

# paper

Subject:	<b>Estimates 2016-17</b>
Produced by:	Jim Dickinson Chief Executive; Tim Cave Head of Finance
To:	Trustee Board
Date:	17 <sup>th</sup> March 2016
Action:	To approve
Purpose:	Under the framework for finance and budgeting, the Union Council and Board annually agrees a set of "Estimates" that reflect spending priorities for the year ahead. The Board later agrees a set of "Detailed Internal Budgets" that reflect these priorities and that have involved detailed considerations from managers. This paper proposes a set of Estimates for the year ahead.

## Introduction

Under the framework for finance and budgeting, the Union Council annually agrees a set of "Estimates" that reflect spending priorities for the year ahead. This becomes the financial policy document for the year ahead.

The Board then agrees a set of "Detailed Internal Budgets" that reflects priorities in the Estimates and that have involved detailed considerations from managers taken in the round with detailed outturn figures for the previous year.

Over the past few meetings of the Student Officer Committee and Union Council we have discussed the finances of the Union and have engaged over future financial priorities.

The Charity Estimates have been constructed to reflect the internal departmental structure of the Union, which comprises core delivery areas: Advocacy & Representation; Activities & Opportunities; and underpinning Infrastructure. They do not include Unio or Retail which will officially move into the Charity vehicle in the coming year- this does not affect the budgeting process and will be reflected in the statutory accounts for 16-17.

The figures presented in this document- a summary of estimated income and expenditure- are a transparent and prudent analysis of the financial resources to be committed by the Union to meet its core priorities for the year ahead. Regular updates on progress against this budget will be presented to Union Council and the Trustee Board throughout the year.

Alongside this process numbers for the union's commercial activity have been prudently estimated. At this stage their **contribution** to the union in terms of estimated surplus is reflected and shown by outlet. For simplicity, these numbers exclude charges made by the Charity vehicle to the Trading Subsidiary for things like rent and service recharges all of which are reconciled and displayed appropriately when the statutory accounts are developed.

## The Estimates

The first page of numbers is the "Estimates" ie the policy being presented, with subsequent appendices explaining what is in each area. All figures are in £1,000s.

The main body of the Estimates details areas of income and expenditure and may be challenged by Union Councillors using the methods detailed below.

The Appendices provide the detailed cost heading analysis of income and expenditure, which support the headline figures reported. The cost headings (cost centres) are revised to reflect services and are presented in a standard format throughout this document. Most cost headings (or "centres") include these three sections:

- Staff/Officer Costs (ie Salaries, Tax and National Insurance)
- Student Staff Costs
- Activity Costs
- Income

This includes all restricted income in this area and explanations are given in the notes. The figures reflect employer's contribution of NI and Tax and allocation to the pension scheme. Pension take up is assumed to be full.

Trading Income reflects the contribution expected from each trading area.

### **How to Challenge the Estimates**

Members of Union Council may table a motion to refer back the Estimates in full (ie to reject the budget) or part of them.

A partial reference back will only be in order if it is composed of two parts:

- (i) The positive reference back of a specified expenditure heading within a budgetary head or heads, indicating that each specified heading should have the sum allocated to it increased by an amount specified for that heading;
- (ii) The negative reference back of a specific expenditure heading within a budgetary head or heads, indicating that each specified heading should have the sum allocated to it reduced by an amount specified for that heading; the total of the amounts specified in (i) being the same as the total of the amounts specified in (ii).

The Chair of the Trustee Board will reply in writing to all Members tabling motions of reference back of the Estimates or part of them, indicating the implications if such a reference back is passed by the Union Council.

Any motions to reference back the Estimates in part or full must be received by the Amendments Deadline for this meeting of Union Council.

Questions on the Estimates may be asked from the floor of Council. Priority on the asking of such questions will be given to Members which have tabled motions on reference back.

## Background

### UEASU's Group Financial Context

Over the past few years the Union has been reviewing and reshaping its financial model, responding belatedly to a downturn in alcohol sales by lobbying to increase in net terms the grant from the University and reducing "back office" costs in order to maximise the spend on charitable objectives.

