

# University of Derby Students' Union

## Trustee Board Summary Sheet

<b>Agenda Reference:</b>	TB/2020/
<b>Title of Report:</b>	Minutes of the last meeting – 12.06.2020
<b>Written By:</b>	Sally Cunningham, HR and Admin Manager
<b>Presented By:</b>	Chris Hughes, Chair
<b>Action Requested:</b>	Approval

**Extraordinary Trustee Board Meeting**  
**Friday 12<sup>th</sup> June 2020 – 10:00 am Via Microsoft Teams**

**IN ATTENDANCE:**

Chris Hughes (CH)                      Chair

**Trustee Board:**

Helen Roberts (HR)                      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  
 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  
 Sally Cunningham                          HR & Admin Manager (minutes)

**APOLOGIES:**

Michael Spencer                          External Trustee  
 Melanie Welaratne                          (VP) Education

**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 31.03.20TB/2020/026

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

### 3. Matters arising from: 31.03.20

To maintain contact with Trustees in terms of Block Grant application and Budget 2021, and re-opening Kedleston Road site – **agenda item 7**

To review and design how to develop the pay scales going forward – **agenda item for next meeting**

#### FOR DECISION:

#### 4. SUSS Pension Update - VH

TB/2020/027

##### Recommendation:

Given the high cost of buying out attributed to leaving the scheme (£420,000) the recommendation is to continue with scheduled payments into the scheme. Due to the limited savings through the 3-year, up-front payment, the Board are advised to keep with existing annual payments and reject the discounted offer.

Additional comments/clarification/recommendations:

- We have received confirmation of our payments increasing by approximately £3k on an annual basis as of next financial year (2021)

Table below shows that our annual contributions will be increasing as follows:

	Annual	Monthly
Current contributions in 2019/20*	£13,956	£1,163
Contributions payable in 2020/21 (5% increase)	£14,628	£1,219
Contributions payable in 2021/22 (16.7% increase)	<b>£17,076</b>	<b>£1,423</b>
Contributions payable in 2022/23 (5% increase)	£17,928	£1,494

- There is the offer of a discounted alternative to annual payments, we can choose to pay a discounted lump sum of £47,711 instead of our monthly contributions between October 2020 and September 2023 (collected by direct debit in November).
- Our estimated buyout figure is certainly more than we were anticipating, this figure is based on what the market conditions were like when the revaluations took place.
- Had we not been in the middle of this current pandemic, looking at what our reserves and cash balances are, the buyout figure would have been something to consider. With the

uncertainties going forward the recommendation is agreeable, and to perhaps look at this again at our next valuation which will be in 2023.

- Our annual contributions will be scheduled in our future planning.

The Board duly **approve** recommendation for existing SUSS Pension Annual Contributions

## 5. Risk Register - VH

TB/2020/028

The Risk Register presented at this meeting is here for due diligence ensuring it is up to date. This is usually reviewed at the Audit and Risk Sub Committee, but has been brought here today with updated information in terms of Covid 19 risks to the Union's seven super risks that play a significant role in delivering successful outcomes against the Union's strategic plan 2017-2022. Particular attention has been given to major impacts for the following four super risks:

- Strategic
- Reputation
- Finance
- People and Culture

Additional comments/clarification/recommendations:

**Action: VH to include potential of redundancies in the future, dependant on the Block Grant outcome.**

The Board duly **approve** Risk Register – which will include the above action.

## FOR NOTING:

### 6. Finance Update (May) – ST

Tabled

#### Summary: Operating results - Income summary 10 Months to 31 May 2020

	Budget	Actual	Variance	Reforecast
Core/Support	946,252	1030,126	83,874	988,812
Venues	507,691	369,400	(138,290)	405,775
Retail	727,166	570,424	(156,742)	592,249
<b>TOTAL</b>	<b>2,181,109</b>	<b>1,969,950</b>	<b>(211,159)</b>	<b>1,986,835</b>

#### Net Surplus/(Deficit) 10 Months to 31 May 2020

	Budget	Actual	Variance	Reforecast
Core/Support	(158,532)	2,880	161,412	(31,461)
Venues	102,273	24,674	(77,599)	43,442
Retail	76,145	22,978	(53,167)	37,886

<b>TOTAL</b>	<b>19,886</b>	<b>50,532</b>	<b>30,646</b>	<b>49,866</b>
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**General**

**COVID-19 Job Retention Scheme**

The above scheme has provided Salary and Student Wages support from 23<sup>rd</sup> March to 31<sup>st</sup> May of **£109,429**, reported as one line within “Overheads” cost centre (due to claim process being in total).

