

University of Derby Students' Union

Trustee Board Summary Sheet

Agenda Reference:	TB/2020/
Title of Report:	Minutes of the last meeting – 31.03.2020
Written By:	Sally Cunningham, HR and Admin Manager
Presented By:	Chris Hughes, Chair
Action Requested:	Approval

Trustee Board Meeting

Tuesday 31st March 2020 – 5:00 pm - Via Microsoft Teams

IN ATTENDANCE:

Chris Hughes (CH) Chair

Trustee Board:

Helen Roberts (HR) External Trustee
 Michael Spencer (MS) External Trustee
 Nicola Hartley (NH) External Trustee
 Tony Atherton (TA) External Trustee
 Corey Beck (CB) Student Trustee and President Elect 2020/21
 Joel Boulter (JB) Student Trustee

Officer Trustees:

Daniella Quill (DQ) President
 Faye Davies (FD) (VP) Activities
 Melanie Welaratne (MW) (VP) Education
 Samira Mensah (SM) (VP) Welfare

Union of Students:

Vicky Hossack (VH) Chief Executive
 Martin Beaumont (MB) Head of Operations
 Suzy Stevenson (SS) Head of Membership
 Steve Taylor (ST) Finance Manager
 Heather Gunn (HG) Marketing & Communications Manager
 Sally Cunningham HR & Admin Manager (minutes)

APOLOGIES:

None received

Absent:

No one

1. Welcome and Apologies - CH

Welcome to all board members. Apologies noted above. Duly noting we are a Company Limited by Guarantee and a Charity.

2. To approve the minutes of the Board Meeting held on 21.01.20 TB/2020/013

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

3. Matters arising from 21.01.20:

Sabbatical pay review - During the evaluation at the end of an Officers term, to gain further insight from our current Officers on the weighting of pay in their decision making – *agenda item 6*

University Estates Strategy - To draft a paper on the future of the Union, supporting the Estates strategy by exploring areas, activities and the brand – *agenda item 7*

Reserves Policy - to remove the facility development fund, remain at three months with a target of six months – to further review on outcome of SUSS re-evaluation – *agenda item 9*

Annual Plans KPI's updates - to change the font for easier reading - *completed*

FOR DECISION:

4. External Trustee Ratification - CH TB/2020/014

A warm welcome for both Nicola Hartley and Tony Atherton to this their first Union of Students Trustee Board meeting. The external trustee recruitment was enjoyable and competitive both NH and TA became clear candidates for these roles, together with their experience and CV's throughout the process.

Having already spoken earlier today for the induction process, the Chair encourages NH & TA to make active contributions particularly this being the first meeting.

The Board duly *approve* the appointment of Nicola Hartley and Tony Atherton for an initial term of 3 years to March 2023 and approve their selection to the Finance and HR Sub-Committee.

5. Block Grant Application & Draft Budget 2021 - VH TB/2020/015

The papers submitted remain relevant to the time they were when written, although as we cover the rest of the items, we may decide we need to include a contingency plan with the block grant application. Both papers are prepared as if we are fully open and running as normal at the start of our new financial year on the 1st August. If, as part of our discussion we need to plan differently certainly within the budget for our commercial outlets to open later in the next financial year (in September or later), it maybe be worth including within the block grant application some additional context and information around our financial situation should that occur including any financial support we may need from the University to offset any delay to reopening our commercial outlets. Currently it is very much a 'business as usual' application, certainly things have changed dramatically

in the time both papers were drafted they may warrant a review before we submit to the University in April.

