

NUS UK Estimates 2020/21

Purpose of this document

This document reports on the proposed areas of expenditure for NUS UK in 2020/21. The Estimates is a financial policy document that guides spending throughout the year. The board and an NUS UK Members Meeting agree the total envelope available and they have outlined how much money should be spent in each area of NUS.

Once these amounts have been set, NUS UK Conference (referred to as National Conference) has responsibility for directing where and how much NUS UK allocates for its various activities.

Extract from the NUS UK Articles:

14. UK Conference

Role and powers

[...]

14.2 The UK Conference shall be responsible for the following

[...]

14.2.2 Directing spending within the Student Voice budget

[You can Read the NUS UK Articles here](#)

Therefore at the conference the estimates, as passed by a members meeting, will be presented to the conference for approval by the President. In advance of the conference members will be able to put in proposals to change levels of expenditure in NUS UK. This is what is called a **change proposal** to the estimates. Any such change proposal must balance i.e. a proposal to increase expenditure in one area must have a corresponding decrease in another area.

There is a specified deadline to submit this which is 25 February 2020. The President will then respond to all proposals to change expenditure levels. This will be published for review at the Conference and Members Meeting. At the conference, if 100 delegates wish to hear a discussion about changing the estimates this can be discussed and debated. If conference passes a change to expenditure this will be referred back to the NUS UK board. Ultimately it is the Board's duty to ensure legal compliance and solvency of NUS UK and they will need to consider this when reviewing proposals from conference.

What you need to do

Read through the Estimates proposed for 2020/21.

If you wish to make proposals about changing any of the allocations in the Estimates you need to follow the procedure outlined above.

In your proposals you need to fill in the proforma identifying:

- Which heading you want more money to go to
- Which heading you want this money to come from
- And the amount of money that you believe should be reallocated.

At National Conference: Delegates will be asked to vote on each change of spending proposal received following a short debate. These proposals will amend the Estimates. Then, conference will be invited to approve the Estimates by voting on it. If you do not agree with what is in the report, you should vote against.

Questions on the Estimates should be directed to democracy@nus.org.uk

Change proposals to the Estimates must be sent via the [online form](#) (faxes or post cannot be accepted) **by 11 March 2020 12 noon.**

Introduction

The 2020/21 Estimates have been constructed to reflect the revised structure of NUS UK after the reforms agreed at the last National Conference have been implemented. These reforms will take effect formally on 1 July 2020.

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 NUS UK to meet its core purpose priorities for the year ahead. Following National Conference more detailed internal budgets are prepared by the NUS UK Board to ensure ongoing and robust monitoring of the effective use of these resources. Regular updates on progress against these budgets are then presented to the NUS UK Board throughout the year. Reports to members will be provided by the board.

It should be noted that this document represents the estimated income and expenditure only for NUS UK. The financial information for NUS Students' Union Charitable Services is outside of the remit of National Conference and is handled within its own governance structure.

The Financial Context

During 2018, NUS Group identified significant new risks to its traditional income streams across the organisation; we rely upon these to fund our campaigns and charity work. A company's reserves are there to help in such situations, but we didn't have enough reserves to cover the shortfalls we were facing. As a result, it was confirmed that without some immediate actions and decisions we were facing insolvency in April 2019, meaning NUS would have to close.

Some very difficult decisions were taken, along with detailed consultation on the future, which resulted in the reforms that National Conference agreed in 2019. This initial period of Turnaround, known as Turnaround (Getting to Safety) included redundancies and a significant reduction in costs. At the end of this period staffing across the group had been halved, compared to the previous year, and turnover had reduced to £13m compared to £22m in 2017/18.

As part of reform it was agreed that the affiliation fees, which historically were a 4% levy on block grant funding, should be reduced to just 2% for NUS UK (with an additional 0.5% to fund the charity). This new fee structure will take effect on 1 July 2020 and therefore the income into NUS UK will reduce significantly from prior years, requiring further cost savings being identified and made before this date. The Transition Board has therefore undertaken an extensive cost assessment exercise during 2019 and a new structure for NUS' two new entities was proposed in November 2019. Consultation with NUS UK staff affected was opened in January 2020 and subject to conclusion of this consultation at the end of March, the new staffing structure for NUS UK will take effect on 1 May 2020. 1 July 2020 marks the date that NUS UK will operate as a newly reformed organisation, operating within its new financial envelope, with a renewed purpose, new staffing structure and three year plan, building reserves to replenish those spent during the Turnaround years – Getting to Safety (2018/19), Transition Year (2019/20) and Reformed NUS (2020/21).