The Union receives just over £0.5m in direct grant funding from the University. We are notable in the SU sector for being highly "commercially leveraged"- in other words the bulk of the union's income comes in from trading activity, which has been in decline. The working assumption is that the near monopoly on retail and alcohol sales provides an "in kind" grant to the Union that enables it to deliver significantly higher trading surpluses than other unions to fund directly charitable activity.

Last year the University grant was broadly held at a consistent level but for two notable differences- the University took over the costs of cleaning and IT support, freeing up resource to invest in student representation and welfare to bring closer to the standard of comparator group unions; and the grant was marginally increased above University inflation to cover the pension deficit contribution the union is required to make into the Students' Union Superannuation Scheme.

#### Union Financial Policy

- To consistently perform to budget, ending the annual cycle of producing year end deficits
- Ensuring the reserve is healthy and used for the benefit of students
- Reducing direct expenditure on infrastructure through careful procurement or partnership work
- Steadily improving investment in services, activities and campaigns for students

### Annual profit and loss budget: Developments 14-15

Within the Charity the process described above of net increasing the grant from the University, driving down central costs and investing in priority areas was largely successful and in 2014-15 we performed to budget within the Charity; this included significant increased expenditure on student engagement/representation, international students, postgraduate students and student advice.

However operational problems in the trading areas in the first term of 14-15, coupled with a challenging trading environment, resulted in less progress in the Social Enterprises and resultant **contribution** into the Charity which meant a significant loss in year. This issue bled into the planning process for 15-16 which has meant a challenging year in relation to hitting overall budget.

The current University Council approved plan for financing the SU assumes that the Union grant will increase by the assumed University inflation rate of 0.233% for the next five years.

Given the Union's overall Charity costs run at around £1.8m, with the remainder funded by trading surpluses, the inbuilt assumption is therefore that the trading areas would fund the remaining increase required to Charity funding and/or that the Union would drive out additional efficiencies.

An efficiency exercise was carried out across 2013-14 and it is highly unlikely that additional meaningful efficiencies will be possible against existing activity.

This means that the ongoing issue of grant funding is difficult. Whilst we do not expect the balance between trading income and grant to shift dramatically, the University's previous assumption- that the grant could increase broadly by inflation with the union's trading operations able to also deliver inflationary increases in profit will not hold in a period where we expect trading to be flat at best. This is because the LCR Club Nights and Shop- the two key drivers of contribution- are effectively "full" and will not benefit meaningfully from student numbers growth.

The Board has therefore reached the view that whilst costs are under control, it is unlikely to be possible to drive real terms increases from the trading areas unless we took on new activity or aggressively targeted students with alcohol in a way that would be detrimental to student welfare.

The ongoing result is that a gap opens up between the funding increase on the grant and the funding required to continue to operate the union against its current range of activity. These sample figures therefore track the "gap" assuming that the union's costs accurately track the University's assumed inflation rate.

	14-15	15-16	16-17	17-18	18-19	19-20
Grant inc PDC	£580,977	£594,514	£608,366	£622,541	£637,046	£651,889
Core Charity Costs	£1,804,367	£1,846,409	£1,889,430	£1,933,454	£1,978,503	£2,024,602
Grant Inc over 1415		£13,537	£27,389	£41,564	£56,069	£70,912
Cost Inc over 1415		£42,042	£85,063	£129,087	£174,136	£220,235
Gap		£28,505	£57,674	£87,523	£118,067	£149,323

### Recent past- UEA relationship

Over the past two years the Union has made substantial changes to its financial model and overall financial relationship with the University. These have included:

- A significant ongoing investment in **charitable delivery** to bring the union up to comparator standard
- A significant reduction in "infrastructure" operating costs through **rationalisation/efficiencies** and transfer of responsibilities to the University (ie cleaning and IT)
- A squeezing of the commercial areas to deliver charitable outcomes from current trading activity; reduction of costs through flexible deployment; and process change to improve margin/**profitability**

