

# Minutes

Subject:	Minutes of the UEASU Trustee Board 18 Sep 18
Produced by:	Tony Moore
To:	Board
Action:	To approve
Status:	<b>Closed</b>
Paper:	TB 902
Purpose:	Record of Decision Making

**Present:** R Flaherty (RF) (PG Student Trustee), M Jopp (External Trustee), E Johns (EJ) (Student Trustee), C Flanagan (CF) (Student Trustee), M Marko (Full Time Officer Trustee), O Gray (Full Time Officer Trustee), G Burchell (Full Time Officer Trustee), J Chapman (Full Time Officer Trustee ), M Alhasan (MA) (Part Time Officer Trustee), L Deary (LD) (Part Time Officer Trustee), S Atherton (SA) (Full Time Officer Trustee)

**Chair:** S Atherton (Full Time Officer Trustee)

**In attendance:** A Moore (AM) (Secretary to the Board), T Cave (Head of Finance) (TCa), Lou Chiu (LC) (Director of Advocacy), and T Cunningham (TCu) (Interim Chief of Staff),

**Apologies:** S Ascania (Student Trustee), B Gibbins (External Trustee), K Watchorn (External Trustee)

## Key Decisions/deliberations:

- *agreed to await until there was a full complement of External Trustees and then appoint the Supervising Trustee; for interim, delegated the powers of the Supervising Trustee to Management Committee until the appointment of an External Trustee to the position*
- *agreed that Charity Commission approval for a one-off payment to KW be sought and delegated action to Management Committee*
- *noted resignation of M Alhasan as Part-Time Officer Trustee*
- *appointed B Gibbins to serve a second term as External Trustee*
- *approved final version of Budget*
- *refused NUSSL's demand to sign a five-year deal for drinks and catering but to try to work with NUSSL to arrive at an improved deal*
  - *agreed to commission research into a National Student Living Wage and that the commissioning of the research would be reported to Union Council*

- *delegated consideration and action on a SUSS consultation paper to Finance Committee*
- *agreed the CEO salary, job description and person specification*

## **Action Points**

- *Trustees asked to prioritise filling in poll for availability for Strategy Development Weekend*

### **ADMINISTRATION**

#### **TB875 Membership and Development**

*On the recommendation of the Appointments and HR Committee (AHRC), the Board appointed B Gibbins to serve a second term as External Trustee.*

*On AHRC's recommendation, the Board appointed M Jopp as Deputy Chair.*

JC, as Chair of AHRC, noted that Ian Gibson had resigned as External Trustee and the intention would be to begin recruitment for Ian's successor immediately after Freshers'; then recruitment for the two new External Trustee later in the year. JC noted that AHRC thought that it was for the Board to decide which areas of expertise the recruitment for the three posts should focus on with the recommendations from AHRC being the following: local community relations, charity law and governance, and IT and data compliance.

MJ believed these were the exact areas where additional expertise was needed. MJ noted the reference in the AHRC paper to the University request for a seat on the Board; MJ thought that the way this should be viewed was not in terms of having a University representative on the Board but in terms of having the ability to go to the University and say these are the areas of expertise that we need. MJ thought the community relations brief could well be filled by a City Councillor or NCC Officer which would give the local community a voice in the Union.

JC noted that the Union was still waiting for an official proposal from the University as to a University nominee joining the Board.

EJ wondered whether the advertisement would include an offer for the successful candidate to take over the vacant Supervising Trustee for the Union's Code of Conduct role.

*The Board agreed to await until there was a full complement of External Trustees and then appoint the Supervising Trustee.*

*The Board delegated the powers of the Supervising Trustee to Management Committee until the appointment of an External Trustee to the position.*

*There were no further comments.*

#### **TB876 Declarations of Interest**

The Board noted that:

- EJ had part-time employment with the University
- MM was not a graduate of the University
- MJ was employed by Kings College London not London University
- OG was an intercalating student at the University
- CJ had temporary part-time employment with the University

### **TB877 Minutes of the previous meeting**

*The minutes of the meeting held on 19 June were agreed.*

### **TB878 Action Log and Matters Arising**

Chair noted the action points were completed or were covered elsewhere on the agenda.

### **TB879 Trustee Employment**

Chair noted the paper prepared as requested by the previous meeting.

AM advised that the Charity Commission, although it stressed the importance of Trustees not making financial gain from their position as Trustees, made provision for Trustees to be remunerated for certain work that they were uniquely qualified to undertake. AM noted that a possible example would be KW's work for the Union on the HR aspect of the departure of the former Chief Executive and that the Board might wish to request approval that a payment be made to KW.

