

## Meeting of the Finance, Planning and Resources Committee

4.00 pm on Tuesday, 28 April 2020  
in MS Teams

### Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
10.	Students' Union update <ul style="list-style-type: none"><li>• 2018/19 accounts</li><li>• Code of Practice compliance + appendix</li><li>• Proposed incorporation (verbal update)</li></ul>	3 - 18	BW

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**London South Bank University Students' Union**  
Code of Practice Return

**Financial Appendix**

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FOR INFORMATION

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<b>Date</b>	24/04/2020
<b>Paper previously considered by:</b>	LSBSU Trustee Board
<b>Basis</b>	For information
<b>Further Approval Required?</b>	No
<b>Sensitivity</b>	Confidential and Management Planning
<b>Distribution</b>	Restricted

## Financial Appendix

Following a meeting between the union and the University Executive in April 2020 the following paper has been produced as an appendix to the union's 2019/20 Code of Practice return. This appendix is an analysis of the union's student-facing activity costs as set out within its budget and its performance in these areas over the past two years (2018-19 at year end and a 2019-20 projection). Other costs such as central costs and management staffing are summarised at the end of each year for clarity in this paper, but are not deemed student-facing budget lines. Information on all costs related to students' union income and expenditure however is provided in full as part of the union's annual audited accounts.

As mentioned within the preface of the main Code of Practice paper, the information contained in this report has been developed by the interim turnaround team which is providing strategic delivery and development support to the union during a period of transition after the departure of its senior management team in summer 2019. Interim support is being provided by management consultancy Koreo (through Ben Whittaker and Jonny Chambers acting as interim directors) and a qualified management accountant operating as interim head of finance (Gloria Lewis). This support has been in place since December 2019 and January 2020 respectively and is in place until the end of June.

The organisation's interim management has sought to protect core services - such as the union's advice service, its student leadership and representation work and front-facing student activities, communications and events. It has ensured the union has continued to meet all of its basic requirements and legal duties and the institution was given full-oversight as part of this process, sitting on the union's internal Turnaround Board as an observer. Information related to the delivery and performance of the union before the interim team was appointed is limited, with the union's records and archives being out of date for some time and the departure of the team responsible for negotiating the union's current and 2018-19 budget. Therefore, this analysis is presented based on what information or records are available, or have been gained through insight from the sabbatical officer team, frontline delivery teams and remaining staff from across the union. We have requested and are working with the institution to gain further records or papers that have been previously submitted to ensure the union's records and agreements are fully archived and accessible going forwards to both the union's management and the institution.

A summary and costs for 2018-19 at year end and a 2019-20 projection is presented, followed by a short commentary related to the union's current period of transition and the work being undertaken to be able to give full assurances going forwards.

## 2018-2019 At Year End

### Summary

In 2018-19 the union received a £945,000 subvention grant from the institution (also known as the union's 'block grant') with a budgeted expenditure of £1,069,264. The union planned to fund an additional £124,264 of expenditure through additional income, largely related to marketing and sponsorship opportunities set within its budget.

As a whole, at year end, the union had spent £965,561. 66% of this total was made up by covering staffing and salary costs (£624,924) across the organisation. This breaks down based on the following analysis:

	Budget (£)	Actual (£)	Commentary
<b>Student Representation</b> Student representation (including sabbatical officers salaries, advice and representation staffing and activity costs) accounted for 35% of the organisation's expenditure (£340,632). 79% of this was staffing (£269,015) and 21% activity costs (£71,617). This was against a budget of £351,502, with £280,392 set aside for staffing and £79,617 for front-line activities.			
<b>Sabbatical Officers, (including salaries, pensions and expenses)</b>	109,260	106,888	Four student officers represented students through the year as student representatives and acted as trustees of the students' union. The officers attended many university meetings and were instrumental in the development and delivery of student campaigns and activities noted below. The lower costs reflect the fact that one officer opted out of the organisation's pension scheme.
<b>Advice and representation staffing costs</b>	171,132	162,127	Throughout the year, the union had four full time staff working across advice and representation including a Head of Student Representation. These staff worked closely in managing the union's representative processes, its advice service, supporting student officers and the union's course rep scheme as evidenced below in terms of the activity costs. They attended university meetings.