Additional comments/clarification/recommendations:

- The papers are well written, we are all very much in an uncertain situation.
- The University's main focus is similar to the Union's as time is given to dealing with a large amount of student queries in response to moving teaching online, and how they intend on finishing the teaching year.
- We are starting to see in detail within the Governing Council papers some of their main risks being flagged such as International Student recruitment. Normally the University run an English Language School in the summer months, it is unlikely those students will be able to travel into the country to take part which is a requirement of the course on their visa. There has not been a huge amount of the financial implications as of yet, however we are expecting this to be discussed at Governing Council tomorrow.
- Meetings DQ has been attending are concerning assessment deadlines in response to the Covid-19 outbreak.
- Normally the University would share with the Union their financial modeling where we would try to align ourselves with that, but there has been nothing at this time. Similarly, the request for the 1.5% increase to the block grant is based on the knowledge that we have that the University would award an inflationary rise of less than 3% for University employees' wages.
- The Union cannot affect the changes in the salary and wage increases for National minimum and Living hourly rates going up from 1st April. Within the budget we have assumed a 2% cost of living for staff and Officers with a similar cost of living increase from April 2021. All of which is subject to approval at this meeting.
- The submission date for our Block Grant application and budget 2021 is Friday 10th April, as a consequence of tomorrow's Governing Council meeting the Union will be in a better position to understand the plans the University are making – considering the current situation.

Commercial areas - MB:

It is within our planning to present a budget that has a different commencement date for our commercial activities; we are kept well informed in what other Unions are doing in response to the Coronavirus outbreak and when they are anticipating functioning again. Whilst we could possibly re-open some of our outlets in June, other Unions are looking at the possibility of re-opening in January 2021. We have budgeted for a June re-opening; focusing on August and September with the aim to capture Freshers. Certainly, if the University does re-open in June, it would be worthwhile running Keddies and Blends, but not our smaller outlets situated off site.

Points to note:

MW - the University have ceased their staff recruitment processes apart from three Academic vacancies; this may give an insight into where the University are financially.

DQ – the University are continuing their voluntary severance scheme.

Recommendation: for the Union to submit the Block Grant Application and Draft Budget 2021 and acknowledge we may be required to review in the coming months.

The Board duly **approve** Block Grant Application & Draft Budget 2021 and recommendation.

6. Cost of Living 2020 – VH

TB/2020/016

At the Finance & HR Subcommittee held in February we had a discussion on the cost of living 2020, which is brought for a decision at this full Board meeting. We discussed the impact of the 6% increases to the National Minimum and Living hourly wages that come into effect on 1st April. This in some cases, increases our student staff pay above what their managers and supervisors on our pay framework receive. This creates a dilemma as we have to pay those prescribed wages to our casual staff, and we must address the imbalance that makes with some of our permanent staff.

Every year we consider making a cost of living increase, we uplifted by 2% last year and we have within our budget for this year and, still within our reforecast a 2% for all salaried staff and Officer Trustees from April 2020.

Recommendation – although we are in this situation, is to approve the cost of living award for this year. We know the Conservative Government want to increase the National Living wage to £10.50 by 2024, which is going to mean an approximate 4.5% increase each year if economic conditions allow. A 2% cost of living increase would mean our staff on our pay framework are paid fairly in response to this and help to reduce the difference between the Officer wages currently being slightly behind our regional counterparts.

Point to note: Our full time Officers including CB (as President Elect) are not allowed to vote on the cost of living 2020.

Additional comments/clarification/recommendations:

- The national minimum increases mean student staff will earn more than some permanent staff this is because they also receive a percentage equivalent to holiday pay on top of their hourly rate and increases their hourly rate to above the current pay framework.
- When you consider the pay framework and the impact of the Government increases in the coming years means we have a substantial piece of work to do.
- The main staff this impacts are at a supervisor level are within the Unions commercial areas.
- **[Redacted]**
- It will be interesting to see what the Government does in terms of pay strategies, national minimum wage, critical workers and the value of certain workers for example those in retail. This is an ideal time to review over the next 3 to 6 months.
- We should support the cost of living increase in terms of keeping a motivated and inspired workforce, and to show the Union supports them. If the situation does get worse, it will not be the 2% increase that will cause major problems.

The Board duly **approve** Cost of Living 2020

7. New Union Building – timeline - VH

TB/2020/017

We are expecting the University's Estates Masterplan to be presented to Governing Council in July for approval. This plan would set out a whole scheme of work with a large capital investment in the University's estate moving into the city centre. We had a presentation at the last Board meeting, which encouraged us to be ready by September. Recently we have not had a conversation with the University to understand whether that timeline is affected, the papers being considered for approval at Governing Council tomorrow are that this plan is moving on at pace but is still to be absolutely confirmed.