AM highlighted the paper's key recommendation:

- That in the recruitment process it be made clear to External Trustees that they could not apply for employment with the Union directly from the Board and, if they resigned from the Board to apply, there would be a time restriction on when they could apply for a post

MJ thought that the restriction should, for External Trustees, extend to one year and for Student Trustees be three to six months. MJ believed it important that the majority of people sitting at the table should not be paid by the Union.

The Board discussed the possibility of having student staff representatives as Trustees and rejected it.

*During the discussion, M Alhasan realised that they were excluded from their position as Part-Time Officer Trustee by their remunerated position in SU Advice. M Alhasan noted they would stay as an observer until the break when they would consider whether to stay on as a Trustee.*

*Clerk's note: M Alhasan subsequently resigned as a Trustee.*

*The Board agreed to introduce a prohibition on all Board members applying for permanent staff roles for twelve months after leaving the Board: the prohibition*

*will not apply to Part-Time Officer and Student Trustees applying for student staff positions.*

JC and RF, on remuneration for KW, noted the extremely long hours that KW had worked trying to resolve a crisis in the Union, and believed this deserved some remuneration.

*The Board agreed that Charity Commission approval for a one-off payment to KW be sought and delegated action to Management Committee. **AP***

### **TB880 Sub-Committee Minutes**

Chair noted the action points from the Sub-Committees.

### **PERFORMANCE**

#### **TB881 (i) Annual Code of Conduct Report**

AM highlighted the actioned recommendations from the previous year.

EJ asked as to the training of staff and panel members.

TCu advised that all Heads of Departments had received ACAS training on investigations and Officers had received specific Code training.

EJ wondered as to situation with regards to panel members and University staff that might be involved in cases.

TCu noted that University staff were briefed but were not subject to the Union's policies but to the University's regulations.

AM advised that there had been very positive feedback from panel members and those involved in cases on the new Users' Guide that had been added to the Code. AM noted that the Report's recommendations included bespoke training for student panel members.

AM noted there was a Code matter for the Board to be aware of:

- A complaint had been made to the University about the Union's handling of a case against members of a Club in the summer of 2017; in particular, the manner in which the investigation was conducted.
- The University, as part of its findings under the Code of Practice Relating to Students' Unions, ordered the Union to pay £250 compensation to each of the two complainants. The order was issued in October 2017 and has not been reported to Board.

AM advised that the fact of the finding and the payment should be noted.

MJ asked what actions had been taken to prevent a similar situation arising in future.

TCu advised that a key factor in the complaint had been the **redacted** and subsequently the Union had trained Departmental Heads to conduct investigations which would eliminate the risk highlighted in the report.

*There were no further comments.*

*The Board noted receipt of the report and its recommendations.*

### **TB881 (ii) Chief of Staff Report**

TCu advised that they would not be reporting on the RAG-rated Interim Organisation Plan included in the papers as actions had been continually updated by management and it had been reviewed by Management Committee.

TCu highlighted the following developments:

- Possible ambivalence of University as to falling NSS scores
- Staff Survey – charity staff more content than trading staff who were unhappy about shift patterns and lower wages – Union would be ensuring shifts were allocated fairly and transparently – wages the Board had rejected a paper on lower grades staff wages this would be looked at and brought back to be informed by a new job evaluation process – quality of survey provider not as good as previous provider who the Union will be returning to in 2019
- Student survey – raised reputational issues which would be addressed at the management strategy weekend
- Interim HR Director shortlisting complete
- Assistant Director of Venues appointed
- Details of IT purchasing process being worked out with the University
- Head of HR returned from maternity leave and would be adapting University GDPR training for all Union permanent staff and relevant student staff
- Risk – changes to employment law mean the differences between permanent staff and student casual staff needs to be set out clearly – management will be taking external legal advice
- Student Degree Apprenticeships – students on these will be full Union members and the Union will need to work out how to represent them

JC wondered as to the Union's response to the Student Survey.

TCu noted that LC was working with MarComms on a You Said/We did media response that would be in place by the end of 2018 and would, hopefully, impact on the response to the following year's survey results.

*There were no further comments.*

### **COMMERCIAL AND TRADING**

#### **TB882 Development and Oversight Boards**

*The Board noted these had not meant since June Board.*

#### **TB883 Social Enterprise Report**

TCa noted that the relevant information would be reviewed in the following items but that the Union was trading, broadly, as forecast.