<p><b>Activity costs</b></p>	<p>71,110</p>	<p>79,617</p>	<p>£8.3k was spent on welfare and campaigns, £21k on engaging students as part of the union’s course rep system and its part time student leadership, £5k on student research, £3k for the union’s annual elections and £38k for the union’s membership to NUS</p> <ul style="list-style-type: none"> <li>● Student elections took place with over 3,000 individual voters taking part</li> <li>● 22 student volunteers were elected to take part in the union’s leadership</li> <li>● A 3-day student engagement and leadership programme (BOOST) was run for 103 students</li> <li>● A newly refurbished advice centre was opened: providing advice and support students</li> <li>● At least 440 students were supported through a formal advisor including             <ul style="list-style-type: none"> <li>○ Academic Appeal 157</li> <li>○ Academic Complaint 20</li> <li>○ Academic Extenuating Circumstances 79</li> <li>○ Academic Fitness to Practice 17</li> <li>○ Academic Fitness to Study 1</li> <li>○ Academic General 36</li> <li>○ Academic Misconduct 49</li> <li>○ Academic Placement 10</li> <li>○ Complaint (non-academic) 27</li> <li>○ Complaint</li> </ul> </li> </ul>
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			<ul style="list-style-type: none"> <li>(Placement) 4</li> <li>○ Disciplinary (non-academic) 9</li> <li>○ Employment 1</li> <li>○ Finance - Student Finance 5</li> <li>○ Finance - Tuition Fees 21</li> <li>○ Housing 2</li> <li>○ Immigration - Student Visa 1</li> <li>○ OIA 1</li> <li>● A successful student halls campaign around substance use took place.</li> <li>● LGBT+ training for staff across all levels of the institution</li> <li>● Successful period poverty campaign</li> <li>● We held successful schools championship event</li> <li>● Successful LGBT history month campaign</li> <li>● A money management campaign was ran</li> <li>● Significant Black History Month campaign delivered</li> </ul>
<p><b>Student Activities</b>  Student activities (including sports clubs and societies, student events, fundraising and engagement) accounted for 17% of the organisation’s expenditure (£162,518). 50% of this was staffing (£81,209) and 50% activity costs (£81,309). This was against a budget of £205,452, with £107,321 set aside for staffing and £81,209 for front-line activities.</p>			
<b>Student Activities staffing</b>	107,321	81,209	Throughout the year the union had three staff in its activities team
<b>Student activities (clubs, societies and events)</b>	98,131	81,309	<p>£63,314 was held in trust for sports clubs and societies as grants, £19k was spent on the organisation’s Student Awards, £20k on its freshers and welcome events</p> <ul style="list-style-type: none"> <li>● Ran over 100 welcome week/ freshers activities as</li> </ul>

			<p>part of the union’s most ambitious freshers calendar</p> <ul style="list-style-type: none"> <li>● First year that the union took on student led sports with no additional funding as previously been delivered by the academy of sports</li> <li>● Oversaw the creation of four new student-led clubs</li> <li>● Developed a programme which saw LGBT+ and sports leaders attending Lambeth College for the day, to share their experiences being part of sports and what it means for the LGBT community.</li> <li>● Finished higher than ever before on the BUCS league table</li> <li>● Occupational therapy society ran their sector leading conference</li> <li>● Re-establishment of the Afro Caribbean Society following two and half years of inactivity with a significantly higher membership than other societies</li> <li>● Race and student participation survey, initiated by a student</li> <li>● First ever annual students’ union awards</li> <li>● Racial equality training and awareness work undertaken by elected officer</li> <li>● Largest varsity sports competition against Middlesex with 11</li> </ul>
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			<p>competing teams alongside the academy of sport</p> <ul style="list-style-type: none"> <li>● Netball 1st won their league promotion for the team</li> <li>● Rugby men’s 1st won the South East Cup</li> <li>● Enabled trampolining club to compete in southern universities trampolining league, as well as competing nationally at ISTO in Ireland</li> <li>● LSBSU officer elected onto the NUS sustainability committee</li> <li>● Students won awards at the RFU national volunteer awards, as well as a local Kent/London awards dinner</li> <li>● Cheerleading competed for the first time and won their category</li> <li>● Student volunteering and RAG was supported with over £21K raised by our students for RAG related activities</li> <li>● Two successful fashion shows were run for students by students, using students for all key roles</li> <li>● Students took volunteer opportunities abroad including the Kilimanjaro climb</li> <li>● ‘3 Peaks Challenge’ completed and supported by elected officer</li> </ul>
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**Student Communications**  
 Student communications (including marketing, sales, NUS Extra cards) accounted for 20% of the organisation’s student-facing expenditure (£190,452). 73% of this was staffing (£139,452) and 27% activity costs (£51,000). This was against a budget of £233,410, with £138,278 set aside for staffing and £95,132 for front-line activities.

