

Trustee Board Meeting
Tuesday 15th January 2019 - Boardroom S303 - Kedleston Road, Derby

IN ATTENDANCE:

Chris Hughes (CH) Chair

Trustee Board:

Helen Roberts (HR) External Trustee

Melanie Welaratne (MW) Student Trustee

Officer Trustees:

Abby Wilson (AW) President

Daniella Quill (DQ) VP Activities

Charlotte Bell (CM) VP Community

Scarlet Moss (SM) VP Education

Union Staff:

Vicky Hossack (VH) Chief Executive

Martin Beaumont (MB) Head of Operations

Suzy Stevenson (SS) Head of Membership Engagement

Steve Taylor (ST) Finance Manager

Sally Cunningham HR & Admin Manager (minutes)

BHP Auditors:

Jane Marshall (JM) Audit Partner and Head of BHP's specialist charity team

APOLOGIES:

Jacob Blatherwick VP Welfare

Adam Buss External Trustee

Jacqueline Hallam External Trustee

Michael Spencer External Trustee

Kiran Singh Student Trustee

Muhammad Ali Yousuf Student Trustee

ABSENT:

No one

AGENDA ITEMS:

1. Welcome and Apologies - CH

Welcome and apologies noted above. No conflict of interest called. Duly noting: we are a Company Limited by Guarantee and a Charity.

2. To approve the minutes of the Board Meeting held on 23 10 18

TB/2019/001

Minutes from the last meeting *agreed* as a true and accurate record.

3. Matters arising from 23 10 18

- **NUS Affiliation** – agenda item
- **HR and ST to review financial procedures ahead of Audit & Risk Committee** – completed
- **SUSS Pension** – standing agenda item
- **Board to receive September's final accounts** – completed
- **Officer Trustee Reports & student wellbeing issues** – standing agenda item
- **Staff presentations at full Board meetings** – 26th March presentation from Advice Team

FOR DECISION:

4. Annual Accounts and Audit Findings Report – JM

TB/2019/002

JM presented the annual accounts and audit findings; both succinctly explained with an opportunity for questions.

Overview of Final Annual Accounts – the only amendment made to the accounts is on further review, the restricted costs, it was found that some costs had not been allocated there. Overall the total funds are not affected, but the Clubs and Societies funds have had some monies moved out because some support costs had not been allocated, this will not see a change to the bottom line figures.

Income:

On looking at the total funds to last year, the Union has moved in a positive direction by 270k. This year is a full year, last period was 10 months, and therefore the two sets of figures are not comparable. This positive movement comes about with the positive increase on total income by 660k, and expenditure up by 390k, with the overall positive movement at 270k. Of the 660k in income movement, 480k relates to the fact this is a 12 month period.

180k of 'extra' things; donations and legacies has an extra 50k of grant income mainly special grants for the Athletic Union and HR project. Charitable activities an extra 50k of income generated to do with marketing, because the last period did not have the key month of September. Other trading activities even though the shop was down 70k there is still extra income over and above the period movement of 80k, this is because the bars counteracted it because they were up 70k, this neutralises the position..

To summarise; there were some really positive things that happened despite the fact money was lost on the shop.

Expenditure:

The increase of 390k, if compared last year with this year, we would have expected an extra 530k worth of expenditure, it is less because there is 140k worth of savings. That has been a big focus for the management team this year, again is a positive comment.

A difficult period to look at because of the mishmash of the number of months, but this is the overall position. The transfers between funds is the transfers between restricted and unrestricted funds and, part of that is to do with that adjustment about monies in previous years which had not been properly allocated. A primary adjustment has not been done because it is not material enough, we have just done the transfer.

Overall there is a surplus 22k of which there is a deficit of 34k on the restricted funds which is the Clubs and Societies mainly and the unrestricted funds have got a surplus. Total funds carried forward there is 640k in total for 2018, of which 13k is restricted again because of the Clubs and Societies with 626k is unrestricted.

Balance Sheet:

Tangible assets has fallen by 70k, although we have additions to the assets of 8k. Depreciation which is an accounting entry to write off those assets is 78k. Stocks have fallen by 12k, 9k is to with written off stock that is no longer worth anything. Debtors has moved minimally, but cash at bank and in hand is positive at 61k. 22k was the positive income figure on the surplus and income expenditure account, overall that reconciliation shows a positive movement.