We feel with the paper outlining September is too late to have a proposal ready, the Union needs to be submitting a business case to University Executive by the end of June; if we are to have any chance of confirming our position within those plans to be considered by Governors in July.

Additional comments/clarification/recommendations:

- The work involved will be completed by a number staff who are now working from home, in putting a business case together. The Union will involve Trustees at the appropriate time through sub committees and email updates.
- While we will be working with not necessarily a fully developed idea, we do have a good understanding of what the Estates Department have put in place.

MS joined the meeting at 5:25 pm

The Board duly **approve** working to the New Union Building timeline – this is assuming the Estates strategy timeline goes as they have indicated.

FOR DISCUSSION:

8. Covid-19 Response and Financial reforecast - VH

TB/2020/018

Covid-19 Response - VH:

Chair thanked VH on what has been arranged around these uncertain times, acknowledging it has been outstanding to see regular updates on the Unions website, all appears to have been achieved.

Additional comments/clarification/recommendations:

- Although we planned early it has still been a challenge, but by being proactive and putting a procedure in place that the staff are able to follow.
- Particular thanks go to MB in terms of organising staff to work from home, even before the directive came from the Government, this is now routine for staff who are in non-essential work.
- The University decided to close Kedleston Road earlier than we originally believed, as we were going to try and stretch our commercial income for a little longer.
- We have reacted to the Government announcements over the job retention scheme, that has provided a safety net for our student staff who we had committed to pay up until 27th March 2020, now we are able to furlough those staff with 80% of their wages until 31st May 2020.

- We have also extended the furlough scheme to other more permanent salaried staff, particularly those in Commercial areas, and some members of our Membership Services team.
- The circulated version 2 of the reforecast (that differs slightly from the papers for this meeting) shows a slightly improved picture because of the furlough scheme - we have moved from £115k deficit up to minus £14k. An alternative reforecast will show what would happen if we re-opened to trade in June.
- Stock from Keddies was donated to the Halls of Residence for any students who are self-isolating and to St Alkmund's Church on Kedleston Road, food parcels will be distributed to the vulnerable in our local community.
- Stock takes for our commercial areas have been put on hold and will be completed once we return.

Financial Forecast - ST:

Within the plan for the year the operating summary will have £118k accounted for from the Government's furloughed job retention grant. Although we are losing our income from commercial areas that contribute towards the running of the Union, we are reliant upon that grant coming back in to reach a better position.

We are confident in the calculations and timescale in paying our staff throughout the summer periods as the pandemic hits us. Of the £118k, approximately £82k is against our permanent members of staff across all departments until 31st May 2020.

Additional comments/clarification/recommendations:

- Swim England have announced if employees agree to a three-week furlough, then those people are enabling the organisation to continue for the future.
- The Co-Op have worked on a 3 and 6-month plan, exploring both options in terms of materiality post July and into September.
- Certainly, for April and May the Union have outlined who we can furlough for that period. We have staff in Central Services who will remain with us for April, we will cut back further in May our Marketing Department and HR & Admin, and one member of staff in Finance, the rest - CEO, Finance Manager, Payroll & Finance Administrator, Interim Advice Centre Manager and Officer Trustees will remain working from home.
- There is the potential for VH and ST to be on rotation, which could bring some of that figure closer to zero.
- NUS have recommended we should not be furloughing our Officer Trustees who are representatives for the student body.
- In terms of the student experience element, it was a unanimous decision that activities have ended, and all student opportunities coming to a halt. Having the Officer Trustees available in maintaining the student voice is crucial at this time.
- The main concern is the University (today) have communicated to all students their plans having adjusted the regulations of assessments over the coming months.
- There are a number of student petitions for a No Detriment Policy that acts as a 'safety net' to ensure students obtain at least their average grade so far in the year, or with a better

grade depending on results in summer exams or assignments, so long as they secure at least 40 per cent.

The Board duly **note** Covid-19 Response and Financial reforecast

9. SUSS Pension update - VH

TB/2020/019

SUSS had to make the re-valuation and adjust for their historical error that they revealed to everyone 12/18 months ago. This reduced the potential additional liability of the whole scheme from £48.5 million to £24.8 million and enabled the valuation of the scheme to take place.