Each of these exercises is a work in progress:

- On **charitable delivery** there are a number of areas where the union still lags behind comparator SUs (ie clubs and societies, volunteering, international and PG) but we currently lack a mechanism for a wider strategic discussion on role/function given the overlaps with other University departments. These have various impacts (ie high cost of participation in Sports Clubs to students; poor WP participation in student opportunities; comparative lack of contribution from SU to local charitable/voluntary sector)
- There are some areas where opportunities for wider **rationalisation** of infrastructure functions remain (ie payroll, finance, health and safety, HR)
- There is delay and lag in the Union properly determining the realistic and safe **profitability** of its portfolio of commercial services; however the ability to grow the top line is limited by space and capacity (adding more students to the campus doesn't automatically grow the single shop top line)

In addition, to maintain the existing portfolio of services in a student numbers growth environment we need to be able to agree some kind of mechanism that allows us to grow staff support. Given the extent to which the SU charity is commercially leveraged, the previous financial model assumption that the union's trading services would deliver a large proportion of the charity inflation need is highly problematic given the lack of capacity to grow. This (for example) means that support services for societies and student advice are under intense pressure.

Some other factors are placing pressure on the Union budget:

- Positive charitable changes to building use reduce the union's ability to **reclaim VAT**. Arguably this should be considered by the University directly as part of capital planning.
- The Union's contribution to **historical pension deficit** is not within its control but continues to grow beyond inflation. Arguably this should be considered by the University alongside its direct pension deficit problem
- The costs of **running the new building** as an 16 hour a day social learning and student facility building are increasing given increased demand- for example we have had withdraw staffing for the intended "student gateway" reception this year given budget pressures

We have therefore **recommend** the following to the University:

1. That in medium term financial planning, the inflation rate applied by the University to the Union's core grant funding should be increased to take account of the inability of the trading services to deliver their "share" of charitable- delivering an increase that reflects charitable spend not just grant
2. That encompassing discussions re Sports and future of DOS, a wider strategy for the student experience should be developed that includes a strategic review of respective responsibilities between the SU and the University, with an associated long term funding plan
3. That we should continue to explore opportunities for rationalisation of "back office" functions to release funding for core student experience delivery
4. That we should actively explore opportunities for the Union to expand trading operations, including additional retail sites across the campus; town centre opportunities as part of wider "Norwich Student Experience" efforts; and internal tendering of new café outlets on campus (rather than automatically assuming that external providers or "campus kitchen" should be preferred)
5. That the requirement for the union to pay increasing pension deficit contributions be considered alongside the University's ongoing requirement to do similar inside its pension schemes with funding allocated as appropriate

At the time of writing the University has agreed to look at the Union's grant in the context of student numbers growth and has agreed to examine some additional back office costs (ie recharged maintenance). However no agreements have been reached in time for this Estimates round.

### Balance Sheet and Fixed Assets

Depreciation is a way of fairly displaying the cost of an item that lasts more than a year. It makes budgets realistic and ensures the union is saving up to replace assets.

For example- if the SU buys a £21,000 minibus that lasts three years, it is really spending £7,000 a year on the bus even though the actual expenditure happens at the start. Budgeting the £7,000 each year ensures that at the end of the three years we have built cash up to replace that bus.

Therefore a critical component in the overall financial model is the way that fixed assets are treated and the associated depreciation charge that is applied within the Union's annual budget. This year the depreciation charge (ie the amount of a cost of a fixed asset that we charge to a given financial year) within the Union's group budgets totals some £170k. The overall relationship with UEA has a significant impact, because the allocation of principal responsibility for capital items also implies an allocation of the responsibility to depreciate the asset with an associated hit to in year budgets.

The previous working assumption revealed in old papers suggests that regardless of the technical landlord-tenant relationship enjoyed on an "in principle" basis, the assumption was that the Union would fund all Union capital requirements. The combination in recent years of the relative collapse of the old Union Commercial model, the need to invest in student services to bring the union up to comparator standard and the positioning of Union House and Union Shop as strategic assets within the wider University portfolio have shifted this assumption somewhat.

