

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">• 2018/19 accounts• Code of Practice compliance• Proposed incorporation (verbal update)	107 - 116	BW

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	CONFIDENTIAL
Paper title:	Students' Union Code of Practice Return
Board/Committee	Finance, Planning and Resources Committee
Date of meeting:	28.04.2020
Author:	Ben Whittaker, SU Interim Turnaround Director
Sponsor:	Nicole Louis, Chief Customer Officer
Purpose:	To respond to the obligation of the students' union to provide a return of its compliance with its Code of Practice with the institution.
Recommendation:	FPR is asked to note the union's 2019/20 Code of Practice return and raise any questions or clarifications.

Executive Summary

The students' union is required to submit a response to the institution each year related to its compliance with the Code of Practice between the union and the university. This was instigated as part of the reforms to the organisation and its relationship with the university in 2012 and our code of practice response is due to the university shortly.

The Code of Practice establishes a clear responsibility on part of the union to comply with its requirements and recognises the university's legal duties under the Education Act 1994 to ensure that the students' union continues to operate in a fair and democratic manner and is accountable for its finances.

This paper covers the period 2019/20.

The paper was considered by Executive in April 2020.

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London South Bank University Students' Union
2019/20 Code of Practice Return

2019/20 Code of Practice Return

Background

The students' union is required to submit a response to the institution each year related to its compliance with the Code of Practice between the union and the university. This was instigated as part of the reforms to the organisation and its relationship with the university in 2012 and our code of practice response is due to the university shortly.

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The following return covers the period 2019/20.

**London South Bank Students' Union
Annual Report on Compliance with Code of Practice (2019/20)**

In line with the student's union's Code of Practice, we are writing to return the following annual report on compliance with the Code for the 2019/20 year.

In line with the Code of Practice, the union has maintained discussions with the university throughout the year including on internal matters related to the organisation's leadership and development. A number of internal changes have taken place since the summer.

Throughout, the students' union has enacted its full duties to inform the university through regular contact with Executive members between the union's president and my interim team which is leading the union during a period of transition.

The students' union established a turnaround board, on which the university is sitting as an observer, to support the union through the current period of turnaround by developing a new strategy and structure for the union going forwards from this summer. We would like to take this opportunity to thank Nicole Louis for undertaking this role and attending meetings and providing advice and guidance during this time to the officers and my transition team. The commitment of the university to the successful future development of the students' union is invaluable and we are particularly thankful to be able to continually update the institution on the development and progress of this work and the impact it will have for students in the coming year.

The students' union acknowledges that it has a duty to comply with the Code of Practice and is submitting this return as evidence of our commitment to this and our relationship with the institution. Where information is not available due to the above circumstances, we are working to rectify this and enable us to provide full information to the university as soon as this is available internally. We are also creating an internal action plan related to this and the Code of Practice is highlighted as part of a new risk register that has been developed. This has been shared with the institution. The Code of Practice is also presented alongside audited accounts for the 18/19 financial year and an analysis of its financials attached as an appendix.

We look forward to continuing to build a powerful and effective relationship with the institution over the next few months and into the 2020/21 academic year.

Ben Whittaker
Interim Turnaround Director

Code of Practice Return 2019/20

1. Constitution

The students' union continues to operate as an unincorporated association independent of the structure of the institution. The union has its own written Constitution which was approved by both the Board of Governors of the University, students and the trustee board. This will remain the case for the rest of the 2019/20 academic year however the students' union has also informed the institution of its wish to incorporate within the next academic year. Incorporation is a step most students' unions in the country have taken to protect themselves, and the institution, from unnecessary risk - particularly related to increasing risk related to the union's historic SUSS pension liability. Further papers have been submitted to the institution to consider these changes in line with the requirements of the university and students' union related to this code of practice however the institution has requested further conversations and clarifications related to this and so the union is planning to incorporate now over the summer of 2021 as opposed to this year.

We are currently not aware of the date that the union's constitution was last reviewed as the union does not have a formal record of this, however a full review is being done as part of establishing an incorporated entity as mentioned above. This includes a new set of governing documents being submitted to the university and the Charity Commission as 'Articles of Association'. A draft of these documents have been shared with the institution.

A full audit process is currently also being undertaken to establish up to date minutes related to the students' unions affairs by its Trustees. Minutes created since the students' union entered into turnaround have been presented to the institution through Nicole Louis.

The students' union also continues to acknowledge its responsibilities to inform the university of serious financial concerns and has enacted this in the summer of 2019 when the university was approached to be part of establishing an internal turnaround programme for the students' union to help it develop a new strategy and structure moving forwards to accelerate its performance. This programme of work is now underway and financial reporting is returning to normal following the departure of its senior management team - with the university informed of these and necessary papers will be submitted to committees as and where required under this code and beyond.

2. Opt-Out

Any enrolled student of the University has a statutory right to opt out of Union membership, and it is our understanding that information on that right on the University intranet is sign-posted in the Enrolment Declaration Form.

We have however had this raised several times by students - particularly during our elections process, where students have opted out by accident as the opt out is currently bundled together with other commercial or marketing opt-outs. We would therefore like to work with the institution to review this wording and placement as part of the enrolment process to ensure that students are fully aware and informed. We would like to work with the institution to redevelop this for 2020-2021 to ensure we are able to support every student who wishes to be part of the students' union and ensure this is a fully informed decision on the part of the student.

