

## MINUTES

Trustee  
Board

Hendon Campus- Williams Building WG17  
Thursday 25<sup>th</sup> April 2013  
15:00-16:30

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## TRUSTEE BOARD

**In attendance:** Shreya Paudel (Chair), Michelle D'Souza, Santhosh Rengan, Preeti Sogani, Phil Pilkington, Jenny Compton-Bishop, Kat Stark (non voting), Ed Marsh-Rowbotham (non voting), Peter Greany (non voting- present for finance items) and Adam Ali (Clerk).

### 1. Minutes of the last Board Meeting

Minutes of the last Board Meeting were deemed to be true and accurate.

### 2. Matters Arising

#### 2.1. Finance

Year to date management accounts was covered in agenda item 5, re-forecasted budget was covered in agenda item 3, and tender process in the financial regulations was covered in agenda item 6.

#### 2.2. No Platform Policy

SP reported that Joshua Castellino, Dean of the Law School at Middlesex was selected as the external member of the No Platform Implementation Taskforce. He along with SP and JC will be meeting on Monday 29<sup>th</sup> April for their first meeting.

#### 2.3. Risk register

KS gave a verbal update, no significant changes since the last Board Meeting though after this meeting, risks will be reduced significantly.

#### 2.4. Full Time Director Recruitment

SP, SR, PS and MD confirmed they met with the MUSU staff team to inform them about the Full Time Director recruitment.

#### 2.5. Elections

KS updated the Board on MUSU's election results and noted that Haris Jang, Shreya Paudel and Santhosh Rengan were all elected to be Student Trustees for 2013-2014 starting from 01/07/13.

### 3. Budget 2013/2014

KS provided The Board with a re-forecasted budget process for 2013-2014. SP asked The Board if they had any questions.

- ☐ It was explained MUSU would be bidding for £100,000.00 more this year, and process happens through the Deputy Vice Chancellor Marketing and Recruitment, Katie Belle. She will then feed this into the Executive who will feed this into the Board of Governors where a final decision will be made.
- ☐ The Board approved the paper.

#### 4. Pensions deficit

KS introduced Finance Director and Partner of Counter Culture, Peter Greany. He talked on the items of pension deficit, management's accounts and answered questions on the financial regulations.

- ☐ PG explained MUSU pays close to £50,000.00 a year to help close the national deficit of the SUSS scheme. This is updated every year with inflation, usually about a 3.2% increase.
- ☐ Assets and liabilities are revaluated every 3 years which will happen in October 2013.
- ☐ Any increase with inflation will be dealt with by extending the recovery period. Unions are scheduled to pay for almost 20 years to reduce the liability. In terms of accounting, it isn't recognised on the balance sheet as MUSU isn't required to as it is a multi employer scheme.

The Trustees asked when SUSS closed and what the current pension scheme is. PG replied that SUSS closed in October 2011 and as a final salary scheme, it was expensive for participating bodies to cover the deficit. The current pension scheme offered by NUS is NUSPS which MUSU is currently registered to. It is fairly fixed and rigid, however MUSU doesn't currently have any in the scheme

The Trustees asked about the change to auto enrolment however KS said this isn't scheduled to happen for MUSU until 2015-2017. KS expressed that MUSU is quite a young team however as an employer MUSU wants to encourage employees onto the scheme. PP suggested this could be brought forward.

#### *Actions:*

- ☐ *New Director to look at earlier auto enrolment transition.*

#### 5. Management Accounts

KS presented the management accounts from month 8 (February). Noted this is the first set of management accounts The Board has seen although they are from month 8 as data is still being transferring from the old to new financial system. PG highlighted appendix B is the final budget which The Trustees approved involving reserves. It is split across 12 months of the year however there is only 8 months worth of the annual budget. Figures are broadly in line with the budget. The £46,000.00 deficit has been profiled in agenda item 4. Accounts will be distributed in this format for managers along with some detailed narrative going forward.

The SUSS deficit is not showing and there is a £5,000.00 provision by his predecessor, there is a difference between what we pay and what we can afford, this is due to the schedule of making payments to SUSS changing and to not benefit with the bottom line surplus, an adjustment was made to the balance sheet to even out the impact.

The other items refer to the staff vacancies which relate to the savings in staff costs. NUS Extra card sales is £10,000.00 which is why this doesn't appear. This was planned to be £25,000.00 and £25,000.00 for marketing sponsorship, this will be looked into. This failing was also encouraged by the lack of staff at Freshers just after the restructure and do not expect in total to get to £50,000.00 this year.

