

Minutes of the CUSU Board of Trustees, December meeting

18th December 2017.

Meeting of:	CUSU Trustee Board
Location:	CUSU Offices, 17 Mill Lane
Date/Time:	6pm, 18 th December 2017
In Attendance:	Trustees: Chair, Daisy Eyre (DE); Florence Oulds (FO); Olivia Hylton-Pennant (OHP); Daniel Dennis (DD); Lola Olufemi (LO); Hannah Thackwray (HT); Hachimi Maiga (HM); Gareth Marlow (GM).
Apologies:	Martha Krish (MK); Helen Jennings (HJ); Hannah Thackwray (HT) would be delayed.
Invitees in attendance:	Mark McCormack (MM).

A. Board Administration

- i) Introductions and apologies for absence
- ii) Conflicts of interest

GM again reported an historic potential conflict in working in some capacity with an agent of a University institution; the Board continued to note this and previous stance of taking no action (conflict not considered sufficiently material to the business of the meeting or decision-making, but would be noted).

- iii) Minutes of the last meeting and matters arising

DE explained the minutes of previous meetings were not yet ready to be considered with other papers prioritized to support discussion in the meeting. It was intended the focus of the meeting's business was limited to discussion on the Union's annual funding submission to the University.

B. Organisational Updates

- i) Organisational Update from General Manager
- ii) Fundraising, Business & Services update; including update on current contract discussions regarding careers project
- iii) Review of Management Accounts

Key items discussed arising from the organisational updates were:

- The Board were informed of the Union's Reception setup, in both resources and service and the nature of the relationship with the Graduate Union (GU). Feedback to staff had suggested the GU were considering reviewing the Reception service and had questions about its value. Board requested that the issue return as a substantial item at

Board at a future meeting, noting current plans and how it could develop in the future in response to both unions' needs.

- The Board asked for an update on a previously approved paper regarding establishing a strategic dialogue with the GU over shared activities. Board were informed that the GU had yet to decide if they wished to establish a shared working structure.
- Board asked about plans for recruitment for the vacant Fundraising and Services Manager.
- Board were updated on the progress of business discussions with a potential careers partner; Board felt it would be helpful for regular feedback on discussions taking place to come to Board.

The General Manager reported on the Union's accounts:

The year-to-date accounts were showing a positive variance to budget of approximately £9k. The General Manager added caution; there had been high turnover of temps in the finance function as the Union sought a permanent replacement for the vacant role.

Expenses and suppliers continued to be authorised and paid with the appropriate checks-and-balances occurring; a new role-holder was in place (on a permanent basis, subject to probation) in the finance role; and an updated accounting programme is in being developed for 2018 that will facilitate easier and more up-to-date reporting using project accounting (to launch in the New Year, around February). The changes being worked-on within the Union over the previous six months will mean the General Manager's involvement in day-to-day finances diminishing, with more formal checks on accounting practices and a wider array of management account reporting occurring (such will improve the publishing of financial information to budget holders as well as to Board and the University as and when required).

The auditors have so-far expressed encouragement at the state of the previous year's year-end.

The Fundraising, Business and Services Team had managed to make gains on the shortfall reported in the previous meeting. Funds remaining outstanding from St James House; interest has begun to be applied; the company assured CUSU that December would be the 'worst case' scenario in terms of how long we may need to wait.

Board queried why the NUS affiliation fee was lower than expected; further liaison with NUS would continue.

C. For discussion

- i) CUSU Finances -Direction-Setting on Financial Decision-Making.
 - a) Update on **CUSU's** Planning Round submission for University funds

Board received and noted the paperwork for the item. DE gave feedback on planning round - the annual funding/budgeting round of the University for which CUSU had requested an uplift in funds. CUSU's funding proposal to the University was submitted in December. The University Council's sub-committee ("CCSSU") supported the proposal.

In response to questions, DE and MM explained the process for the consideration of funds within the University; official notice regarding the funds would not be received until between March and May.

The Board discussed how a delay in receiving confirmation of the University's decision on greater funding for the Union represented some difficulty for the Union; however it was noted that administrators were aware of CUSU's funding predicament and would seek to inform CUSU of discussions as proposals and decisions progressed through the University's committee structure.

Board considered the different scenarios attached to the funding bid outcome, such as whether the University could approve some, all or none of the bid.

Board noted that the Union could be tasked with producing a budget for the following financial year before it was informed of the status of its funding bid; which would be vital in establishing the context for making budget decisions. It was felt it may be helpful to draft two budgets when the Union approached its budget-setting. There was some risk identified in producing budgets at such extremes it could lose the confidence of Members.

The Board heard that, historically, the Union had always budgeted on the basis of what it expected to get in a successful round due to the late notification from the University regarding the grant. The resources in putting two budgets together for Council were recognised. Any 'second' budget that required more cost-saving would be developed once more was known about the University funding situation. The Board agreed that it would create a budget on the basis of expected income in a successful bid, however ensure the Board had access to information and consultation to make changes should the bid not be as successful as hoped.