The Financial Policy

These estimates reflect the direction set by the board to achieve a surplus in excess of £175k in 2020/21, to maintain solvency and begin replenishing reserves. NUS UK must deliver this amount in year to meet its legal responsibilities, its group contribution and stabilise its operations. The board took extensive advice from Bates Wells, KPMG, Crowe and Counter Culture before setting this policy.

This year's budget and forecast

Last year Conference approved Estimates showing a surplus position of £200k for 2019/20. This was due to the work required to both continue as a campaigning organisation and also to implement the reforms. It was stated that this didn't go far enough to ensure that NUS UK had enough cash to remain solvent and indeed, during the year, NUS UK did have to borrow money from other entities in the group. As the reform works are completed, we expect these monies will be paid back. The NUS UK board agreed a detailed budget with this same surplus in June 2019. This year's Estimates are compared against the board approved budget for 2019/20 in the narrative that follows.

For the year ahead (2020/21) these Estimates forecast a surplus position. We need to ensure financial stability for both NUS UK and the entire group as we go into reform. The surplus is in line with the financial policy set by the board.

There are two key assumptions within these Estimates:

- 1) The organisation design agreed as part of the reforms takes place as set out and agreed by the board in November 2019.
- 2) The calculation of income from the membership contribution is based on the block grant figures used for the 2019/20 income.

Income 2020/21

- **Membership contribution / Affiliation fees** - Income from members is calculated as a levy of 2.0% of block grant income, with a minimum fee of £200 and a maximum of £30,000. Utilising the block grant figures used to calculate the fee for 2019/20 this estimates that income will be c£2.0m.

| Area | Estimated Income |
|--------------|------------------|
| England | 1,688 |
| Scotland | 172 |
| Wales | 109 |
| NUS-USI | 59 |
| Total | 2,028 |

NOTE: Affiliation fees collected within the Nations are included in the nations' sections as income.

- **Other Income** - Includes investment income from Endsleigh, which is the dividend from the preference shares that NUS holds in the company, and sponsorship income from Endsleigh.

England and National Campaigns

- **Full Time Officers** – Includes the employment costs of the President and all the other non-Nations full-time officers. The employment costs of the Nations officers are included within the nations' section.
- **Campaign Budgets** – The activity of the non-Nations full-time officers have been split equally across their different campaigns. The campaigning funds for the Nations officers are included within the nations' section.
- **Priority Campaign** - This area funds the campaigning priorities controlled by the President. This also includes the **Local Campaigning Capacity** to drive campaigning effectiveness.

- **General Election** – An allocation is set annually to enable campaigning work for a general election. Given the number of general elections we have had in recent years, and the continuing risk of volatility with the implementation of Brexit, this remains in the estimates.
- **Induction & Training** – There will be a need to retrain and induct all full-time officers from July 2020 as all will hold seats on the board and systems, processes and responsibilities will change. These officers will all require a detailed induction, suitable media training, etc to ensure they can be effective over their 2 year term.

President's Office

The team that will support the President and non-nations Vice Presidents are reflected within this section. Most of the costs relate to staffing costs with a small activity cost budget. The total staffing budget provides for contractual allowances along with employers' national insurance and pension costs.

Nations' Offices

This includes the staffing costs of the nations' officers, the teams that will support each of the nations' officers and the activity costs of each nation. The total staffing budget provides for contractual allowances along with employers' national insurance and pension costs. The activity costs include the campaigning costs for each officer, a small activity cost budget and the premises costs for the offices.

Governance

- **National Conference** - A prudent view on costs and income generation opportunities has been taken to keep the overall net spend in this area to £110k.
- **Liberation Conferences** – The budget has been set for any Liberation Conference that takes place to breakeven.
- **Access** - This fund supports students with access needs to participate in democratic events.

Infrastructure

- **Direct Overheads** – this includes irrecoverable VAT and annual auditing.
- **Group Recharges** – this reflects the amount of support that is provided to NUS UK for HR, finance, membership administration, various shared communication systems and IT.
- **SUSS Pension** – NUS UK has to pay its liabilities for a defined benefit pension scheme that was set up in collaboration with a number of other students' unions. This scheme is now closed but NUS is still required to contribute to pay off its allocation of the deficit.

