higher than the average across the rest of the student body.

7. **Infrastructure strategic update**

The committee noted the update from the ICT and Estates and Academic Environment (EAE) departments on the delivery of the physical and digital resources sub-strategy.

ICT

The committee noted the strategy to equip staff and students with appropriate end user devices and to manage expenditure over the next five years. It was noted that many devices were 'end of life' and would need to be replaced. The coronavirus pandemic had accelerated the move to remote working and it would be necessary to ensure that all staff and students had access to adequate equipment.

The committee noted the intention across the Group to move towards a 'Bring Your own Device' model for students.

The committee noted that ICT were working with Finance on both a five year financial forecast and details of near-term investment. The executive was investigating the benefits of a leasing model.

The committee noted that the financial forecast would include the replacement of underlying network infrastructure, much of which was at end of life. This work was noted as being high priority. These ICT costs would be considered alongside estates capex requirements.

EAE

The committee noted that estates colleagues were working closely with those in ICT to deliver the joint strategy. Student Services and People & Organisational Development staff were also contributing to the work to evolve the ways that the estate could be used.

A governor queried the accessibility of the estate. The Chief Business Officer noted that this had been a challenge when moving departments out from the London Road building, but that accessibility remained a high priority, with specialist provision being moved to ground floor locations wherever possible.

The committee noted that a full review of estates usage was underway to take into account the effects of the coronavirus pandemic.

8. **Strategic People and Organisational Development report**

The committee noted the strategic People & Organisational Development (POD) report, which included updates on employee relations, organisational development, reward strategy and pensions, and detail on employee grievance and disciplinary cases.

The Chief People Officer informed the committee of the proposed transition to the LSBU Group target operating model (TOM), including detail on the indicative workstreams. The committee noted the benefits of the approach, which included culture change, and the next steps. Challenges included cost constraint and devolution of responsibility. It was noted that the executive tier one had been agreed, and the next phase would be to consult on tiers two and three over the autumn.

9. Draft EDI annual report 2019/20

The committee discussed the draft EDI annual report 2019/20. The approach to the report in terms of content, tone and design had been refreshed. It was noted that the 2019/20 report was for LSBU only, but that a Group EDI approach would be developed for future years.

The committee noted in particular the gender pay gap of 5.2%, reduced from 13.25% since 2009. It was noted that work was still to be done on reducing the bonus pay gap of 31.1%. The ethnicity pay gap of 12.3% was also noted.

The Chief People Officer noted the proposals within the report to review the promotions and recruitment processes in order to improve inclusivity in these areas.

The committee noted the recent statement from the Group executive on the Black Lives Matter movement. Work was underway to demonstrate the Group's commitment to reviewing systems and practices and to listen to the lived experiences of BAME staff. A governor drew attention to the importance of having a diverse academic body.

The committee noted that LSBU had achieved the Athena Swan bronze award and was working towards applying for the Race Equality Chartermark.

The committee discussed the effectiveness of training, noting that the type of training offered on EDI was due to be reviewed.

The committee welcomed the new approach to the EDI annual report and recommended it to the Board for approval.

10. SBC annual performance and value review

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

The committee noted the increase in achievement rates, from 71.8% in 2016/17 to 88.5% (above the national average) in 2018/19 for students of all ages.

The committee noted the college's national ranking, which had risen by 78 places since 2017/18. In May 2019 Ofsted had rated SBC as 'requires

improvement' overall but had noted significant progress at its last visit in March 2020. A formal Ofsted inspection was originally expected later in 2020 but would be delayed due to the pandemic.

The reduction of the annual operating deficit from £6.1m to £2.7m, with the intention to break even by 2022/23, was noted.

The committee welcomed the significant progress.

11. **Treasury management report**

The committee noted the treasury management report, showing total bank balances of [REDACTED]

12. **REI update**

The committee noted the update on research and enterprise activities since the start of the 2019/20 academic year as at the end of May 2020.

The committee noted that many of the adverse forecast adjustments made due to coronavirus were linked to enterprise income. It was expected that the impact would be short-term. The importance of enterprise income for the 2020-25 strategy was noted.

The committee noted that research income was ahead of the 2018/19 position but slightly behind target for the year. Analysis of trends for research and enterprise income would be brought to a future meeting.

13. **OfS grant settlement**

The committee noted the recurrent grant settlement from Office for Students (OfS) for 2020/21. The teaching grant of £11.6m was a reduction of £0.5m compared with 2019/20. The capital grants were increased by £1.9m compared with 2019/20, giving a total grant of £13.5m.

14. **Key Performance Indicators**

The committee noted the update on the 2019/20 strategic enabler KPIs.

The committee discussed the new KPI framework, designed to measure performance against the 2025 Group strategic outcome targets. It was noted that some indicators were still in development but that work was underway with the Group entities to finalise. The committee noted that the 2025 strategy was due to be approved by the Board in July 2020.

The Chair closed the meeting and wished Nelly Kibirige every success in her future career when she steps down shortly as LSBSU President.

Date of next meeting
4.00 pm, on Tuesday, 22 September 2020

Confirmed as a true record

..... (Chair)