

CUSU BUDGET 2012/13

AS PRESENTED TO CSSU, APRIL 2012

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INTRODUCTION

The 2012/13 CUSU Budget improves on the financial picture from 2011/12. Notable changes include the addition of substantial new lines of income in the form of University funding for expanded Access efforts, while new expenditure includes increasingly necessary spending to refresh CUSU's IT provision, with new websites planned for CUSU and *The Cambridge Student* newspaper. Meanwhile, economic pressures continue to demand that the Budget makes conservative estimations of our future commercial performance. With prudent spending forecasts in most areas, we are pleased to be able to present a Budget with a modest surplus, returning funds to the reserves which were lost during some very challenging previous years.

NOTES ON INCOME

ST. JAMES' HOUSE PUBLICATIONS CONTRACTS

The new contracts for publication of the *CUSU Careers Guide* and the *CUSU Guide to Excellence*, in association with St. James' House publishers, were entered into in 2011/12. As contractually agreed, revenues from these publications will incrementally rise by 5% each year, giving a total income for 2012/13 of £103,250. While CUSU's medium-term aim is to be financially free of these publication contracts, as future renewals cannot be relied upon, the income in 2012/13 is a substantial component of the Budget.

UNIVERSITY FUNDING

EXISTING GRANT

The University's contribution to our running costs received an uplift of 1% for 2012/13 in line with other institutions in the University planning round. Distinct from a block grant that the Union may choose how to spend, this allocation is set and provides for the premises in which CUSU operates, and the University-employed Reception and Finance personnel.

NEW FUNDING

The Widening Participation Project Fund has confirmed a grant to CUSU of £20,000 for three years from 2012/13, which will be used to substantially increase the amounts we can budget for supporting the Shadowing Scheme and other efforts, including taking on new administrative assistance. This will provide additional non-financial benefits to the organisation in freeing up the elected Access Officer's time to expand our widening participation efforts beyond our current organisational capacity.

CUSU also secured a further £2,000 contribution towards the running of the online voting platform, which will incur new capital and running costs as it outgrows its current server and expands to run Faculty Board elections as well as existing student union, JCR/MCR and society elections.

AFFILIATION FEES

All Colleges who were affiliated in 2011/12 have chosen to reaffiliate for the 2012/13 year. Additionally, no collection issues are expected and so 100% collection rates are budgeted for on the affiliated Colleges.

CUSU understands that College budgets are squeezed and so we propose to freeze affiliation fees at the 2011/12 levels, which will hopefully mean a real-terms reduction in the proportion of JCR/MCR budgets being spent on affiliation. The levies in 2012/13 will therefore remain at £6.70 per undergraduate, £3.00 per graduate (with another £3.00 going to the Graduate Union) and £1.50 per PGCE student (again duplicated for the GU). The expected income from Affiliation Fees for 2012/13 has been calculated on the basis that the University will be maintaining Undergraduate numbers at their current levels and increasing postgraduate numbers by 2%, whilst allowing for incomplete

collection of fees (past records suggest this to be prudent given that some colleges have not paid the full amount due to various circumstances).

COMMERCIAL TRADING INCOME

TCS

TCS remains the most profitable students' union newspaper in the country, and while print media revenues across the industry continue to exhibit near-terminal decline, we expect TCS to continue to operate with a decreased but comfortable profit margin in the year ahead. Plans for a new website for TCS will hugely expand the online advertising market for us in future years, and this is an area which remains relatively untapped for CUSU. In the medium to long term, it is hoped that developing this income stream may compensate for declining print revenues; at present it is not possible to produce accurate forecasts.

SOCIETIES' FAIR

After a successful year, the Societies' Fair is expected to continue performing strongly, and CUSU is exploring new ways of maximising commercial stall income through potential expansion of outside space. Stall prices are planned to rise by 10% for the 2012 Fair to meet extra costs associated with the venue and fund investment to improve the experience for attendees.