PP asked what the depreciation costs were for. PG said there are 2 items, depreciation and asset charges. Depreciation is for media and office equipment. The Board noted that we are three quarters through the year now and we have percentage variants which is really good. These accounts tentatively give The Board confidence after travelling blind for three quarters of the year. The Board questioned what the variances and whether they pertained to recruitment. KS said these are attributed to the Resources Manager saving.

PP asked about variance with the block grant and of these were debtors. KS responded saying that payroll is subtracted.

**Actions:**

- ☐ *KS and PG to investigate payroll and where additional £21,000.00 restructure costs are.*

## **6. Financial Regulations**

PG said the impetus for updating the regulations was to enable us to respond to the internal audit report. There are a few new sections arising from the response to some of the recommendations the auditors made including: budget setting processes, management accounts process, general updates and to bring in some areas of good practice from other organisations.

The Board looked at dining and entertainment. SP asked about the allowance and why the figure is shown as £8.50 and how is this conclusion arrived at. KS replied that finance is impenetrable but it can be traced back to real life, such as a lunch or snack. PG's experience with Counter Culture looking at a number of regulations from different organisations gives him the experience to set a reasonable amount. PG said The Board can approve this and come back to it any time. The Board felt that a full review in 3 years would be a good time frame.

**Actions:**

- ☐ *The Board will review the financial regulations fully next in 2015.*

## **7. Ratification of governance documents**

EM presented the governance documents including the final draft of the constitution and confirmed that there are no substantive changes in the constitution and bye-laws and they have been professionally proof read. The constitution was passed and ratified by the membership and if the Board approve the documents, the new governance structures and constitution will now go ahead and to the Board of Governors in May for approval.

Next month SP and EM will present the new governance structures and documents to University Executive. An interim set of bye-laws was approved at the last Board meeting to hold the elections. The Board formally approved the final draft of bye-laws and constitution.

## **8. Discussion for The Board on how to remove a Trustee**

SP started the discussion by asking what would warrant this, there will need to be a detailed process. EM said that the process in the constitution is fair although it is the Officer Trustee removal which is more complicated and a more serious issue.

Previously, this was a political process, however now with employment and charitable processes, officers are Trustees. The distinction being if an officer is working in a way to be financial and at risk for the

organisation, they would be accountable as a Trustee. If however it was felt by the membership that an officer isn't fulfilling their democratic mandate, this would be dealt with through the previous Student Representative Council and Executive Meeting. However there is a situation that arises when The Board is empowered to be on democratic issues. PP said this is an issue confronting many Student Unions at the moment.

The Board felt if they received a complaint, they should investigate it however they should also have sensitivity to the fact the complaint may have a political edge to it. SP, felt there should be an element of democratic intervention as well. JC pointed out depending on the complaint the officer should have the chance to improve, however, there needs to be some democratic procedure for students to complain about.

NUS were cited to be doing research on this topic, and the officer Trustees have separate legal rights and responsibilities. Another issue is about having a fair and proper process primarily, the concern about being properly treated as a Trustee and an employee. SP reserved that Officer Trustees become so after they are elected from a democratic process which cannot be isolated.

KS clarified officers are trustees by the constitution, and the removal of an officer trustee's 'Trustee' status is more straightforward. For example an officer can come into work, but is not a trustee. If there is a political reason, on an employment and a trustee point of view, this is a grey area. An employer can sever the contract with no notice legally but how does the rest fit in.

PP said Trustees should adopt policy, that The Board would accept the views of the students and remove them from The Board if they were no confidence. The removal of Trustee status is as for any trustee, a majority resolution around the table. In terms of removal from office, officers can be removed by a vote of no confidence by The Executive Committee would be a two thirds majority vote. KS asked if The Board wanted EM to draft a suggestion and The Board can form a resolution which will be of guidance for the future.

*Actions:*

☐ *EM to look into following the Board's comments, the process of how to remove a Trustee.*

## **9. Elections update**

KS gave a verbal update on the results, the Returning Officer has signed the results off as free and fair.

## **10. AOB**

SP brought up that The Board should consider whether to end the Turnaround Board. The Trustees felt that this decision should be revisited after the recruitment of the Director.

PP asked about incorporation and whether this would be a task for the new Director to investigate. MUSU forming as a company limited by guarantee and at the moment, Trustees have limited liability as individuals. KS confirmed that the charity can be registered as MUSU Limited and a lot of charities are limited companies which restricts liability.

*Actions:*

☐ *New Director to look at incorporation.*

The Board also mentioned that there are finance and employment responsibility for health and safety, for societies and employees. They decided there should be an item on the agenda for health

and safety at some point in the year with the new Director. KS mentioned as a result of reviewing the risk register with staff, a suggestion that came out was to set up an internal health and safety committee which reports quarterly or every 6 months.

*Actions:*

☐ *New Director to review health and safety and present to The Board next academic year.*