3. Union Elections

The student's union continues to operate cross-campus student elections as part of the constitutional regulations for elections to major offices by secret ballot as detailed in its constitution.

Student elections for 2020-2021 were undertaken in line with Regulation D of the union's constitution during the 2019/20 academic year based on the following timetable. The Returning Officer was the National Union of Students after being appointed by the union's Trustee Board.

	Start	End
Nominations Period	6th January	24th February
Campaigning Period	3rd March	11th March
Question Time	3rd March	3rd March
Voting Period	3rd March	11th March
Results	11th March	11th March

- The elections took place and were signed-off as free and fair by the Returning Officer and a set of officers and volunteers successfully elected for the 2020/21 year.
- The union maintained over 90% of last year's levels of voting engagement with a total number of 27500 votes cast by 2848 voters - with candidates also up on last year.
- Candidates were elected for 19 roles, including the full-time officer team for 2020-21:
 - President - 5 candidates - Hattie Tollerson
 - Vice President of Education - Rabbi (Md Fazle Rabbi)
 - Vice President of Welfare and Equalities - Jannatul Ferdous
 - Vice President of Activities and Employability - Joel Langston

4. Conduct of Union Elections

The students' union provided up to date and information and response regarding the elections to Nicole Louis on behalf of the University executive.

The Union’s elections were monitored by the appointed Returning officer.

LSBU’s Board of Governors will also receive the report of the returning officer confirming that the elections of the Union’s Sabbatical Officers and Student Trustees were fairly and properly conducted before the end of the academic year.

5. Terms of Office

There remains a constitutional provision for no person to hold office for more than two years in total as part of the union’s elected leadership team. In 2019-20 we can confirm that no Union Sabbatical Officer had held office for more than two years in total.

Role	Individual	Date Appointed	Previous Positions held	Total years in Office
President	Nelly Kibirige	01/07/18 & 01/07/19	President	1 years 9 months
Vice President, Education	Sajjad Hossain	01/07/18 & 01/07/19	VP Education	1 years 9 months
Vice President, Welfare and Equalities	Isata Black Kamara	01/7/19 - <i>Resigned</i>		2 Months
Vice President, Activities & Employability	Hattie Tollerson	01/7/19		9 months

6. Union Finances

The Union’s management of its budgeting and expenditure is currently being monitored on behalf of the Board by the University executive through the turnaround board which has been established - and we would seek to continue this once the full Trustee Board returns to operational functionality for the next academic year. Regular check-ins and updates are being provided to the institution and we are restoring monthly reports on its income and expenditure against the allocated budget going to the institution for information. A six monthly financial report has been provided to the institution through Nicole Louis but a further copy will be provided to the Executive and necessary boards after consultation with Nicole Louis. This analysis is provided in an appendix to this return. Annual Accounts for the 2018/19 year have also been provided although are still required to be ratified by the union through an Annual General Meeting.

7. Financial Reports

The union's annual accounts are audited by Knox Cropper LLP and provided to the institution in accordance with this Code. The auditors have recently completed a clean sign-off of the union's 2018/19 accounts which will be provided to the institution.

“Opinion

We have audited the financial statements of London South Bank University Students' Union For the year ended 31 July 2018 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2018 and of its income and expenditure, for the year then ended;*
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and*
- have been prepared in accordance with the requirements of the Charities Act 2011.*

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.”

The audited accounts for 2018/19 were approved by its trustees on 09/03/2020 and the full annual accounts include a list and details of donations and affiliations made by the Union to external organisations during the year.

The students' union AGM, planned for March, was postponed due to final accounts not being fully available to be given to the student body for approval, but alternative arrangements will be developed. We would like to however highlight the current COVID19 crisis which has suspended all physical activity and note that the union's constitution makes virtual meetings of its governance structures very complex and difficult. We will provide full details however to the University Executive through Nicole Louis.

8. Allocation of Union Resources to groups or clubs

We recognise the Code requires the University Executive to monitor fair application by the Union of constitutional procedures for allocation of Union resources to groups or clubs. However the union's previous methodology does not enable us to provide a full report to the university regarding these grants and provisions by the way they are calculated. We estimate that this is around £50,000.

We are currently seeking to redevelop this as part of our 2020-21 budget proposal and have provided additional information related to activity costs in the appendix.

9. Notice of Decision to Affiliate

The student's union did not affiliate with any new external organisations this year to the best of our knowledge.

10. Report on Affiliations

The union's affiliations are detailed in its annual accounts.

The Union is currently affiliated to the National Union of Students (NUS), for which the total subscription costs amounted to £36,000 (2018: £35,789) for the year, and no donations were made during the year to any external institutions out of the union's own resources.

11. Review of Affiliations

Union members receive a yearly report into affiliations at the annual general meeting. For 2019/20 as above, the best way of completing this in line with its constitutional duties, is currently being reviewed given the COVID19 situation.

12. Complaints Procedure

We recognise that the University executive has a responsibility to monitor both:

- (1) summary reports on all complaints pursued by means of the constitutional complaints procedure, including those from students who allege unfair disadvantage after opting out of membership
- (2) each individual case report by the statutory independent investigator of complaints appointed by the Board.

We do not currently have any details of complaints handled during the 2019/20 so far apart from those undertaken through the elections process of which a full report will be provided to the institution. We are quickly working to reestablish this in line with our duties and have added this to the organisation's risk register as a major priority. All complaints received since will be properly managed by the union's team or by an external party where required.