At present therefore we are in a strange situation- the balance sheet contains fixed assets that result from multiple previous refurbishments (both major and minor) that were funded **directly** from Union reserves. These are being written off over a 20 year period with a circa £170k hit on the union's P&L.

However in recent years the Union has benefitted from capital investment in the Shop (circa £460k) and in this latest project the University has funded both building work and items like fixtures, fittings and IT to the tune of £6m over 2 years.

In some cases we are writing off investments that we may be able to argue will be made by the University in the future. For example- the Hive "Skylight" project is being written off at 5% a year with a related hit to the Union P&L of £45k annually. If responsibility for this type of work is with the University going forward there is no longer a need to "save up" to do this again.

In other cases we are depreciating assets that have been effectively replaced by the refurbishment. For example changes to the former Box Office and Advice Centre, both of which disappeared in the refurbishment, are still being written off. These items should arguably be written off with a consequent technical hit to the balance sheet as their net book value has now evaporated!

Crudely:

- If we were to assume that everything that we have been previously writing off and everything recently funded will be replaced by the University in the future, we would **release** £170k to be spent on student services.
- If we were to consider the recent refurb to be a direct SU asset, we should be **adding** around £250k to the Union budget in depreciation charges.

There are a range of more sensible options in between depending on an "in principle" view of respective long term responsibilities.

Given we have now arguably moved to an integrated situation where the University funds major capital items for the Union as part of its wider capital planning, the Union should not be "saving up" to replace them. However the position is not clear (for example Estates is arguing that our new lease suggests the union must fund replacement of powered disabled access doors to the Hive)

We have therefore asked the University to codify the situation as clearly as possible such that:

- The Board can have confidence in the long term financial planning arrangements.
- Where responsibility for replacement is clearly allocated to the Union this is handled appropriately either through defined investment funds or depreciation charges.
- The process for applying for capital funding from the University is more clearly defined.

As a result this set of Estimates does not include any depreciation charges. These are now assumed to be a matter for the statutory accounts and in the transition period this will mean a progressive reduction in the overall value of the organisation on successive balance sheets. Instead we have created prudent budget lines for investment funds for the different areas and we have shifted the cost of minibus replacement from a capital issue to an annual budget issue as we intend to lease in the future. A close eye will be kept on the relationship between the technical depreciation calculation and the investment funds by the Board to make sure that we are saving up appropriately for things that need to be replaced in the future.

### Live Music and Waterfront

A final element relates to the **Waterfront** and **Live Music**. In preparing for lease renewal at the Waterfront it has become clear that the building requires hitherto unplanned investment both remedially and to maintain the building in the long term. An exercise led by UEA Estates is ongoing. If the numbers stack up to point to continued running of the WF, this will nevertheless generate a hit on investment/depreciation budgets in the medium term that will likely clearly be SU responsibility.

More generally we are carrying out an exercise to determine the precise profitability of the Live Music programme overall, taking into account all recharges and investment costs. It is crucial that we understand the real cost/profit/risk of Live Music and that we ensure that students' money is spent on charitable activity.

### Charity Costs

In the year ahead we face headline cost increases as follows:

- Utilities cost increase (calculated at 5%, a figure in use by the LGA for planning purposes)
- Pension deficit contribution increase (circa £8k)
- Career salary cost increase of 2.5%
- Insurances look set to increase by approx. £5k

### Charitable Expenditure

These Estimates assume that we will continue to prioritise the following areas:

- Academic Representation Unit

- Enhanced budget and support for student officer projects
- Improved student advice provision
- Improved budgets for societies and student media
- Staff and budgetary support for Postgraduates and International Students
- Management Development Programme
- Defined staff training budget

We have also sought to prioritise the following areas:

- Support for Campaigns (esp PTOs and PCs)
- Support for organising Student Events
- Investment in Capital equipment backlog

These are accompanied by improved marketing and communications activity and a detailed strategic planning process, allowing the identification of clear performance indicators.

