

## Lancaster University Students' Union Trustee Board – Budget Approval

Minutes of the meeting held Friday 21 August 2020

---

### Officer Trustees present:

Oliver Robinson | President | Chair of the Trustee Board  
Bethan Morgan | VP Education  
Shannon | VP Societies & Media  
Atree Ghosh | VP Union Development  
Paul McCarthy | VP Sport  
Amy Merchant | VP Welfare

### External Trustees present:

Graeme Osborn | External Trustee | Vice Chair of Board  
Amanda Chetwynd | External Trustee  
Mark Alexander | External Trustee

### Student Trustees present:

Callum Slater | Student Trustee  
Sam Maesschalck | Student Trustee  
Eloise Frost | Student Trustee

### In Attendance:

Misbah Ashraf | Interim Chief Executive  
Jane Morgan Jones | Financial Controller | Company Secretary

### Observing:

David Dobson | Finance and Risk Expert Committee Member  
Amy Stanning | Mature Students' Officer  
Jesse Phillips | LGBTQ+ Officer  
Max Kafula | BAME Students' Officer  
Molly Lawson | Students with Disabilities Officer  
Yu Hong Goh | International Students' Officer

---

The meeting took place via Microsoft Teams due to the Covid-19 pandemic and led by the Chair of Board.

Board acknowledged the meeting would be recorded for minute-taking purposes.

---

**Agenda Item 1 | Apologies** | no apologies were received.

**Agenda Item 2 | Conflicts of Interest** | no potential conflicts were declared.

**Agenda Item 3 | Budget scrutiny focus group verbal update** | Board received an update on the budget scrutiny focus group meeting held on 19 August 2020. It was later presented with a preference chart that contained the attending students' budget priorities. Positive feedback was received on the Union's transparency with this budget, and that more clear communications on budget reasonings should be given in future. The preference chart will be published on social media channels to gauge student feedback following the meeting. Board noted that some of the lower points on the priority list are only low from a financial perspective, and would be equally supported by means other than money.

Board discussed the information from the focus group and whether the priorities outlined are representative of its own views at a strategic level, and discussed the following points: colleges is lower on the priority list than anticipated, noting the recent agreement to reduce funding for this area. The Interim Chief Exec will confirm how Welfare and Wellbeing were defined as within the prioritisation list and share within an email following the meeting. Board agreed that representation and academic representation is lower on the list than anticipated given it features prominently in the Union's charitable objectives. Board discussed the importance of the Union ensuring students feel they're able to raise concerns over their degrees given the difficulties brought on by Covid-19, and that they will be represented on their issues. While communications was a lower financial priority, the students in the focus group reiterated its importance and highlighted that the Union should give it more focus.

Board agreed that more focus should be on the lower third of the list, and considered if any activities are planned for those areas. Board will consider distributing the survey to many more students for next year's budget. Board discussed development of a strategic plan in advance of next year's budget,

which would include more student input and result in Board having a clear view of what the strategic priorities are. The plan would also help to clearly identify where Board wants to invest its time, resources and focus.

The Trustee Board raised its thanks to staff for the incredible amount of work it took to organise the focus group under such time pressure.

**ACTION: The Chair to publish the preference chart on social media channels and seek feedback.**

**ACTION: The Interim Chief Exec to share definition of welfare and wellbeing with the Board.**

#### **Agenda Item 4 | Budget 2021 |**

Discussions covered the following areas: the Financial Controller thanked staff for their work in helping to reduce the deficit by £163000; Board would never usually receive a budget with such deficit, which is due to the exceptional circumstances brought on by Covid-19; every effort has been made to reduce the deficit as much as possible; in addition to a detailed exercise in January 2021, the budget will be reviewed over the coming months if circumstances change; the charity will receive no gift aid contribution from LUSU Services Co. this year. Board noted that the discrepancy for net profit of the LUSU Service Co. between the appendix and in the accompanying notes is due to a provision for fundraising events within the expenditure section. If this line was not included as an income it would incorrectly show a profit. In April 2021, the LUSU Services Co. must pay the gift aid payment to the Union for the year ending 31 July 2020. The Financial Controller is meeting with the Union's NatWest Relationship Manager regarding a Government assisted bank loan should one be required.