National Conference | Estimates

Layout

The main body of the Estimates details areas of income and expenditure and Conference delegates may propose changes to Conference using the methods detailed within this paper.

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

1. Income

This includes all income in this area and explanations are given in the notes.

2. Wages & Salaries Costs

This covers salaries, pensions and National Insurance and contractual allowances for staff following organisation design, which should be implemented in May 2020, and full-time officers. The costs are contractual and cannot be altered.

3. Activity Costs

These can include:

- Travel, accommodation & subsistence: All travel and accommodation expenses incurred in this cost centre, including transport and incidental expenses for staff, officers and volunteers.
- Property & Equipment Costs: All physical costs including, annual equipment costs, venues, telephony, and rental.
- Communications: Includes publicity, campaign costs, speakers' expenses, photocopying & training material, printing, stationery, postage, subscriptions/publications and software development.
- Admin: Includes bank charges, depreciation, and health and safety costs.

Where income is gathered for specific purposes (e.g. delegate fees) the Estimates contain the **net contribution** figure rather than Estimates for both income and expenditure. This is to ensure clarity and transparency over what is spent or subsidised from unrestricted funds. For example, the Liberation Conference is shown at £0 because we budget for it to break even (where direct income in delegate fees is the same as direct costs related to delivery of that activity).

NUS Estimates 2020/21

*Note items in (brackets) represent cost areas. All figures are in £thousands

| Details | Budget 2019/20 | Estimates 2020/21 | Variations |
|--|-------------------|----------------------|----------------|
| 1. Un-restricted Income | | | |
| Affiliation Fees (excluding Nations) | 3,113 | 1,688 | (1,425) |
| Other Income | 1,292 | 1,292 | 0 |
| Total | 4,405 | 2,980 | (1,425) |
| 2. Zones, Liberation & Sections | | | |
| Full Time Officers | (402) | (138) | 264 |
| FTO Campaigns | (83) | (32) | 51 |
| Priority Campaign | (21) | (10) | 11 |
| General Election | (19) | (20) | (1) |
| Induction & Training | 0 | (10) | (10) |
| Total | (525) | (210) | 315 |
| 3. Campaigning & Influencing | | | |
| President's Office | 0 | (107) | (107) |
| Education Office (HE & FE) | 0 | (126) | (126) |
| Liberation Office | 0 | (86) | (86) |
| Running Costs | 0 | (146) | (146) |
| Policy & Campaigns | (412) | 0 | 412 |
| Total | (412) | (465) | (53) |
| 4. Governance | | | |
| National Conference | (109) | (110) | (1) |
| Liberation Conferences | (20) | 0 | 20 |
| Democracy (incl. NEC) | (15) | 0 | 15 |
| Access | (15) | (5) | 10 |
| Total | (159) | (115) | 44 |
| 5. Infrastructure | | | |
| Running Costs | (173) | (202) | (29) |
| Donation to Charity | (1,442) | 0 | 1,442 |
| Group Recharges | (894) | (807) | 87 |
| SUSS Pension Deficit | (562) | (654) | (92) |
| Total | (3,071) | (1,663) | 1,408 |
| 6. Nations | | | |
| NUS Scotland | (39) | (124) | (85) |
| NUS Wales | 9 | (123) | (132) |
| NUS-USI | (8) | (102) | (94) |
| Total | (38) | (349) | (311) |
| 7. Agreed contribution to reserves | | | |
| NUS UK reserves contribution** | 200 | 175 | (25) |
| Total | 200 | 175 | (25) |
| Surplus | 0 | 3 | 3 |

FTO and FTO campaign budgets in 2019/20 reflect the 10 non-Nations officers. The estimates for 2020/21 reflect the 4 non-Nations officers. Note that in both years these include the president and their costs.

**In order to achieve financial sustainability the board has agreed a 10 year plan to replenish reserves (see page 3 above). The contribution agreed for NUS UK is therefore identified to avoid confusion.

Detailed breakdown

1 | UNRESTRICTED INCOME

Summary of allocation

| Details | Budget 2019/20 | Income | Staffing Costs | Activity Costs | Estimates 2020/21 | Variance |
|--------------------------------------|----------------|--------------|----------------|----------------|-------------------|----------------|
| Affiliation Fees (excluding Nations) | 3,113 | 1,688 | 0 | 0 | 1,688 | (1,425) |
| Other Income | 1,292 | 1,292 | 0 | 0 | 1,292 | 0 |
| Total | 4,405 | 2,980 | 0 | 0 | 2,980 | (1,425) |

Affiliation Fee Income: Income from members is assumed at a reduced level from the 2019/20 budget (£3.8m) due to the reduction in the levy from 4% of block grant to 2.5% (2% paid to NUS UK and 0.5% paid to NUS Charity).