Disappointingly even though we attended the AGM we have still not received any details of our revised liability within the pension scheme following the revaluation over the last 12 months. The update on the consultation exercise with members is over 80% of those members responded to the consultation letter, of the total members 60% agreed to the compromise offer that was made on the valuation scheme (table below):

2019 Valuation Results:

£m	2016	2019 (re-evaluation figures)
Assets	101.3	119.1
Liabilities (no 7% deficit issue)	221.0	235.2
Deficit	119.7	116.1
Funding Level	46%	51%
Cost of 7%		24.8
Actual deficit		140.9
Actual funding level		46%

Additional comments/clarification/recommendations:

- The table shows how funds performed since the revaluation and the deficit being carried forward into creating a revised recovery period and adding an extra 2 ¼ years on to that period.
- It is a closed scheme, so the Union are paying down our deficit between now and what was 2032 now extended to 2035.
- We are one of the smallest Unions in the scheme in respect of how few pensioners and deferred members we have, but still our liability is currently around £180k, that sits on our balance sheet.
- We have formally requested information from SUSS around our estimated buyout figure, we have been warned that the figure maybe high. If we ask for an actual figure, they will charge us, an estimated figure is free.
- Referring to the graph within the papers the proposed Unions extra contributions (from 2021) vary between 3% up to 44%.

- A meeting as a group of Trustees will be held early April, following this we should expect a detailed letter that will explain our new liability figure along with what our revised annual payments will be.

The Board duly *note* SUSS Pension update

FOR NOTING:

10. Finance Update (February 2020) – ST

TB/2020/020

Summary: Operating results Income summary 7 Months to 29 Feb 2020

	Budget	Actual	Variance	Reforecast
Core/Support	695,317	697,448	2,132	707,111
Venues	361,773	337,986	(23,787)	357,424
Retail	494,906	515,096	20,190	511,931
TOTAL	1,551,995	1,550,530	(1,464)	1,576,466

Net Surplus/(Deficit) 7 Months to 29 Feb 2020

	Budget	Actual	Variance	Reforecast
Core/Support	(89,771)	(52,224)	37,547	(64,592)
Venues	72,497	53,290	(19,207)	63,653
Retail	46,612	52,448	5,836	54,124
TOTAL	29,338	53,514	24,176	53,185

Core/Support Comment:

General:

Clubs/Societies:

Transport spend has remained ahead of budget and forecast (£7k), due to University forcing use of outside contractors.

Societies 'US fund' budget £20k only expensed when claimed, therefore £9.2k favourable variance to date timing only.

Commercials Comment:

Academy – Sales volume down to reforecast (£13k), profit down £9k, resulting in an overall adverse £8k variance bottom-line.

Events – Sales down to reforecast (£4k), Net surplus £3k ahead.

Blends - Sales volume level with reforecast, margins holding up (except food just down, with overall gross profit on target, £1k ahead bottom line.

Friargate – Sales volume £2k behind reforecast, margins £4k behind. Bottom line £7k down.

Keddies - Sales volume £3k behind reforecast, and £4k on Gross Margins, £4k adverse bottom-line.

Street –Sales volume ahead of reforecast (£6k), and bottom-line £1k ahead.

Britannia Mill - Sales volume in line with reforecast, and net deficit.

Balance Sheet

Cash - Bank position shows a positive movement by £185k over the period to £930k bank balance, drivers being positive trading £80k (before depreciation), supplemented by creditor increase £148k, debtor decrease £34k, and less £49k Asset purchases.

Trade Debtors – Balance at £30k (University £12k), has decreased from Year-end (£48k).

Other Debtors – Mainly prepayments (NUS affiliation £13k, kit sponsorship £10k, University Nuffield contribution £16k).

Trade Creditors – Balance £150k, with University balance £7k.

Other Creditors – Mainly accrued costs (Nuffield sports centre hire £9k, general PO commitment £33k).