Board also noted the following points: the Financial Controller and Interim Chief Exec are reviewing staff returning from furlough workloads to ensure all resources are being appropriately used; there are strong enough reserves to deal with the deficit this year, though if it approves this budget it will then have to discuss the reserves policy going forward and try to mitigate the knock-on impact of following years.

Board discussed the potential benefits of students returning to campus earlier than expected. With the return of students at campus, the Financial Controller hopes to see the Retail budget line breaking even. Board also discussed the following:

##### Sugarhouse

Board noted a significant proportion of Sugarhouse's profit is made within the first week of opening. As this is unable to happen, the Financial Controller and Interim Chief Exec are investigating scenarios which would mean Sugarhouse is able to make enough money to not run from a deficit position. Board noted the costs Sugarhouse incurs regardless of its opening, which includes staff salaries, asset rental and insurance of the building etc. The Interim Chief Exec shared an early-stages scenario for Sugarhouse to break even. Board noted the Financial Controller has yet to review this scenario and will do so in due course. Board also gave its backing for this scenario and acknowledged an initial cost of around £1630 would need to be made for hand sanitizer implementation.

##### Living

Board discussed the feasibility of moving Living into the LUSU building and agreed it should reach an agreement on when this will be done next year, while considering Government guidelines on Covid-19. The Interim Chief Exec will evaluate the living budget and ensure she is satisfied with the savings that have been made.

##### Governance costs

Board agreed to keep the cost for recruiting two additional Trustee's in the budget, in order to comply with its Articles of Association. Board will discuss the matter once the outcome of the governance review is known.

##### Sports

Board discussed whether it is willing to continue the £67,000 contribution for sport this year, or whether it should offer a reduced amount. The following points were raised: the VP Sport informed Board a meeting is due to take place on 10<sup>th</sup> September 2020 with Andrew Burgess and the Sports Board, where a decision will be made whether to hire an interim-Head of Sports to help the sport review proceed; the Union needs to be clear with the University that it needs to complete the sports review; the University funds the Union as opposed to the opposite; there is currently no incentive for the University to push on finishing the sports review as it would mean they would have to input more

money; the sports budget has already been scrutinized and reduced as much as possible. Following conversations, Board agreed it is in no position to make a strategic decision on the Sport budget at this meeting.

#### Volunteering

Board discussed the significant deficit in the Volunteering budget line. Board noted that the Community and Internationalisation budget has not yet been added as talks are ongoing with the University to agree the amount of funding, after which time the deficit should be greatly reduced. Board also noted the deficit would be further reduced by funding from Schools and Green Lancaster's contribution.

#### Final approval

Board discussed the overall budget. Board acknowledged the challenging position with C-19 and noted that the Union has sufficient reserves to carry a deficit in these circumstances. Board also noted concerns over a deficit position being brought to the Trustee Board for the third time, and agreed to look at planning short, medium, and long-term goals which will lead the Union to a better financial position. Board also noted the possibility of requesting a re-forecast budget, against which the Board could then consider its goals.

The Chair also highlighted high staffing costs in advance and welcomed a discussion on a potential review of the Union's staffing structure in terms of aligning with the priorities Board has outlined. Board noted that staffing costs account for a significant percentage of the budget, and agreed that it needs to have an in-depth discussion about strategy and how it should deploy its resources to meet that. Board also agreed that it doesn't have the necessary time within the coming weeks to approach those decisions while achieving any significant change to the budget presented today. Board discussed the need to have a serious discussion on what it wants from the new Interim Chief Exec before recruitment takes place. Board noted that a panel has been selected for an Interim Chief Exec recruitment and that the Chair has been in contact with the external recruitment agent.

Following discussions, Board approved the budget and requested a revised version to be produced for the January 2021 meeting.

**ACTION: The Financial Controller to circulate the breakdown of Sugarhouse running costs to the VP Union Development.**

**ACTION: The Interim Chief Executive to evaluate the Living budget.**

**ACTION: The Financial Controller to review the latest Sugarhouse scenario and liaise with the Interim Chief Exec.**

**ACTION: The Interim Chief Executive to undertake necessary steps for the temporary closure of Central.**

---

The Chair thanked the Financial Controller, Interim Chief Executive, and all of the other staff members for their enormous effort put into the budget. The Chair also thanked all attendees for their patience and conduct throughout the complicated discussions.