#### **Overall Position**

These Estimates show a deficit position after non-cash charges of circa £50k. As noted above this is ahead of full results for trading areas, a detailed analysis of charitable expenditure and a completed negotiations with the University over the grant.

If these Estimates are approved the assumption is that between now and August the Trustee Board and Management Committee will be tasked with finding, where possible, additional savings or income with a target of producing a budgeted surplus by the time the Detailed Internal Budget is approved at the September board.

#### **Detailed Internal Budgets**

That Council approves this set of Estimates as a policy, with the Detailed Internal Budget process to follow that will include:

- Final discussions with University over funding and services to be reflected.
- A line by line review with managers based in part on detailed review of performance at year end.
- Plugging in more accurate versions of key assumptions (ie utility costs).

## Estimates 2016-17

Details	Salary Costs	Activity Costs	Student Staff	Net
<b>1. Advocacy &amp; Representation</b>				
Student Support Unit	£131,826	£21,300	£8,100	£153,126
Policy & Campaigns Unit	£115,261	£24,000	£8,100	£147,361
Student Leadership Unit	£107,262	£71,091	£20,250	£202,728
Advocacy & Rpn O/H	£48,724	£1,000		£49,724
<b>2. Opportunities &amp; Activities</b>				
Sports Association	£45,524	£151,450		£196,974
Societies & Student Media	£51,302	£65,000	£8,100	£124,402
Opportunities & Activities O/H	£63,936	£30,741	£4,050	£94,677
<b>3. Infrastructure</b>				
Operations & Administration	£91,817	£43,900	£35,000	£170,717
Strategic Development Unit	£193,095	£55,000		£248,095
Union House & Equipment	£27,956	£167,450		£195,406
Finance Unit	£104,925	£148,900	£8,100	£261,925
<b>CHARITY SUBTOTAL</b>				<b>£1,869,823</b>
<b>4. Income</b>				
Basic Block Grant				-£568,366
PDC Contribution				-£6,289
INTO Grant				-£27,342
Bars and Unio Pizza				-£540,000
Graduate Centre				£0
LCR Events Live				-£10,000
LCR Events Club				-£125,000
Waterfront Ents & Bars				-£50,000
Unio				-£100,000
Shop (inc G&G, Bakery, PO, Vend)				-£543,000
Lettings				-£5,000
Marketing and Bus Dev				-£80,000
Trading Overhead				£116,046
<b>INCOME SUBTOTAL</b>				<b>-£1,978,951</b>
<b>5. Non-Cash Items</b>				
Capital Investment				£50,000
Pre payment of PDC				£110,862
<b>GRAND TOTAL</b>				<b>£51,574</b>

## 1 | ADVOCACY & REPRESENTATION

In this section you will find costs relating to the union’s advocacy function, including centrally run campaigns, full time officers and academic representation. A detailed explanation of what each area covers is given below each subsection. This area supports these functions:

### We advocate on students’ behalf, both individually and collectively.

- **Evidence** and **research** from the **whole student body** a key part of the union’s student voice activity
- More **support, training** and **development** for our student representatives
- Students **working with** academic and administrators to make **suggestions** and **solve problems**
- **Independent, flexible** student advice and advocacy service that **leads to policy change**

### 1.1 Advice and Housing Unit

<b>Advice and Housing Unit</b>	
Career Staff Costs	£131,826
Student Staff Support	£8,100
Materials and Printing	£1,000
Nightline	£2,000
Peer Support Groups	£1,000
Subscriptions	£2,500
Volunteer Scheme	£1,200
Departmental	£2,500
Admin	£3,000
<b>TOTAL</b>	<b>£153,126</b>

This area includes the union’s professionally staffed Advice Centre, which provides help and advice to students on all issues. It also houses staff support for the Welfare, Community and Diversity officer, enabling a greater range of campaigns and projects to be run. In the year ahead the unit will continue out its volunteer programme in advice, introduce new buddying support for new students, enhance its support to student groups and provide more support to Nightline, the union’s student listening service.