Forecast (x cost centre) was as follows: -

Comms & Marketing	£12,290
Overheads	£3,282
HR	£1,621
Athletics Union	£9,461
Societies	£9,515
Welfare	£11,510
Democracy	£12,493
Academy	£29,196
Blends	£5,508
Friargate	£1,322
Retail (All)	£21,777
<b>TOTAL</b>	<b>£117,975</b>

Accordingly, net surplus reported for the 10-month period, £50k has closely followed forecast (also £50k). However, two exceptional items, coincidentally cancelling each other out, require mention: Receipt of £10,000 from Derby City Council, as a Covid-19 Business Support Grant, in assistance of rates at ‘Keddies shop outlet.

Conversely, we have prudently reversed a £10,000 income accrual made in September, for University ‘Kit sponsorship, which at the point of May accounts production appears in question (SS is chasing this with the University).

We have currently not reported any potential insurance claim income in respect of “business interruption coverage relating to COVID-19 lockdown”, which is being followed up now with our insurers.

February forecast had hitherto assumed (in line with government directives at the time) that JRS concluded 31<sup>st</sup> May. With the extension of the scheme, we shall be recovering a further £70k against salaried staff (student staff cost neutral) for June and July furlough. This will have a significant impact on the forecast of £63k losses projected for the June-July period, and provide a stronger operational result for the year, against which to offset the necessary 2019 SUSS (NPV) pension deficit extraordinary revaluation charge of c.£80k.

Also, we have applied to the University to forego the last quarters’ rent on Keddies outlet (potentially saving further £2.8k/month).

Additionally, we have an income accrual from NUS (for retrospective discounts) to release from balance sheet creditors, of £12k-plus from 2018/19.

### **Balance Sheet**

**Cash** - Bank position shows a positive movement by £154k over the period to £900k bank balance, drivers being positive trading £93k (before depreciation), supplemented predominantly by debtor decrease £83k

**Trade Debtors** – Balance at £13k (University £5k), has decreased from Year-end (£48k).

**Other Debtors** – Mainly prepayments (NUS affiliation £6k, University Nuffield 60% contribution £18k). Awards ceremony deposit £5k carried forward to 2021.

**Trade Creditors** – Balance £22k, (University £12k) substantially paid to clear creditors following ‘lockdown.

**Other Creditors** – Mainly accrual costs (Nuffield sports centre hire £9k, general PO commitment £20k, RAG payable £8k, Audit fees £7k, Academic grant £8k). VAT April repayment £16k deferred to 2021 as part of government financial support, January VAT repayment £13k to HMRC outstanding due to HMRC error on DD. NUS ROIG (retro) scheme as above.

Additional comments/clarification/recommendations:

- Endsleigh (Insurance Services company) have confirmed we are able to claim back lost Gross Profits - but not claim against lost stock. Work will begin to claim approximately £50k in lost GP, which will support the Union in terms of our financial position moving forward.
- We anticipate we have approximately £3k of remaining stock in Keddies with best before dates that we are able to donate to a local charity as we did prior to closing in March. MB has requested access to the University to assess all stock remaining.

**FOR DISCUSSION:**

**7. Financial Forecast 2020 - 2021 - VH**

**TB/2020/029**

It is likely the Union will receive the first term 3-month payment (to clarify - quarters rather than thirds), at the existing level of Block Grant that we have been receiving this year, to be reviewed on an ongoing basis every 3 months. The University have acknowledged they may need to take out some Government loans to support them in terms of their own cash flow over the year.

The Union will continue to try and justify that our funding does not reduce. We are aware across the University are working to try and make 10% cuts across all their departments. Certainly, in conversations it is possible the Union may be asked to find a similar level, although in more recent conversations that has not been mentioned again.

We are all working hard in terms of getting the message across to the University that the Union is vital in the student experience, more so in these current times. All students are looking to the University for information of what the academic experience is going to look like in September and the Union are in turn being looked at by the University in terms of what are we going to deliver for the students. However, any cut to our grant will compromise any offer we can make directly to students, and that is certainly the line we are taking to the University.

The Block Grant may reduce if student numbers fall and the income of the University is compromised.

Next steps are a meeting with the Universities Head of Finance and Business Services, to put a final paper together following this meeting, we will look to try and commit to a yearly grant or if not on a 3 month by 3 month agreement.

The maximum deficit the Union would be willing to move forward with, as suggested would be no more than £100k. To make clear any cut to the Block Grant will exasperate the Unions position; we have already cut back as far as we can to get our deficit to that level. If the Grant is cut, it is job losses the Union will be potentially looking at, and will be a significant compromise on the services we can deliver to the students, at a time when our services have been requested more than ever.

Currently the University are working on two different scenarios in terms of student recruitment in September/October: an overall reduction in new students by 10%, the other is 25%, the University's budget will be based on those two different scenarios.

Ten recommendations require direction from the Board, enabling the preparation of a final budget to come back to the Board in July.