<b>Communications and marketing staffing</b>	138,278	139,452	The union’s communications team had four full time staff including an events manager and a full-time Head of department
<b>Communications</b>	95,132	51,000	£15k was spent on purchases of stock for the shop, £10k on website development and software as well as an investment in the NUS Card campaign for students. The team also distributed a ‘5 things campaign’ that the union had achieved for students and £1,000 was spent on supporting NSS activity

**Core Costs**

Alongside student-facing expenditure, an additional £263,959 (27%) was spent on central staffing (48% such as senior and financial management staff), and core costs (48% including insurance, historic SUSS pension contribution and liability, irrecoverable VAT, audit fees, depreciation, staff welfare, training and development, bad debt provision, recruitment, licenses and subscriptions, professional fees and casual staff). An additional £225,619 is recorded as both an income and cost to the union (cost neutral), as part of the union’s full accounts which accounts for the use of the physical space in the Student Centre.

## 2019-2020 Projection

### Summary

In the union’s current and ongoing operational year, we understand it is budgeted to receive £1,005,528 of income from the institution, £945,000 of which is provided by its subvention grant alongside £60,528 of funds related to the provision and delivery of resources and services related to Lambeth College. The union set an operating budget on the basis of a budgeted expenditure of £1,129,712 for the year, with its Trustees planning on meeting the deficit through the use of the organisation’s reserves.

As has been stated, the union has seen an unprecedented challenge to its operating circumstances both in terms of the departure of its senior team and entering turnaround, as well as the COVID-19 pandemic. As such, the figures for 2019-2020 are currently being projected based on a number of key priorities and assumptions, but the union is currently projected to spend £1,033,883 by year end. 58% of this total is expected to cover staffing and salary costs (£583,375) across the organisation - with an increased budget line for organisational development and turnaround costs.

The projected amounts break down based on the following analysis:

	<b>Budget (£)</b>	<b>Actual (£)</b>	<b>Commentary</b>
<b>Student Representation</b>			
Student representation (including sabbatical officers salaries, advice and representation staffing and activity costs) is expected to account for 25% of the organisation’s expenditure (£257,414). 85% of this is for staffing (£257,414) and 15% activity costs (£44,766). This is against a budget of £351,502, with £280,392 set aside for staffing and £79,617 for front-line activities.			
<b>Sabbatical Officers, (including salaries, pensions and expenses)</b>	104,888	78,004	Four full time officers were supported but unfortunately one officer resigned, one also opted out of the union’s pension scheme. Officers led the decision to enter the turnaround process. They have invested significant time in this alongside student-facing activities and campaigns and continuing to attend university meetings.
<b>Advice and representation staffing costs</b>	196,540	179,410	The union’s staffing in advice and representation was made of a Student Voice manager, advice manager and a full-time casework advisor. A Head of Student Engagement was also allocated in this budget line but left the organisation in August. Their severance and pay is allocated here.