Note whilst this area includes housing advice, it does not include costs or income related to Home Run or Home Let which are operated through the trading budgets detailed on later pages.

### 1.2 Campaigns and Policy Unit

<b>Campaigns and Policy Unit</b>	
Career Staff Costs	£115,261
Student Staff Support	£8,100
Representation	£10,000
Training and Materials	£8,500
Student Led Teaching Awards	£3,000
Departmental	£2,500
<b>TOTAL</b>	<b>£147,361</b>

This area provides dedicated support to academic representation, ensuring that school, faculty and institutional representation delivers real change for students. It also houses support for the student officer committee and has a research and policy function, ensuring that the union’s arguments for students are evidence and powerful. In the year ahead a range of initiatives will come from this spend, including rep support, campaigns teams, and student led teaching awards. For faculty and school level representation we envisage substantial training and development.



### 1.3 Student Leadership Unit

<b>Student Leadership Unit</b>	
Sabbatical Costs	£111,387
Student Staff Support	£20,250
Officer Training	£12,500
Democracy & Elections	£7,500
Priority Campaigns	£4,000
Campaigns & Campaign Groups	£6,000
SOC Projects	£4,500
Liberation, Equality & Diversity	£5,500
NUS Affiliation	£18,591
Conferences	£9,500
Caucuses & Assemblies Meetings	£1,000
Departmental	£2,000
<b>TOTAL</b>	<b>£202,728</b>

In this area you will find the costs related to the union’s student leadership team, comprising the five sabbatical officers and the wider student officer committee. It includes dedicated budgets for campaigns, elections, training and also include the annual affiliation fee to NUS. There is also a fund for automatic attendance at relevant conferences and events.

## 2 | OPPORTUNITIES & ACTIVITIES

In this section you will find costs relating to the union’s student opportunities function, including clubs, societies and student media. A detailed explanation of what each area covers is given below each subsection. This area supports these functions:

### We provide opportunities for students.

- **Every student** taking part in **extra curricular**, ensuring activities are **student led** and **high quality**.
- Support all student volunteers and staff to use their **experience** taking part in student opportunities to **benefit them in later life**
- An exemplar in relation to **safety** and **risk assessment** and facilities geared around the **needs of active members**
- Support for the **full breadth** of student diversity to take part in the most **diverse** set of activities possible, reducing barriers to involvement and **setting and meeting targets related to diversity**.

### 2.1 Sports Association

<b>Sports Association</b>	
Career Staff Costs	£45,524
Income (SAM)	-£135,000
Derby Day	£7,000
Travel	£70,000
Accommodation	£7,500
Entry Fees	£27,000
Affiliation Fees	£13,000
Kit Purchase	£5,000
Meals	£200
First Aid/Training	£7,500
Facility/Storage	£33,000
Refs/Umpire Fees	£4,000
Training/Coaching	£61,000
RYA Accreditation	£750
Equip Main/Airfills	£18,000
Sports Assoc/Equip Purchase	£10,000
Sports Club Grants	£17,500
Focus Sports Club Grants	£5,000
<b>TOTAL</b>	<b>£196,974</b>

This area houses the direct costs for Sports Clubs within the union, including participation in BUCS competitions. It also includes income from the SAM card. In the coming year these costs will be considered alongside wider sports costs in the University with a view to identifying ways to maximise the use of the overall spend.

### 2.2 Societies, Student Media and Student Enterprise

<b>SOCIETIES &amp; STUDENT MEDIA</b>	
Career Staff	£51,302
Student Staff	£8,100
Societies Collective	£20,000
Give it a go	£8,000
Media Collective	£32,500
Postgraduate SU	£12,500
International SU	£5,000
Academic Societies Collective	£1,000
Enterprise	£2,500
<b>TOTAL</b>	<b>£124,402</b>

In this area there is direct support costs for the union’s award winning societies, including development of events and participation strategies. There is also support for student media, accommodated in the union’s student media centre.