The creditors: amounts falling due after more than one year the 184k is the deficit creditor on the Students Union Pension scheme, in theory, with correct calculations it will be written off by 2032. There is also a contingent liability element of this scheme which is not on the balance sheet, but which is described in the notes to the accounts.

Bottom line; total funds at 640k, with restricted funds at 13k and unrestricted funds at 626k. In terms of the full reserves, we have to adjust that to replenish the deficit, we take out fixed assets because these cannot be spent, and also 150k is put aside into a designated fund for a specific purpose. What is called full reserves is just under 477k, the target range is 325k to 650k. This means the Union is in a good position, well above the bottom end of that range.

To summarise; for an organisation such as a Students Union, this is a strong position to be in.

Additional comments/clarification/recommendations:

- Because restricted funds are funds where the Union has been given specific pots of money to do specific things with, within the charitable objects. The Union can allocate costs to them, but they cannot un-restrict them. With designated funds, it is the Trustees decision to put those funds aside, or re-designate them for something else, but Trustees can also undo that decision and pull them back in.

Overview of Final Audit Findings Report – these have not changed since they were presented at the Audit and Risk committee meeting. This report has to be produced as part of BHP's audit reporting to Trustees under international auditing standards.

Identified audit risks are all signed off. Internal controls, a general comment to make is there are 15 management letter points, 4 red, 11 amber. Next year the Union do not want to be seeing this number of management points or any red points.

Additional comments/clarification/recommendations:

- Since ST has joined the Union there has been a lot of significant governance changes in the way we are operating, it is recognised that is still a significant amount of work to do in terms of the audit report. We are reassured the work that happened since the start of the financial year to put some of these procedures in place.
- The red points around stock and a few discrepancies around staff salaries, after investigation for each one of those points we have put procedures in place whereby we are recording and documenting everything.
- RAG is almost completed, with VP Community doing a lot of work on this, again procedures are updated put in place not allowing this to build up to the year end.

The Board duly **approve** Annual Accounts and Audit Findings Report.

Annual Accounts will be submitted at the Annual General Meeting of members for final ratification.

The Chair thanked JM for presenting the audits today. JM left the meeting at 5:40 pm.

Point to note: VH this is the final audit BHP Accounts we are doing for us under our existing three year contract with them. ST will be working on a tender process to appoint new Auditors or to re-appoint BHP, this will be done through the Audit & Risk Committee.

Action: VH to check financial procedures to look at whether the contract for Auditors can extend from three years to five years.

5. Budget timetable and Block Grant application – VH

TB/2019/003

To seek approval from the Board to approve the process we go through each year to draft our annual budget. Every year we are asked to prepare a budget alongside a block grant application, and the process we would follow mirrors what we followed in previous years. Our budget holders have already started work on drafting budgets for the year ahead starting in August.

Additional comments/clarification/recommendations:

- Clarification around presenting the block grant application at Student Affairs Committee for a more formal decision rather than a discussion would need the agreement from Vice Chancellor Executive group.
- Officially the final decision for our Block Grant application should sit with the University Executive as a whole who are then making a recommendation to Governing Council for formal approval. Although the conversations that we have been involved in with the Director of Finance, it appears he makes the decision.
- A suggestion could be that the Director of Finance attends Student Affairs Committee to see the full presentation and understand the Unions rationale in what we are asking for and to be part of the final decision making process alongside every other Executive member that attends?
- An alternate view is look consider this year at going for three years, one year in some details and outline for an agreement on one to three years?
- We should demand that it is decided at Governing Council, when the current Officer Trustees will be in attendance, gaining approval from the University, to be passed onto the Officer Team's successors for 19/20.
- The Student Affairs Committee should recommend this suggestion is approved, unless the Finance Director has a reason for it not to be.
- Moving forward conversations should begin to be held in which the Union can outline the process in which we would like it to be.

Board duly **approve** Budget timetable and block grant application, with additional suggestions as above to be taken forward.