Affiliation fees collected within the nations are included in the nations' section.

The fee for NUS UK is a levy of 2.0% of block grant income, with a minimum fee of £200 and maximum of £30,000. Due to the variability of block grants, this fee cannot be estimated accurately until the block grant figures are known.

Other Income

This includes the following:

- investment income – being preference dividends on the shares Endsleigh granted NUS
- sponsorship income – primarily this is from Endsleigh who continue their invaluable support of the student movement.

2 | FULL TIME OFFICERS

Summary of allocation

| Details | Budget 2019/20 | Income | Staffing Costs | Activity Costs | Estimates 2020/21 | Variance |
|----------------------|----------------|----------|----------------|----------------|-------------------|------------|
| Full Time Officers | (402) | 0 | 0 | 0 | 0 | 402 |
| FTO Campaigns | (83) | 0 | 0 | 0 | 0 | 83 |
| NUS President | 0 | 0 | (34) | (8) | (42) | (42) |
| Higher Education | 0 | 0 | (34) | (8) | (42) | (42) |
| Further Education | 0 | 0 | (34) | (8) | (42) | (42) |
| Liberation | 0 | 0 | (34) | (8) | (42) | (42) |
| Priority Campaign | (21) | 0 | 0 | (10) | (10) | 11 |
| General Election | (19) | 0 | 0 | (20) | (20) | (1) |
| Induction & Training | 0 | 0 | 0 | (10) | (10) | (10) |
| Total | (525) | 0 | (138) | (72) | (210) | 315 |

In this section you will find costs relating to the activities of the full-time officers. A detailed explanation of what each area covers is given below each subsection.

Full-Time Officers: This area includes the salary and associated payroll costs of 4 paid full-time officers (excluding Nations' officers).

FTO Campaigns: The activity costs for the elected full-time officers are allocated here. This area does not include the cost of staffing support which is included in Campaigning and Influencing Units in Section 3, nor the campaigning costs of officers in the nations.

Priority Campaign: This area funds campaigning priorities, and is controlled by the President. This area does not include the cost of staffing support which is included in Campaigning and Influencing Units in Section 3.

General Election: An allocation of £20k has been included in the event of a general election. If there is no general election this allocation will be carried forward to the next year but will not be available to be distributed elsewhere in year.

Induction & Training: There will be a need to retrain and induct all full-time officers (including nations) from July 2020 as all will hold seats on the board and systems, processes and responsibilities will change. These officers will all require a detailed induction, suitable media training, etc. to ensure they can be effective over their 2 year term. As all officers receive the same training, nation officer trained costs are included here.

3 | CAMPAIGNING & INFLUENCING

Summary of allocation

| Details | Budget 2019/20 | Income | Staffing Costs | Activity Costs | Estimates 2020/21 | Variance |
|----------------------------|----------------|----------|----------------|----------------|-------------------|-------------|
| President's Office | 0 | 0 | (107) | 0 | (107) | (107) |
| Education Office (HE & FE) | 0 | 0 | (126) | 0 | (126) | (126) |
| Liberation Office | 0 | 0 | (86) | 0 | (86) | (86) |
| Running Costs | 0 | 0 | (94) | (52) | (146) | (146) |
| Policy & Campaigns | (412) | 0 | 0 | 0 | 0 | 412 |
| Total | (412) | 0 | (413) | (52) | (465) | (53) |

This area includes all the central units that develop and deliver the campaigning and influencing activity determined by Conference. This area is different to the policy and campaigns unit detailed in the budget for 2019/20 due to Reform and the "wrap-around" support being put in place for the full-time officers under the new organisation design.

There are two areas that now provide wrap-around support for the different non-nation full-time officers:

1. the president's and education office, and
2. the liberation office.

Each of these areas house staff to support each area in activities including campaigning, communications and influencing.

Running Costs: This area houses the support for special projects and general running costs for the "England Office" (as opposed to the Nations' offices).