### 2.3 Student Opportunities

<b>Student Opportunities</b>	
Career Staff	£63,936
Student Staff	£4,050
Fairs	£3,000
Minibus Income	-£12,000
Minibus Expenses	£38,691
Departmental	£1,000
<b>TOTAL</b>	<b>£94,677</b>

This area provides wider support and admin for student activities, opportunities and events. This includes projects on employability and enterprise.

### 3 | UNDERPINNING INFRASTRUCTURE

In this area underpinning services that make the union work are housed. This includes costs related to union house, admin, HR, IT and Finance. It also includes the communications function. A large proportion of infrastructure work serves the commercial activity and so is recharged to the commercial companies in terms of rent or service charges.

In this area we seek to achieve:

- **Outstanding** student led governance
- High quality **management** and internal **processes**
- A strong **partnership** with University and others on infrastructure and culture
- Great stats- No.1 in the **National Student Survey** for **Question 23**, and **outstanding** grade for the **Students' Union Quality Mark**

#### 3.1 Marketing and Communications

In this area the communications team is housed, with full time and student staff running the union's websites and union communications, as well as delivering design work and publications. Note all costs and income from this area have now been moved to the trading budgets detailed on later pages.

#### 3.2 Operations and Administration

<b>Operations and Administration</b>	
Career Staff	£91,817
Student Staff	£35,000
Photocopier	£25,000
Data Storage	£1,500
Staff Days and Xmas	£3,500
Uniform	£1,000
Stationery	£3,500
Post and Franking	£1,500
Telephone	£5,000
Subscriptions	£400
General Expenses	£2,500
<b>TOTAL</b>	<b>£170,717</b>

In this area we house all of the union's central admin costs- things like photocopying and telephones all get paid for from here, along with computing and post. We also operate the student reception and welcome team from here.

#### 3.3 Building & Equipment

<b>Building &amp; Equipment</b>	
Career Staff	£27,956
Electricity	£86,100
Water	£19,950
Heat	£29,400
Repairs	£20,000
Alarms	£1,000
Maintenance Contracts	£2,000
Purchases under £500	£7,000
Repairs and Renewals	£2,000
<b>TOTAL</b>	<b>£195,406</b>

This area covers the costs of operating union house. A significant part of this in previous years was cleaning, which has now been moved to the University, allowing a significant saving to be deployed on other priorities.

### 3.4 Finance

<b>Finance</b>	
Career Staff	£104,925
Student Staff	£8,100
Bank Charges	£500
Additional Irrecoverable VAT	£23,530
Contingency	£40,000
Pension Deficit Contribution UEA	£24,000
Software & Data Storage	£20,000
Audit	£7,500
Insurance	£16,370
Insurance	£16,000
Departmental	£1,000
<b>TOTAL</b>	<b>£261,925</b>

The union’s Finance function helps the rest of the organisation run effectively. It handles invoicing, accounts and supports managers with data to help them make decisions and manage their operations. The Pension Deficit Contribution is an amount the union has to pay into one of the union’s pension schemes to ensure that it is able to meet its commitments to pensioners.

### 3.5 Strategic Development

<b>Strategic Development Unit</b>	
Career Staff	£193,095
Staff Training	£12,500
Management Development	£8,500
Group PHI and Life Ass	£8,000
Legal and Professional	£10,000
HR Support	£6,000
Recruitment and Selection	£7,500
Departmental	£2,500
<b>TOTAL</b>	<b>£248,095</b>

This area contains costs for the Chief Executive, Deputy Chief Executive, Governance & Democracy Coordinator and a host of crucial central costs relating to staff training and development and HR support.

- Training- Staff training is courses for all staff attached to personal development plans. Management Development is specific training for the Heads of Department/Management Team. “Group PHI and Life Ass” is a an insurance policy that covers payments if staff are on long term sick and if they die in service.
- Legal- This covers ad hoc legal fees
- HR Support is the cost of an external HR firm that delivers support