ENTS

CUSU does not plan on running significant Ents for profit in 2012/13, given prevailing market conditions. The LGBT night *Rendezvous* will continue to run, and is expected to continue to bring in a modest income.

OTHER INCOME

The CUSU Mail Service continues to run a small profit, and is still attracting student demand. We expect costs to be significantly lower through a new staffing arrangement and moving to a part-time service in the Easter Term. Income through corporate sales is expected to be steady.

The 'summer publications' (Freshers' Guide, Cambridge Guide, Survival Packs etc.) are expected to continue generating advertising revenue sufficient to make a modest profit collectively, however at a reduced rate compared to previous years due to the declining market of print advertising.

NOTES ON EXPENDITURE

ACCESS AND WIDENING PARTICIPATION

The new money from the University will be used to crucially expand our very successful Shadowing Scheme. Around £10,750 will be used to cover travel expenses of the shadows, whilst £7,900 will be used to hire a part-time member of staff who will shoulder the majority of the administration for the

Scheme, freeing up a huge amount of time for the CUSU Access Officer to focus on other important areas.

WEBSITE DEVELOPMENT

A substantial sum of £6,000 had been allocated for expenditure in 2011/12 for developing a much-needed new *TCS* website, but went unspent due to the fragile financial position with which CUSU entered this financial year. However, with stability restored, CUSU can comfortably re-commit to spending this in 2012/13.

An additional allocation of £11,500 has been made for the redevelopment of the general CUSU website next year. This may take the form of a one-off redesign, or the first installment in a much larger online redevelopment which will be depreciated over multiple budget years. Either way, the budget gives freedom to the next Sabbatical team to make important strategic decisions.

NOTE ON THE RESERVES

No expenditure from the reserves is planned to take place in 2012/13. In line with our internal policy on reserves (attached to this budget for reference), the Coordinator is expected to produce a balanced budget where projected income covers all planned spending. Our reserves are currently at the low end of our stated aims (of being equal to six months operational expenditure), due to the large deficit incurred in the financial year 2010/11. However, our current projections for the year end of 2011-12 suggest we will end with a surplus and we have budgeted for a surplus of £2,717 in 2012/13, allowing us to steadily continue to build our reserves up again.

Harriet Flower

CUSU Coordinator 2011/12

CUSU RESERVES POLICY (FOR REFERENCE)

Reserves Policy

Version Approved 29th July 2009

It shall be the policy of the Cambridge University Students' Union to maintain a level of liquid or semi-liquid reserves at a level that could sustain approximately six months of operating expenditure in the event of a catastrophic disruption to the union's income.

It is noted that the CUSU Constitution (K.4) states, in part:

It shall be a duty of the Coordinator to ensure that the Budgets presented to Council do not propose that expenditure shall exceed income in any Financial Year.

...and that this may be problematic to necessary attempts either to reduce the reserves following years of unexpected profit or to expend the reserves in emergency situations for which their use is intended, especially if such situations overlap with a period in which a CUSU budget is due to be prepared.

Therefore, planned expenditures of the Reserves must only be made in the following circumstances:

Either:

- a) The Board of Trustees has ruled that a certain expenditure is necessary in order to maintain the objects of the Union, protect the integrity of the union, or deal with an imminent liability, and failure to expend from the Reserves would be seriously irresponsible;
Or
- b) The Coordinator and the CUSU Council have both approved an expenditure of Reserves, the Democracy and Development Team has certified that the expenditure is Constitutional, and the union's appointed auditors have approved the legitimacy of the expenditure.

Unplanned expenditure of Reserves, as in emergency situations (e.g., a court judgement against the union's assets, the sudden bankruptcy of a major creditor, or the destruction of significant CUSU property) may be made pursuant to the normal rules of purchasing for the union, provided that the Coordinator keeps both the Board of Trustees and the CUSU Council informed as to the situation on an ongoing basis and sets out a long-term plan for restoring the Reserves.