Action: AW to relay Trustee Board intentions and requests for block grant application at the February Student Affairs Committee

6. Democratic structures review – AW

TB/2019/004

We are considering a democratic review of the Officer Trustee team. The Officer team has remained largely unchanged since 2008, by reviewing activity and how the roles work in ways of representative positions, the team feel that this particular responsibility for the VP Community role could be absorbed between four positions. The operational work, which is the majority of that role as it currently operates can be more beneficial to those student groups to have a full time member of staff. This would ensure consistency and build on student engagement around activities such as volunteering, student media and fundraising.

The paper presented shows where the responsibilities can be shared between the remaining Trustee roles, with added positions such as co- Chairing University committees.

Additional comments/clarification/recommendations:

- An EGM is scheduled for 5th February, where this proposal (with any changes the Board sees fit), will be presented. We would need 50% plus 1 to have approval. We would then progress with the new Officer structure within this year's Election process. We do not envisage any issue in regards to the number of Officers in a team; the Constitution states 'up to 5 Officer Trustees', the University would be informed of the decision should this be approved at EGM.
- There is certainly a gap in our operational support for student led services, volunteering and an element of training and employability, areas that are big within in our strategic plan. This is certainly an area we need to look at in how we support that gap in capacity from a full time staff member.
- In general we need to look at why Officer roles have become more operational.
- We need to consider how this will be presented at the EGM, and assure students we are not necessarily taking something away from them, as this is how they could perceive it to be.
- We would need to review operational duties and the number of meetings Officers attend, as they are exceptionally high.
- The Officer Team will be more effective, reducing the number of operational responsibilities, and by having a permanent member of staff in place, allows Officers to concentrate on the students and enables fulfillment of manifesto pledges.
- This could be looked at by developing a student member also, by opening up the role for a student staff member, and/or permanent staff member, intern or graduate.
- The Union has a member of staff who has volunteering within that role, a formal consultation process will take place with that staff member.

To summarise: Officer Trustees are positive this is the right move, receiving full support from Board members.

Board duly **approve** Democratic structures review.

FOR DISCUSSION:

7. Union Footprint – The future of the Union estate – VH

TB/2019/005

Prior to Christmas VH was invited by the Provost (Academic) to consider the opportunity for the Union to put a business case forward to the University for significant space within the plans to develop the Business School in the city centre. The University purchased the land adjacent to One Friar Gate Square, currently a level pay and display car park. Visuals are not confirmed and no planning permission has yet been sought for the use of that space.

In terms of where the plans are now, in the next couple of weeks, various University Project Managers are putting together different business plans of different aspects of that proposal. Direction will be given to Governing Council in April as for the sign off, and therefore the next stage for planning permission for those ideas.

The Union has been asked to consider as part of those developments to put a strong business case forward for physical space. Be that a separate building or for dedicated space in within whatever development gets put forward. The opportunity for us to do that is over the next few months, utilising Student Affairs Committee in February and various other meetings we have got set up, to put a proposal together.

The Board is asked for their thoughts on whether this is an opportunity the Union should pursue.

Additional comments/clarification/recommendations:

- We are currently looking at approximately 22k of surplus at One Friar Gate Square café, lunchtime is full, there could be more we can offer at this site, but are unable to due to the space we have. Numbers have grown within teaching, where the University are struggling to deliver the amount of modules they would want to at this site.
- More social space would benefit the amount of students currently studying at One Friar Gate Square.
- Considering the University's long term plans, they are clearly looking at pulling students out of Kedleston Road, with more situated in the city centre, the Union needs to be where the students are. Looking at the success of the social space at Bridge Street, suggest that being close to students encourages them to utilise these spaces, particularly after hours.
- There could be the possibility of space to utilise as a bar or a nightclub, however if anything like this does get suggested it has to be multifunctional. For example a performance space to use for functions or award ceremonies with elements to be used as a bar.
- Last time this was discussed in detail the Trustees at that time wanted the Union to be where the library was as that was the hub of the campus and to align the Union in that strategic direction. The talk at the moment with a 24 hour digital library, and the University wanting to be a city centre University with a 'University Quarter', does present the Union with an opportunity that we cannot overlook, certainly in terms of having a presence and being accessible within the space.
- If we remain at Kedleston Road with the accommodation we have, when the Business School moves out, taking with it a significant number of students, yet again it is another location we have to service remotely.
- Conversations held with the Provost, has shown there is support for the Union. We do need to be aware from lessons learnt from Bridge Street that whatever proposal we put forward for final development, we would need to have a very robust business case for every commercial outlet we put in the space.
- In terms of having that identity if you consider University's competitors and regionally, each Union has its own space with clear identity of where it sits. For recruitment purposes this is a strong argument to say that students will be looking at this as part of choosing where to study. Derby is significantly behind in terms of physical presence and identity compared to a lot of competitors.