The Finance Committee were actioned to consider the budget proposals further and report back to Board; information from the strategy consultation would be used to support financial decision-making. Consultation had already begun internally with CUSU staff; DE and MM had met with TCS to inform them that budget discussions were occurring and the Union were looking at prioritising its resource depending on the funding bid outcome and were exploring options and efficiencies across the Union's programmes. TCS been asked to write-up a value proposition to contribute to the consultation process alongside those of other departments and services.

- b) Update on the current Levy proposal that seeks to replace affiliation fees with a Levy

CUSU had received some clarity on the current status of the forthcoming College Levy, a new funding method to replace the Union's affiliation fee model, whereby CUSU was given assurance the fee levels had yet to be set and the process for receiving full-cost recovery for SUAS should be more straight-forward than that of obtaining 'in-principle' support for the levy model.

- c) Update/feedback from the Finance Committee

The Finance Committee had had its first meeting; a terms of reference had been discussed and was presented to Board. Board approved the recommendations; the Terms would be confined to financial matters and financial processes, such as budget-drafting and reviewing management information.

It was agreed that:

The Chief Accounts Clerk position would act as secretary to the Finance Committee.

There will be at least one meeting before each Board. Members will review the management accounts; and minutes will come to Board.

One statutory meeting per term and then a discretionary one. Definitely need lots of meetings in the current six months; but after this we need to be more conservative as need to consider the time commitment capabilities of the trustees.

Should be reviewed in the summer of 2018; a full review may occur end of Michaelmas 2018. The Board recognised that continuity with trustee turnover was difficult in any case and so should look to ensure outgoing trustees can help review current processes.

Action - a May meeting would facilitate a formal handover and discussion on how to support institutional memory.

Board questioned whether the Finance Committee should present the budget to Council. This would help show members that financial management is a collective effort and not simply managed by senior staff and the president. Be valuable to see trustees via finance committee respond.

It was stressed that the Board would still own the budget. Need to be sure that the trustees retain the responsibility; the finance committee would be an advantage of helping to shape the narrative and understanding around the budget. Finance Committee would attend council to scrutinise and present, but this would be done under permission of Board. Anything going to Council should come to Board first.

The Board would not be expanded to cover staffing and remuneration at this stage as there were concerns about the capacity limitations of the committee. It was decided these would not be in the scope of the committee, but should be considered once the committee's terms of reference are reviewed.

Board approved a recommendation that Finance Committee approve out-of-budget expenditure; the limit of this approval would be discussed at a forthcoming Finance Committee and a detailed proposal would come to a future Board for approval. Regarding this power it was noted that the Board may need to have an understanding of items spent outside of budget; give the committee powers, but ask the Finance Committee to review the FPM spending limits, and then see their role in spending and budgetary decisions.

- d) Discussion and decision on the mid-year budget review, as well as information on a forecasted year-end and five-year budget

CUSU's Financial Procedures Manual, approved in May/July introduced a mid-year budget review at the end of Michaelmas Term (i.e. December/January). The review would allow Members to see CUSU's current financial performance against that budgeted and receive proposals from the Board for amendments.

The Board discussed the current risk status of funding proposals and considered whether it would be helpful to revise the budget for the current financial year (01 July 2017 to 30 June 2018) on account of variances or emerging expectations. The Board considered the

rationale for the review and that it hoped to promote transparency; however there was a lack of clarity in what students might expect from the review.

Board discussed that the Union was performing better than budget and there may be some areas the Union could consider revising positively, such as student budgets. Alongside this the Board noted that student-budgets (e.g. campaign budgets) showed underspends in the budget to-date and that the Union was still operating to a loss with its future financial stability still in flux.

The Board considered whether, on the more minute or student-facing level, there could be areas to change that students would appreciate; or perhaps look to allocate from budget headings that weren't being spent to campaign areas that were spending well and may run out of funds by year-end. Board discussed whether the Council would be best-placed to reallocate budgets and then the trustees could authorise these decisions after noting the discussion.

The Board then considered that the main benefit of taking the detailed budget review was perhaps not about allocating bits of resource; but more that the trustees were showing members that finances are being managed. There was a high degree of uncertainty in CUSU's funding situation and it was thought vital to attempt to maintain the trust and confidence that finances were being well-managed and scrutinised.

Board decided to propose that no changes be made to the budget, but seek students' views on whether they felt this was the best way forward; and most importantly, to then ask Council what they would prefer to see from the mid-year review, i.e. if they want to see it as a reporting mechanism, or a method to reallocate during the year.

Trustees asked that, within the next term, MM draft detail on what the free budget is for and how it could/should be used; this would go to Council and be reviewed and presented by DE.

MM and DE were actioned to draft a mid-year review paper for presentation at Council. DE expected to present the report, but felt there could be some benefit in having another trustee, perhaps a non-Sabbatical trustee, present the report to members.