### **FINANCE & LEGAL**

### **TB884 Budget Review**

TCa advised that Finance Committee had scrutinised the Budget and recommended approval to the Board.

TCa noted that the Budget was relatively ambitious as to the contribution from commercial operations as it had to be to cover the year on year increase in staff costs. TCa characterised the Budget as a holding operation during a transitional period when a long-term strategy was yet to be formulated.

TCa highlighted the fact that capex expenditure had been rationed and was at a relatively low level for the coming year.

TCu characterised the previous decision that the Board had taken as to the current Budget as: the beer should pay for it. TCu advised the basic tactic would be to increase drinks prices along with a demand for a rise in profit margins across all commercial operations rather than cut services to members. TCu cautioned that it would not be possible to keep squeezing the commercial operations year on year. TCu noted there was a significant saving of around £100K that could be made in the coming year if a decision was made to terminate the VMS deal but, after that, there were no levers to be pulled.

*There were no comments.*

*The final version of the Budget was approved.*

### **TB885 Year End Management Accounts**

TCa advised that the accounts had been scrutinised by Finance Committee.

TCa reported that the outcome for the year was almost exactly in line with forecast. TCa noted that the final figures would be affected by the costs associated with the departure of the former Chief executive which together with associated project costs would come to around £80K.

TCa noted that cash reserves were some £200K lower than the previous year: mainly due to the University's money for Stage 4 refurbishment of Union House and for money going to the University as part of the agreement over maintenance services. TCa characterised the present overall cash position as relatively, comfortably solvent.

*There were no comments.*

### **TB886 Five Year Plan**

TCa advised that this was not a finalised plan but first thoughts as to development of a financial strategy for the coming five years: the matter had been considered previously by Management Committee.

TCa advised there were four key financial drivers to bear in mind:

- Requirements to spend on services
- Requirements to spend on capex
- Legacy pension deficit payments
- Ongoing expectation to maintain reserves in line with present policy

TCu cautioned that recent forecasts had been formed in a relatively benign economic environment and this might not be the case post-Brexit where there might be significant rises in staff costs, inflation and interest rates.

TCa noted that the initial figures on which to base the plan assumed a steady inflation rate of 2%: other assumptions were:

- Staff costs (permanent and student) to rise above inflation at around 3.5%
- Energy costs - potential rises to be discussed with the University as supplier
- Commercial operations will struggle to hold prices in light of inflationary pressure

TCa advised that, if the assumptions were to prove correct, the Union's profit would decline by £100K year on year.

TCa noted Heads of Department had been asked for their capex requirement and these came to an overall £300K a year; TCa contrasted this with the coming year's capex budget of £90K. TCa noted that the University had contributed large sums to the refurbishment of Union House and there would need to be discussions with them on how this would be replenished in order to enhance the Union's ability to generate more income.

TCa advised that overhanging the figures was the concrete reality of the scheduled payments that the Union had to make into the Union's legacy pension scheme's deficit which would be £267K a year until the end of 2019 and which were then scheduled to rise by 5% annually for a further 15 years, based on current actuarial assessments.

TCa advised that, if all the above assumptions proved correct, the Union's reserves position would be untenable.

TCa noted that the current reserves policy set by the Board was to keep in hand money to pay its obligations as to staff salaries for three months in case of the failure of the Union; TCa pointed to the problem that this was an ever increasing target due to the inexorable rise in staff costs and over the next five years the Union would have to be looking to provide a further £50K each year to cover this.

TCa advised that, at present, the Union had cash in hand and had several years grace before any cash crisis but there would, without measures being taken, be one in the future. TCa advised that there should be conversations held with the University so that they had some understanding of the situation. TCa advised that the University might more readily appreciate the need for help on capex over in the mid-term.

TCu advised that the above analysis assumed there would be no changes to the way the Union operated and no remedial action taken.

*The Board noted receipt of the Five Year Plan without comment.*

## **STRATEGY**

## **TB887 Strategy Development Weekend**

Chair noted that the Clerk would be sending out a Doodle poll as to Trustees' availability over Easter 2019: Chair asked Trustees to prioritise confirming their availability. **AP.**

## **TB888 NUSSL Membership**

TCu drew attention to the historical context outlined in the paper.