- Changing the University's perspective in having the understanding that being involved in the Union forms part of the learning experience.
- It should be an integral part of the development of the University that they provide space to allow the Union to grow.

The Board duly **receive** Union Footprint – the future of the Union estate.

8. SUSS Pension update – VH

TB/2019/006

We are still awaiting any communication directly from SUSS regarding who are affected members are, so we are able to write to them asking them to waive their rights for that additional payment. In the meantime, there are a number of Student Unions that feel let down with conversations with SUSS and NUS strongly feeling they should set up their own Oversight Committee that will hold SUSS and NUS more to task, particularly in pursuing legal action against Friends Life.

Additional comments/clarification/recommendations:

- It is unknown why this is taking so long, however an AGM of the pension will be held in March, where we are expecting a significant update prior to that meeting.
- We are not as affected by this additional liability as some other Unions, De Montfort are in a similar position to us, where we might be in a position to settle the full deficit that we owe when the scheme is revalued and exit the scheme. SUSS won't be able to allow that to happen until that additional liability is known obtaining a new valuation.
- There is a lot of awareness that Unions are receiving support from their institution. Conversations we have had with the Vice Chancellor in terms of requesting support to settle the deficit, steered more towards a loan.
- An approximate figure for our Union if all three ex-employees waived their rights is an additional 56k, on seeking advice from BHP they feel it would be prudent to settle the deficit in full, because they are aware other Unions are at risk of not being able to meet their pension payments and therefore we might inherit their liability as a result.

The Board duly **receive** SUSS Pension update.

9. NUS Turnaround update – VH

TB/2019/007

Additional comments/clarification/recommendations:

- Having been in attendance at NUS National Conference last year, AW feels change is needed, from an Officer perspective we are expected to deliver more.
- In terms of a democratic process, in theory the same way our governance operates, their Boards can make a decision, but this will need approval from the membership at NUS National Conference in April.
- As in our constitution, NUS also have a line that says if a decision at National Conference threatens the financial security or reputation of the Company then Boards' can overrule any decision made at Conference.
- Our Union has a delegation of five to attend National Conference including an automatic right of the President. We will be having an Election for those four positions, but we are hopeful at least four of the current Officer team are able to attend. There is going to be a lot

of information coming out ahead of Conference, it is important delegates are well informed and aware of the impact each vote will have on Unions, for example affiliation fees.

- In terms of contingency planning we are comfortable with this because of the assurances NUS have given with the good performance of the trading areas. Currently it is a separate Company, but that may merge into one, and they are in good financial health. If there was ever a supply chain issue, this will affect day to day trading for Unions.
- It is clear NUS has become very political rather than student needs being at the forefront; the addition of Liberation roles has created factions within the student movement.

The Board duly *receive* NUS Turnaround update

FOR NOTING:

10. Finance Update (November) – ST

TB/2019/008

Income summary 4 Months to 30 November 2018

We are reporting primarily against budget, having gone through a reforecasting exercise based on October accounts during November and December. Whilst we are progressing towards the budget numbers, looking at the bottom line we are behind budget to an extent, and yet realistically we have superseded the budget in terms of where we are now.

Draft Accounts for December 2018 – ST

Tabled

Additional comments/clarification/recommendations:

- We are progressing and still inline at reducing the deficit on the bottom line for the five months to December against budget.
- More realistically we would want to compare the 'surplus to date column' of 77k with the 'reforecast' figure in the next column showing 68k, although showing a small surplus we are tracking ahead at the end of December ahead of our reforecast.
- Commercially - figures will change for the better in January once payments have come through from external bookings.
- Retail - changes have been made in pushing forward all outlets particularly Keddies and we have made additional changes at Markeaton Street which has seen income and cost control improve. Currently we expect to exceed our reforecast expectations, these will be reviewed when we reforecast again in March.
- We are ensuring we get money from creditors prior to activity taking place for example for Refreshers events later this month.