4 | GOVERNANCE

Summary of allocation

| Details | Budget 2019/20 | Income | Staffing Costs | Activity Costs | Estimates 2020/21 | Variance |
|------------------------|----------------|----------|----------------|----------------|-------------------|-----------|
| National Conference | (109) | 0 | 0 | (110) | (110) | (1) |
| Liberation Conferences | (20) | 0 | 0 | 0 | 0 | 20 |
| Access | (15) | 0 | 0 | (5) | (5) | 10 |
| Democracy (incl. NEC) | (15) | 0 | 0 | 0 | 0 | 15 |
| Total | (159) | 0 | 0 | (115) | (115) | 44 |

Section 4 includes costs relating to NUS' central governance and democratic structures. A detailed explanation of what each area covers is given below each subsection. It does not include all the staffing costs associated with delivery of the governance functions as this is a shared resource with the NUS Charity.

National Conference: This area contains all of the costs and income associated with NUS' National Conference, along with some costs that relate to the Democratic Procedures Committee and their meetings. It also houses the budget for Elections and the Chief Returning Officer.

Liberation Conferences: The income and costs allocated to the Liberation Campaign to fund Conferences.

Access: This allocation supports students with access needs to participate in NUS' democratic events. The change in funding reflects the reduction in events as compared to previous years and the actual monies used to support such activities in recent years (in 2018/19 this was £3k across all events.)

5 | INFRASTRUCTURE

Summary of allocation

| Details | Budget 2019/20 | Income | Staffing Costs | Activity Costs | Estimates 2020/21 | Variance |
|----------------------|-------------------|----------|-------------------|-------------------|----------------------|--------------|
| Direct Overheads | (173) | 0 | 0 | (202) | (202) | (29) |
| SUSS Pension Deficit | (562) | 0 | 0 | (654) | (654) | (92) |
| Group Recharges | (894) | 0 | 0 | (807) | (807) | 87 |
| Donation to Charity | (1,442) | 0 | 0 | 0 | 0 | 1,442 |
| Total | (3,071) | 0 | 0 | (1,663) | (1,663) | 1,408 |

Running Costs: This includes elements that are a direct cost of NUS UK and is predominantly irrecoverable VAT which has been estimated for the year based on the VAT profile of the group.

Group Recharge: Included within this area are the costs of running the following support services; HR, Finance, IT, and Membership Administration.

SUSS Pension Deficit: This is the cost of NUS UK's share of the SUSS pension deficit (of which 66 other unions are also members). The amount to be paid is predefined and cannot be adjusted.

6 | NATIONS CAMPAIGNS

Summary of allocation

| Details | Budget 2019/20 | Income | Staffing Costs | Activity Costs | Estimates 2020/21 | Variance |
|--------------|----------------|------------|----------------|----------------|-------------------|--------------|
| NUS Scotland | (39) | 172 | (214) | (82) | (124) | (85) |
| NUS Wales | 9 | 109 | (170) | (62) | (123) | (132) |
| NUS-USI | (8) | 59 | (117) | (44) | (102) | (94) |
| Total | (38) | 341 | (501) | (188) | (349) | (311) |

NUS' nations' work is devolved to reflect the responsibility of the governments in each nation for education. As can be seen from the budget for 2019/20, historically the nations have always been subsidised by NUS centrally, although the figures for 2019/20 exclude the cost of the nations' officers and the running costs for their respective premises. In 2020/21, to improve transparency, we have included the full cost of each nation with the only exception being the joint induction and training costs for the officers (which are included in section 3) and their allocation of shared services (total cost included in section 5).

This section reflects the costs of running each operation's support, management, administration and activity costs in the coming year, along with the affiliation fees for each nation.

We have taken great care during the Turnaround period to reduce costs in a proportionate way to ensure that the income from member unions in the nations is spent on dedicated activity in the nations. Through close management, this remains the case in these estimates.

Scotland: The income is the affiliation fees from Scottish members. Within the costs are: management, support, campaign, conference and activity costs in Scotland along with the overhead costs to run the Edinburgh office. Scotland goes on to produce its own detailed budgets, scrutinised and approved at its own conference.

Wales: The income is the affiliation fees from Welsh members. Within the costs are: management, support, campaign, conference and activity costs in Wales along with the overhead costs to run the Cardiff office. Wales goes on to produce its own detailed budgets, scrutinised and approved at its own conference.

NUS-USI: NUS-USI is a partnership arrangement between NUS UK and the Union of Students in Ireland. The income is the affiliation fees from Northern Irish members. Within the costs are: management, support, campaign, conference and activity costs along with the overhead costs to run the Belfast office.