- e) Discussion and decision on the mid-year budget review, as well as information on a forecasted year-end and five-year budget

Board had received a paper in before the summer in 2017 regarding increased staffing in the Advice Service; the GU had decided to fund an increase in staffing in SUAS and such came with no expectation of funding from CUSU. The GU had agreed to fund an additional Advisor in the Students' Unions' Advice Service (SUAS) between July 2017 and February 2018.

The GU now wished to continue the funding and had asked CUSU to contribute to the remaining cost of employment of the advisor from March to June 2018.

The Board discussed the proposal and received paperwork noting the history of funding of the service in relation to staffing capacity, and the extent to which both unions had

contributed to the Union's development. The item also related to the expected income to be received from July 2018 from the College Levy.

Board discussion was as follows:

- It was a fair request to make; the request was not a significant amount of money; and Board were encouraged by the collaborative approach to the University funding bid and the College Levy.
- A third advisor is a key element of the SUAS team; SUAS had made a strong case for the staffing requested.
- CUSU had not been asked for the resource commitment before now, and it was considered impractical and untimely to request extra resource be committed during the year, especially when CUSU had well-known resource challenges it was trying to resolve. A request for a funding commitment was unhelpful to CUSU's long-term planning when received without notice half-way through the year.
- Board stressed that a shared committee, up and running between the unions, was needed to help make decision-making regarding resource in shared services more straight-forward; this would prevent the need to make urgent funding requests and put either Union's trustees in conflict with a sudden, emergent need. Board were disappointed that CUSU had not received an encouraging response regarding the shared trustees committee it proposed to the GU, as this was exactly the kind of proposal that would be discussed at that committee.
- The Board considered that it may be constructive to stipulate that we are not prepared to contribute until we have met together as a formal collaborative partnership. On face value, the request for funds was a short-term, knee-jerk request for CUSU to contribute; feels like the precedent is wrong and this did not reflect well on either unions and was not the most progressive means to work together.
- The Board noted that it was important to prioritise the security of employees' relationships with the Union over partnership agreements with the GU.

The Board agreed that it would approve the additional funding commitment on the proviso that a joint relationship is progressed that provided effective information-exchange between the Unions' trustees so that both Boards could develop a shared understanding about how these matters are going to be managed in future. Any future financial collaboration must rely on a joint steering committee that would report to their respective unions.

- f) Discussion and decision on the mid-year budget review, as well as information on a forecasted year-end and five-year budget

The item was introduced by MM and paperwork noted:

- It was the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately six months unrestricted expenditure. The Policy was introduced in 2009 and has not been reviewed since.
- The policy level required is estimated to be around £270,000. Unrestricted funds at the most recent year-end audit (2016) were £290,993. Current reserves stood at approximately £321k.

- The likelihood of CUSU maintaining reserves at six months would be increasingly difficult. CUSU's funding proposal to the University stated that the reserves policy would be reduced to three months' of operating costs; this suggestion was subject to a decision of the trustees. The General Manager reported that the majority of students' unions' reserves levels were 2 to 6 months of operating costs; an estimate on the average would be 3 months; some expressed a variable level on the basis that a higher level would be required if university funding were to cease.
- CUSU's reliance on fundraising income instead of university funds meant healthy reserves levels were important (as has been demonstrated with the loss of lucrative external publications contracts). However with increasing amounts of University funds accounting for CUSU's turnover, 3 months may become more reasonable.

The Board discussed that free reserves were for more than simply 'winding down' costs in event of disaster; but for responding to problems and issues that the Union should expect from time-to-time as a business.

The Board felt that too much of the Union's funding structure were in doubt, but that in the coming six months the Union would have far greater clarity on its situation. Establishing the new policy may be easier once the financial position is clearer. Consider there will be some commentary from stakeholders on this. Agreed that a six month reserves policy may not be helpful presently, but that with pending decisions that will have a major impact.

Board agreed to return to this issue and review a decision on reserves levels once other funding matters have been resolved. Board thanked MM for ensuring the item was on the agenda and asked it to return to an agenda before or after the summer.

ii) Termly Reports from the Board of Trustees to CUSU Council

Clause B2(ii) of the Standing Orders (i.e. bye-laws) of the Constitution committed the Board to report termly to CUSU Council. The reporting requirement was reviewed by trustees.

It was suggested that verbal or written report/s would be sufficient; and that non-Sabbatical trustees providing the report may promote the breadth of the trustee broad in its dealings. A retrospective review of Michaelmas was suggested.

DE suggested taking a report to Council, and then asking Council if the report was sufficient. Could be a bit different for Michaelmas; each trustee offers a reflection on their first term. Then ask what Councillors want from their trustees reports.

Trustees noted that some drafting support would be helpful to attempt to make the reporting engaging and consistent, as well as focused on outcome. The basic outcome of the report was felt to be: What we have done; what our plans are. Highlights could be part of a formal report.

[E. Any Other Business](#)

None.