TCu noted that, the previous year, the Union had moved retail purchasing from NUSSL to Spar: other SUs had taken similar action and some had opted out of NUSSL entirely and this had left the Union as one of the biggest participants. TCu advised that the NUSSL Board had taken, what might be deemed to be, punitive action against the Union and demanded a five-year lock-in contract for catering and licensed trade. TCu noted that Nottingham had moved to Spar and not been made subject to a lock-in and it would be easy to suspect that the Union was being made an example of to deter other SUs from changing retail supplier.

TCu noted that the Spar deal was for five years and the NUSSL drinks deals was for three years and coming up for renewal.

TCu noted that BG had looked over the NUSSL prices and concluded, despite the caveat that a lack of transparency made it difficult to arrive at a 'net net' price, they represented a good deal.

TCu advised the choices for the Board were:

1. Because of the attractive price, to sign a deal with NUSSL for five years with a two year review period, or
2. Refuse and make a counter offer

TCu advised that, in business terms, the Board should not be concerned about the effects of leaving NUSSL but there might be concerns of a political nature about leaving a students' movement consortium. TCu noted that Management Committee needed a steer from the Board as whether it cared about leaving the consortium and, if not, Management Committee would then take appropriate action.

SA, as Chair of Management, noted that their thoughts were that it was not worthwhile to continue with NUSSL and certainly not for a five year period.

CF wondered as to the NUSSL stipulations as to the Union purchasing from third-parties.

TCu advised that, historically, the Union had increased Shop purchasing from Bookers because NUSSL could not supply the value range that students wanted and from other suppliers to satisfy the wants of international students. TCu noted that in order to facilitate this with Spar, the Union had come to an agreement over categories such as local goods, vegan and student enterprise. TCu noted **redacted**.

Chair asked the Board to consider the consortium/cooperative aspect to any decision made.

EJ thought that, even though leaving might adversely affect smaller SUs, the Union should put the interests of its own members first.

MJ noted that NUSSL were not just suppliers: the Union was a part-owner of NUSSL. MJ wondered what had been going wrong as the concept of an SU buying consortium appeared to make commercial sense.

TCu advised that the buying structure had changed over the years from 'a big head with a small tail' to a 'smaller head with a much longer tail': there were significant numbers of SUs buying less. TCu believed that NUSSL had got stuck in its ways of doing things and had failed to respond to the needs of its bigger buyers. TCu noted that because of the Union's unique commercial leverage it had very individual requirements that NUSSL had failed to take into account. On meeting customer needs, TCu noted that when the Coop ended supply to NUSSL of a value range and the Union asked what plan NUSSL had to replace it; the response had been that they did not have one. TCu advised that NUSSL had become a big wheel that turned very slowly and, because of geography, was unable to provide the immediacy of support that the Union required.

TCu advised that NUSSL might try and exclude outside SUs from some franchises but this would not be commercially significant.

TCu concluded that a large group of big purchaser SUs had left NUSSL and could come together as an alternative consortium.

Chair asked Trustees for their thoughts.

MJ believed the Union should do its best to come to a negotiated solution before walking away from a major, longstanding commercial arrangement. MJ believed negotiations with NUSSL over a better deal should be pursued as to preferential rates for large buyers and, if this was turned down, should team up with other large SUs to lobby NUSSL or form a new consortium.

Chair wondered whether the Board should take a decision as to refuse the five year deal.

TCu advised that if the Union refused the lock-in there was a strong possibility that NUSSL's board would force the Union out of the consortium. TCu advised that the realistic options were:

- To sign the five year deal and work for improvements and use the two year break clause to build an alternative – to remain
- To refuse to sign the deal but give a commitment that the Union intended to stay with NUSSL and work for improvements but with the possibility of being forced out – to leave
- Or leave with no commitment

CF wondered whether the Union could use the two year break to negotiate with new suppliers.

TCu advised **redacted**

TCu advised that the key questions were what sort of consortium the Union wished to be in and whether NUSSL was fit for purpose. TCU advised that it should be borne in mind that if the Union left there was a possibility along with

the ongoing decline of the NUS discount card that this could make the consortium unviable.

RF wondered given the uncertainty around the UK leaving the EU would it not make sense to firm up a deal with a supplier immediately.

TCu advised that whatever kind of Brexit transpired there could be problems with suppliers and it would make sense to finalise a deal before the departure.

MJ stated that they believed the best option was to stay within NUSSL but working up to the break option to vigorously lobby for a better pricing structure. CF wondered whether there was any point tying the Union into a deal where Trustees knew there would be a lack of support from the supplier.