Significant conversation took place to explore all ten recommendations, with clarification given where necessary:

<b>BLOCK GRANT APPLICATION:</b>		
<b>Recommendation 1</b>	We should try to avoid a termly, varied grant payment	<b><i>Duly Agreed</i></b>
<b>Recommendation 2</b>	We should move our planned 7 <sup>th</sup> July meeting to the week	<b><i>Duly Agreed</i></b>

	commencing 27 <sup>th</sup> July to allow a final prepared budget to follow the block grant announcement	
<b>FURLOUGH PLANS:</b>		
<b>Recommendation 3</b>	Trustees to approve the continuation of topping up pay to 100% throughout the extended furlough period.	<b>Duly Agreed</b>
<b>Recommendation 4</b>	To approve the decision to end student contracts at their original date (31 <sup>st</sup> July) and to postpone all new student staff recruitment.	<b>Duly Agreed</b>

**Action: Furlough Plans - to revisit staffing levels to support new Officer Trustee team for 2020/21, to consider full-time staff support.**

<b>COMMERCIAL SERVICES:</b>		
<b>Recommendation 5</b>	To operate Blends and Keddies only, as per revised budget in Appendix 5 utilising permanent commercial staff only.	<b>Duly Agreed</b>
<b>Recommendation 6</b>	To seek new income opportunities to cover salaried costs of the Chef by trialling new services that carry minimal capital outlay. Risk will be minimised by taking a considered approach to trialling new food offers that can be resourced with existing staff and on a phased roll out.	<b>Duly Agreed</b>
<b>MEMBERSHIP SERVICES:</b>		
<b>Recommendation 7</b>	To remodel the membership fees model for clubs and societies based on a non-BUCS sports offer and student-led delivery.	<b>Duly Agreed</b>
<b>CENTRAL SERVICES AND ADDITIONAL BUDGET NOTES:</b>		
<b>Recommendation 8</b>	To refrain from initiating staff redundancies at the current time, pending block grant notification. If a 10% block grant reduction is applied (£86,000) then job losses and pay savings shall be put forward for consideration at the July meeting.	<b>Duly Agreed</b>
<b>Recommendation 9</b>	To capitalise on business support schemes available to the Union, without incurring interest rates for support provided (e.g. loans).	<b>Duly Agreed</b>
<b>Recommendation 10</b>	To work to a final draft budget deficit capped to £100,000 and seek further efficiencies or new income to reach this target.	<b>Action: to review deficit figure to £125k.</b>

### 7.3 Revised draft budget

Additional comments/clarification/recommendations:

- Continue to work on future income generating streams to present at July's Board meeting for final approval.

**Action: To potentially defer PAYE and NI - in terms of cash flow to potentially aid deficit figure.**

The Board duly **note** Financial Forecast 2020-2021 and Revised Draft Budget.

**FOR NOTING:**

**8. Student Trustee Recruitment - DQ**

**Verbal**

Both DQ and MW interviewed for two student trustee vacancies, successfully appointing Annaline Jones. Annaline has been incredibly involved with the Union being a Part Time Officer (Mental Health Awareness), our Student Rep scheme and Societies, having a good insight in what the Union does and why we are here. Annaline will provide a good representation for our hard to reach students and will be an asset to the Board of Trustees.

We will recruit over the summer for one other Student Trustee, to ensure we have a full Board of Trustees.

FD and SM gave a brief overview of their thoughts and over this last year, and what the Union is currently facing.

Additional comments/clarification/recommendations:  
None raised.

The Board duly **note** Student Trustee Recruitment.

**9. Any Other Business - CH**

Chair noted this will be the 2019/20 Officer Trustee teams last Trustee Board meeting.

Thanking the Officers for their hard work, support for the students and the dedication shown to their roles, paying particular attention to the current situation. Wishing the team huge success for their futures.

**9.1 Future meetings - CH**

**Verbal**

To note: members asked to consider the frequency of future meetings, considering the current situation. Suggesting full board meetings would be easier to schedule., with one-two-ones held to discuss Audit, Risk, Finance and HR, with reports presented full Board meetings.

No requests for a closed session. Meeting ended at 1:15 am.

**Date of next meeting – week commencing 27<sup>th</sup> July 2020 - time TBC - Microsoft Teams.**



**Extraordinary Trustee Board Meeting Action Summary 12.06.2020**

No	ACTION	ACTION OWNER	DUE DATE	STATUS OF THIS ACTION
1.	To review and design how to develop the pay scales going forward.	VH		
2.	Risk Register - to include potential of redundancies in the future, dependant on the Block Grant outcome.	VH		
3.	Furlough Plans - to revisit staffing levels to support the new Officer Trustee team for 2020/21, to consider full-time staff support.	VH / OT's 2020/21	July	
4.	To potentially defer PAYE and NI - in terms of cash flow.	ST	July	
5.	To review deficit figure to £125k.	SMT	July	

✓ COMPLETED OVERDUE OUTSTANDING ONGOING

DRAFT