Finance Update (November) and draft Accounts for December – *noted* by the Board

11. Annual Plan progress – SS

TB/2019/009

Annual plan presented shows the 10 metrics that have been identified, demonstrating to the Board how the membership department are working towards the strategic plan.

Additional comments/clarification/recommendations:

- Since having our Student Voice Coordinator (Academic Representation), has improved our links with Academics by building positive links with the Union. The quality of the training

given to the Programme Reps has improved, particularly in meetings where students and Academics realise the positive impact the Reps have.

- We are currently recruiting for Student Research Assistants, once in place and received training they will hold a series of focus groups over the next few months to ensure the Union get quality responses from our student base.

Annual Plan progress – *noted* by the Board

12. CEO Report – VH

TB/2019/010

In addition to the paper presented, we are still awaiting the KPMG Audit from the University to take place. ST sent a large amount of information before Christmas that they asked for, we are waiting for a date so they can complete their final review. We are keen for this to happen, so we can draw a line under this additional audit that was requested by the University.

Continue to attend Governing Council meetings, a review of that arrangement is going to the Nominations Committee in March so we will find out whether this is a permanent move for the Unions CEO to continue to support the Officers at these meetings.

An Away Day is at the end of this month with the Pro Vice Chancellor (Student Experience) and other key University staff to talk about the new building and to review the student experience framework and the next phase.

VH will be sending out an electronic survey to all Trustee members to review the year in terms of what members have been doing, this will be used to look at any suggestions for any further development is required at Board level and to gather feedback on how the Board operates.

Additional comments/clarification/recommendations:

None raised.

CEO Report – *noted* by the Board

13. Marketing Report – HG

TB/2019/011

Additional comments/clarification/recommendations:

None raised.

Marketing Report – *noted* by the Board

14. Officer Trustee Report – OT's

TB/2019/012

Additional comments/clarification/recommendations:

- In terms of interest from the student body over 100 have signed up to the Elections mailing list on the website to find out more about the elections. Over 50% of the roles have at least received one formal nomination.
- We had an exceptional turn out at last year's Elections, and was our second highest ever in our history, so the bar is set quite high. However if there is a change to the Officer structure losing a position this may affect voting turn out. We need to remain realistic as to whether we can beat last year's target which was just under 4,000 individual students votes; approximately 19% of the student body.

15. Membership Services Report – SS

TB/2019/013

Additional comments/clarification/recommendations:

- Looking at the increase of student harassment and in particular sexual harassment the Advice team, in conjunction with the President and VP Welfare are working on a sexual harassment policy. Consequently this has led to a complete review of the complaints policy within the Advice team for students to refer to and will include a grievance policy.
- Mostly the majority are academic issues, once broken down are course related issues for example, missing staff within programmes or unachievable timelines. Secondly is registration issues as there were some issues this year that are beyond our control. Thirdly housing, predominantly students who want advice with moving, receiving their deposits back to how to find new accommodation. The Advice team are quick to react to any issue they are presented with.
- The key message the Support and Inclusion Manager wanted to get across is the Advice team have opened 175 new cases since the last report in November but the number of hours spent on case work highlights the team are being more efficient in the way they are working.
- The Advice service at the Union is very different to the University’s Wellbeing Service who offer a professional counselling and psychiatric support services. The Union Advice team offer more of a pastoral advice, with immediate signposting to the correct departments within the University or external agencies.
- Staffing resources are very good with the new part time Advisor starting with us in addition, we have increased the advice capacity at Buxton specifically for our FE students. We have done this by developing a current Union employee to be able to take on more of an advice role within the remit of FE Specialist Coordinator.

Membership Services Report – **noted** by the Board

16. Any Other Business – All

None raised, or request received for a closed session.

Meeting ended at 7:40 pm

Date of next meeting: Tuesday 26th March 2019 5pm. Room S303.

Trustee Board Meeting Action Summary 15 01 19:

No	ACTION	ACTION OWNER	DUE DATE	STATUS OF THIS ACTION
1.	<i>To check financial procedures to look at whether the contract for Auditors can extend from three years to five.</i>	VH	March	
2	Relay Trustee Board intentions and requests for block grant application at February Student Affairs Committee	AW	February	

✓ COMPLETE OVERDUE OUTSTANDING ONGOING