RF wondered whether there was the possibility of signing but demanding that NUSSL came to the Union with a service improvement plan.

TCu advised that was the possibility of lobbying but attempts to gain a place for the Union on the NUSSL Board had been rejected.

OG noted that the Union had made strenuous efforts to lobby for change but all had been rejected.

SA believed that, historically, negotiating with NUSSL had been a negative experience and there was little likelihood of any improvement if the deal were to be signed, even with the break clause.

*The Board agreed by a vote, with two Trustees opposing, to refuse to sign the five-year deal but to try to work with NUSSL to arrive at an improved deal: the Board delegated power to negotiate to Management Committee.*

### **TB889 Living Wage Foundation (LWF): National Living Wage**

TCu referred to the written paper requested by the Board; highlighting the fact that, under the Living Wage Foundation guidance, student staff wage rises were outstripping those awarded to permanent staff. TCu advised that the key question the paper posed was whether the factors that went into the calculation of the LWF living wage were applicable to students. TCu noted that Union policy had asked for an investigation to be made into paying the LWF rate but had not made a concrete stipulation that it must be paid.

TCu advised that an option for the Board would be to commission research by staff to investigate with the LWF and other Sus the possibility of formulating a national living wage rate for students: TCu believed that this would be lower than the LWF rate but higher than the government's nation living wage. TCu advised that, if it were possible to arrive at a student rate, it might well be adopted by many SUs and universities.

RF wondered why the LWF rate was based on the needs of a single, male adult. MJ noted that this was an interesting socio-economic question. MJ believed that this option had been chosen as it was slightly higher, but RF would have to ask LWF as to the rationale behind the calculation.

JC noted they would be happy to agree to commission the research so long as Union Council were given prior notification. JC believed that Council should be made aware that paying the LWF rate would lead to price rises in the Shop which would impact on the wider membership.

SA believed it important to emphasise to Council that the aim of the construction of a student national living wage would be to keep Shop prices down.

TCu advised that getting the research funding in place and undertaking the research would take some time and that any new rate would not affect existing student staff.

*The Board agreed to commission research into a National Student Living Wage and that the commissioning of the research would be reported to Union Council.*

## **RISK**

### **TB890 Risk Register**

*Updates to the Register were received without comment.*

### **TB891 GDPR**

TCu noted that: all public facing documents were now compliant, contractual documents were being updated, all staff had been given the policy documents, and the updated privacy policies for members were being prepared to go live on the website.

LC advised that they were working on policy applicable to alumni and to members from partner institutions and this would go live in the coming week.

TCu advised that GDPR would be under the remit of the incoming Interim HR Director and they would undertake a full audit in May 2019.

*There were no comments.*

## **SUNDRIES**

### **TB892 Key Decisions of Union Council**

Chair noted that there had been no meetings of Council since June Board.

### **TB893 Any Other Business**

TCa advised that the Trustees of the legacy pension scheme (SUSS) had circulated a consultation paper outlining five options for dealing with the serious legal issue concerning the administration of the scheme that TCa had previously reported to Board. TCa noted that the SUSS Trustees had asked for participating employers to respond by November; TCa asked that the matter be delegated to Finance Committee.

*The Board delegated consideration and action on the SUSS consultation paper to Finance Committee.*

TCu reported that the Union had had a contract with an ex-UEA student music promoter but, due to concerns about the way the promoter managed events and their business methods, Management Committee had decided on an early termination of the contract. TCu noted that the promoter had intimated that they would sue the Union for breach of contract and loss of existing and future earnings. TCu noted that the Union had engaged lawyers to contest the claim but had acknowledged that it held £75K in cash related to the promoter's activities. TCu advised that, at Easter 2017, the Union had made an offer of payment of £40K to resolve the matter but had not heard back from the promoter or their representatives.

TCu advised that there was £30K that had been left in limbo that the Board should be aware of and that the Union would take legal advice on whether there were any time limitations to a settlement over the termination of a commercial contract. TCu noted that any future developments would be reported to Board.

### **TB894 Revised Cycle of Business**

TM advised that two changes had been made: External Speakers Review and Scheme of Delegation had been moved to December Board.

*Noted without comment.*

### **TB895 Time, date and place of next meeting**

18 December 2018, 4 pm in Room 1, Union House.

### **TB 896 Meeting Self Evaluation**

*Noted during closed session.*

**CLOSED**

### **TB897 Update on CEO Recruitment**