Additional comments/clarification/recommendations:

- In terms of the University transport costs there has been a change in staffing, in particular the Transport Manager. Prior to these changes our sport transport bookings and drivers for Wednesday afternoons were prioritised at a lower cost. We are not able to influence the relationship; therefore, we now book external (and expensive) transport companies.

The Board duly *note* Finance Update (February) 2020.

11. CEO Report – VH

TB/2020/021

VH gave a summary of the report.

Ongoing work is taking place to appoint two new student trustees to join the board from August onwards. On behalf of Trustees many congratulations go to Corey Beck following his successful election to President.

Additional comments/clarification/recommendations:

None raised.

The Board duly *note* CEO Report.

12. Marketing Report Q2 – HG

TB/2020/022

HG gave an overview of the Marketing report, highlighting wins within the Marketing and Communication Team.

Additional comments/clarification/recommendations:

None raised.

The Board duly *note* Marketing Report.

13. Officer Trustee Scrutiny Panel Reports – OT's

TB/2020/023

Officers gave a summary of the reports, showcasing achievements so far and progress by means of their manifesto points.

VH took this opportunity to formally acknowledge and thank the Officer Trustees for everything they are doing. It is not easy being on the receiving end of a lot of student queries and questions during these challenging times.

Additional comments/clarification/recommendations:

None raised.

The Board duly *note* Officer Trustee Reports.

14. Elections Report - SS

TB/2020/024

The Union of Students main elections closed on Friday 6th March. A total of 19579 votes were cast by 1537 students, across the 31 positions that were filled during this election campaign.

Although we had the lowest voter turnout compared to the last five years, after speaking to other Unions it is reflective of the national picture, being put down to 'voter fatigue' in terms of national referendum and local elections. On the positive side we saw more votes cast for our Part Time Officer positions.

A total of 0 complaints were received for this election. Manifesto commitments for each full time Officer are presented in the papers.

The following results were announced for the full time Officer positions:

President: Corey Beck

Vice President (Education): Nina Cupric

Vice President (Activities): Josh Williams

Vice President (Welfare): Emily Lane

President Elect 2020/21- CB:

It was great that we received a depth of voters, people were challenging candidates' manifestos, it was good to see students were thinking about who to vote for.

In terms of experience CB can bring to this role, having an in-depth knowledge of an academic aspect for special education needs. Balanced with a sports scholarship, a Part Time Officer and Programme Rep and a member of this Trustee Board. In terms of carrying out the responsibilities of the President role CB will ensure our student demographics are fully represented.

Additional comments/clarification/recommendations:

- Looking to future elections that are a few changes we can implement to inspire students to vote, for example send the message out earlier about what we do as a Union and what the election process truly means, a full election debrief meeting will be held on our return.

The Board duly *note* Elections Report.

15. KPI Update Q3 – SS

TB/2020/025

SS gave an overview of where we are in quarter 3, whilst we are taking a pause due to the current situation, we have hit the majority of our objectives, and will be revisited on our return.

We are confident we have taken enough learning from the Peer Assisted Learning scheme (PAL) that we can take to the University as part of the Block Grant application to request for an extended pilot for next year.

Additional comments/clarification/recommendations:

None raised.

The Board duly *note* KPI Update Q2

16. Any Other Business - All

Final comments from CH – great reports from everybody, as a consequence of the current situation there is a great deal of work to do and we are all here to support each other. If the Union needs to bring back people to work from home in order to meet the various deadlines, then we must do so.

Trustees will be kept up to date with all further changes via Microsoft Teams.

No requests for a closed session. Meeting ended at 6:30 pm.

Date of next meeting – Tuesday 7th July 2020 - 5:00 pm – 7:30 pm – Microsoft Teams/Boardroom S303.

Trustee Board Meeting Action Summary 31.03.2020

No	ACTION	ACTION OWNER	DUE DATE	STATUS OF THIS ACTION
1.	To maintain contact with Trustees in terms of Block Grant application and Budget 2021, and re-opening Kedleston Road site.	VH	Ongoing	
2.	To review and design how to develop the pay scales going forward.	VH	Within 3 – 6 months	

✓ COMPLETED OVERDUE OUTSTANDING ONGOING