<p><b>Activity costs</b></p>	<p>95,789</p>	<p>44,766</p>	<p>Costs have remained relatively in line with 2028/19 but there has been a reduction in campaign spending. £3k was spent for the union’s annual elections and £36k for the union’s membership of NUS.</p> <ul style="list-style-type: none"> <li>● The advice service supported 712 students through individual casework including across: <ul style="list-style-type: none"> <li>○ Academic Appeal 145</li> <li>○ Academic Complaint 52</li> <li>○ Academic Extenuating Circumstances 269</li> <li>○ Academic Fitness to Practice 39</li> <li>○ Academic Fitness to Study 4</li> <li>○ Academic General 20</li> <li>○ Academic Interruption and Withdrawal 1</li> <li>○ Academic Maternity 1</li> <li>○ Academic Misconduct 49</li> <li>○ Academic Placement 14</li> <li>○ Academic Registry Appeal 4</li> <li>○ Complaint (non-academic) 29</li> <li>○ Complaint (Placement) 3</li> <li>○ Disability Support 1</li> <li>○ Disciplinary (non-academic) 39</li> <li>○ Finance - Student Finance 3</li> <li>○ Finance - Tuition Fees 24</li> <li>○ Immigration - Student Visa 3</li> <li>○ OIA 10</li> <li>○ Other 2</li> </ul> </li> <li>● Some 2,800 students engaged in the annual elections which was extremely high given the organisation’s current operational capacity and is the first time all roles are filled (apart from the nursing students officer), nominations also increased significantly.</li> <li>● Officers have attended and delivered on all university open days throughout the year</li> </ul>
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			<ul style="list-style-type: none"> <li>● Attended and delivered speeches for graduating students at all eight graduation in October.</li> <li>● Graduate lanyards were introduced by President, and were sponsored/supported by the university's NSS task group. This has been ongoing since 18/19 and was extended to postgraduates for 19/20</li> <li>● Trained and regularly communicated with over 600 course reps on a monthly basis, ensuring student voice is represented in all corners of the university including the development of the Student Voice Report</li> <li>● President's campaign on fixing timetabling saw the first ever Outlook/Google calendar integration for timetables at LSBU</li> <li>● Created jobs for students in the students' union</li> <li>● A wellbeing campaign saw wellbeing pods installed in the SLC as a place for students to relax and unwind in between lessons and alleviate exam stress</li> <li>● Student kitchen and microwave campaign was successfully completed for the SLC</li> <li>● Saw the first ever election of a Black Students Officer in nearly four years</li> <li>● Further campaigns have been developed</li> <li>● Student trustees received full industry-standard trustee training for the first time</li> <li>● Various focus groups and surveys including the democracy review survey for students and the student loans company focus group with SFE executives</li> </ul>
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**Student Activities**

Student activities (including sports clubs and societies, student events, fundraising and engagement) are expected to account for 10% of the organisation’s student-facing expenditure (£109,425). 41% of this for staffing (£44,930) and 59% activity costs (£64,495). This is against a budget of £201,281, with £87,126 set aside for staffing and £114,155 for front-line activities.

<b>Student Activities staffing</b>	87,126	44,930	The union’s student activities staffing saw a reduction throughout the year with one manager and one junior administrator leaving the organisation which has accounted for the reduction.
<b>Student activities (clubs, societies and events)</b>	114,155	64,495	<p>Grants were held in trust for sports teams and societies in line with previous years with additional expenditure being spent across welcome and freshers, student events, casual staff staff and the union’s awards programme.</p> <ul style="list-style-type: none"> <li>• The union hosted one of its biggest freshers fair alongside hundreds of student volunteers</li> <li>• Club and society memberships are higher than last year</li> <li>• Seen at least 20 new societies created throughout the year.</li> <li>• Successful LGBT history month campaign and helped raise funds for youth LGBT charity</li> <li>• Relationship with academy of sport far improved,</li> <li>• Delivered a female participation campaign “Yes she can”</li> <li>• Re-kitted all of our sports clubs with Akuma kit, so as to represent the university to the best of our ability</li> <li>• Initiated a sports specific code of conduct, complaints and disciplinary procedure</li> <li>• Occupational therapy society ran their sector leading conference in January</li> <li>• Law society ran a conference, as well as planning a trip to Brussels.</li> <li>• Cheerleading competed, and were planning to compete again in the summer with help from the union.</li> </ul>

			<ul style="list-style-type: none"> <li>● Islamic society fundraiser over £2000 during their fundraising week in October.</li> <li>● £800 raised for men's mental health charity Movember, through individuals as well as union-run events.</li> <li>● Muay Thai club competed for the first time in Birmingham and were hoping to compete twice more at least, for medals, by the end of the year.</li> <li>● Netball created a second team, and hope to have more next year.</li> <li>● Men's football club created a second team, with one competing at weekends for accessibility. Wanting to create more for next year.</li> <li>● ACS society is thriving, held an event on Valentine's Day, and invited multiple other universities to attend. And have run many events series throughout the year with engagement across all demographics of students and staff</li> <li>● Cultural societies have been hosting nights in the bar, "Bollywood" nights throughout the year. The Union was in the final stages of planning the Holli event before Covid-19 lockdown commenced</li> <li>● Our weekly events programme is getting more and more popular; pub quiz and union after dark overreaching capacity.</li> <li>● Sports tour was planned for the first time in 5 years and a second tour for June was being looked at pre-COVID19</li> <li>● Union awards were planned to be delivered as a huge celebration of student achievement throughout the academic year - this has now shifted to a virtual event.</li> </ul>
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**Student Communications**

Student communications (including marketing, sales, NUS Extra cards) are expected to make up 20% of the organisation’s student-facing expenditure (£113,332). 89% of this is expected to account for staffing (£100,600) and 11% for activity costs (£12,732). This is against the planned budget of £203,385, where £171,835 is set aside for staffing and £31,550 for front-line activities.

<b>Communications and marketing staffing</b>	171,835	100,600	There was a major reduction in staffing for communications including the Head of department.
<b>Communications costs</b>	31,550	12,732	Shop purchases and stock were paused but continued development of the union’s website continued. £1,500 was spent on supporting the NSS campaign and further resource was allocated to the union’s elections.

**COVID19**

A number of planned activities within the budget have been paused or cancelled due to the COVID-19 pandemic. Further information is provided below in the additional commentary but the union has worked to ensure its essential services have not been disrupted, with representation work continuing and advice provision unchanged. Namely the union has:

- Ensured provision of online advice and support services.
- Continued to run student forums online and launched regular short surveys to ask what students feel they would need more help and support with.
- Designed new student communications to go out to all students, with contact, advice and information both from the institution, government and union activities.
- Crafted a series of events to engage and still deliver to students. Five days of event programming will run until June each week and will be receptive to student feedback,
- Ensured officers are working with the institution to best represent student views and what the need and demand from the LSBU student body is during this crisis,
- Developed training for incoming sports and society leaders online and will be preparing students for the sabbatical and volunteer roles that they have taken up for 2020/2021 through a clear and articulated induction and development plan.
- Continued to engage with the National Union of students activities and campaigns to ensure continuity of national support for students
- President worked on a student loans campaign and successfully secured a parliamentary meeting with agreed actions on student funding reform
- Continued to work on its organisational turnaround and to develop a full new organisational strategy ready for 2020-2021.

**Core and Extraordinary Costs**

Alongside the student-facing expenditure projected above, an additional £508,936 (49%) is expected to be spent on central staffing which further breaks down as:

- 35% (£180,421) which is related to salary and fees of central staff including the former senior and financial management team. This includes £20,000 of severance pay issued to the senior team in exit agreements and £3,000 which was issued to officers as a bonus for their additional work during this time,
- 24% (£123,195) related to core costs such as insurance, historic SUSS pension contribution and liability, irrecoverable VAT, audit fees, depreciation, staff welfare, training and development, bad debt provision, recruitment, licenses and subscriptions, professional fees and casual staff), and;
- 40% (£205,319) related to the organisation's development and extraordinary turnaround costs including the initial review that was conducted into the union by Jan Sower, HR support and advice delivered by Alan Westover and the costs associated with the turnaround team and interim head of finance. Provision is also included for increased restructure and recruitment costs going forwards as well as a budget for use in relation to the organisation's planned incorporation.

**Additional commentary**

As part of this, we recognise that the union's financial affairs throughout 2019-2020 have not been structured or planned as they should be and we have flagged a number of historic organisational failures related to strategic planning and financial management. Across both years, it can be observed that budgets are often consistently under or over spending and this has not been taken into account within the setting and phasing of budgets so not seem to be set with clear performance metrics or within the context of a wider organisational strategy. The strategy identified to us since working with the union is unsatisfactory at providing a base for a rigorous operational plan and framework.

As a turnaround team we have therefore made a priority in the new strategy ensuring reporting metrics for staffing and activity costs as part of an operational plan.

So too, the organisation is committed to working with the university to develop an enhanced process of financial reporting. The trustees see this as a major priority to ensure greater oversight, confidence and assurance on financial matters and budget setting going forwards. This includes the updating and sharing of records from the institution which may enable us to fully update our archive and reporting arrangements and ensure this is up to date.

In the interests of full transparency, we also understand that the union was funded above its subvention grant to undertake activities with Lambeth College students' union. This funding decision however was not recorded within the organisation's budget and as such funds were not ring-fenced or restricted for this activity. It is our understanding that no work within this project apart from the LGBT in Sport campaign and some ad-hoc advice and discussions has happened.

In regards to COVID-19, all physical student facing activities were suspended in line with the institution and government advice.

The union has been holding budget lines for virtual delivery, including a contingency held as a provision to compensate students who may put in claims for refund of clubs and societies membership fees. We were informed that most student activities and sport events had ceased due to the end of term for exams anyway prior to this, and so would expect some further funds to be released in the budget should these refunds not come to fruition.

During 2019-20 the union also closed its only commercial outlet; the shop.

Ends.