

Board of Trustees – Minutes of the meeting held on 17 th December 2018					
Full Name	Position		Present	Apologies	Absent
Joe Bradford	Sabbatical Officer Trustee - Chair	BW	*		
Molly Houghton	Sabbatical Officer Trustee	RM	*		
Dan Bocharnikov	Sabbatical Officer Trustee	DB	*		
Luke Myer	Sabbatical Officer Trustee	LM	*		
Colin Dyas	Independent Trustee	CD	*		
Joanne Caldwell	Independent Trustee	JC	*		
Sarah Ellis	Independent Trustee	SE	*		
Alex McCann	Independent Trustee			*	
Mike Hatcher	Independent Trustee				*
Christina Donovan	Student Trustee	CD	*		
Callum Johnston	Student Trustee (via Skype)	CJ	*		
Dawn Chadwick	Student Trustee	DC	*		
Craig Meichan	Student Trustee	CM	*		
In Attendance (Non-Voting)					
Paul Malone	Chief Executive	PM			
Karen Shatwell	Finance Manager	KS			
David Jones	Policy & Campaigns Manager	DJ			

1. Apologies for Absence

Alex McCann.

2. Chair's announcements / action

There were no Chair's announcements/action.

3. Declarations of Interest

There were no declarations of interest.

4. Minutes of Previous Meeting

The minutes were accepted as a true and accurate record.

5. Minutes of Committees

The minutes of the following Committees were approved:

- Policy & Campaigns Committee 20th June 2018
- Resources Committee 24th September 2018
- Student Council 15th November 2018
- Annual Members Meeting 3rd December 2018

6. Sabbatical Officer Reports

All Officers gave brief verbal updates in relation to their activity during the past 3 months.

7. Annual Members Meetings 3rd December 2018 –

On November 30th 2018, we held our Annual Members Meeting which was not quorate first time round (100 students need to be in attendance) so, as the constitution determines, it took place the following week on December 3rd. And after half an hour was deemed to be quorate with whatever the number of students were in attendance. There were 12 in total including the 4 sabbatical officers.

Motion 5 – Sabbatical Officer Roles

A motion was put forward by Luke Myer, our current VP Academic Representation to amend the 'President' role to one called 'Union Development'. An amendment was subsequently made by Molly, current VP Welfare to prefix all portfolio roles with the term 'President'. After debate amongst the students, this motion with the amendment was passed.

The potential structure would therefore be as follows:

- President Union Development
- President Academic Representation
- President Welfare
- President Activities

As a governance matter, PM reported the decision of AMM to the Board of Trustees as they too have to support the decision if it were to be implemented. Again after much debate, whilst not unanimously voted through, it was passed. There were 6 'Fors', 4 'Againsts' (notably all of the independent trustees voted against), and 1 abstention. The Motion would now be taken to the University Board of Governors as they need to provide final approval due to it being a constitutional change.

Motion 6 – The Future of Student Activities

A motion was put forward by Dan Bocharnikov, our current VP Activities to effectively split his role in the future into two full-time sabbatical positions, a VP Societies and Sustainability, and a VP Sports and Events. After debate amongst the students, the motion was passed.

As a governance matter, PM reported the decision of AMM to the Board of Trustees as they too have to support the decision if it were to be implemented. Again after much debate, whilst not unanimously voted through, it was passed. There were 6 'Fors', 4 'Againsts' (notably all of the independent trustees voted against), and 1 abstention. The Motion would now be taken to the University Board of Governors as they need to provide final approval due to it being a constitutional change.

*Following the Board meeting, the secretary was approached by two trustees who wanted to change their vote. This subsequently meant that the motion would no longer be progressed as it did not have the support of the Board.

8. Management Accounts

KS presented the management accounts to November 2018. Main points to note as follows:

- YTD income totalled £752,763 with direct costs of £223,053 and overheads of £454,536
- YTD net profit was £75,174, against a budgeted profit of £56,942, giving a favourable variance of £18,232
- The same four month period in the prior year saw a net profit of £13,618, giving a favourable variance year on year of £61,556
- The Bar Food operation was closed at the end of Oct 2018 due to ytd/forecast poor performance and the impact of strong Subway sales
- Overheads continue to be well controlled, with a current underspend of £33,092 overall
- Working Capital and Cashflow remain in a strong position

9. Chief Executive Report

PM gave updates in the following areas:

- Recruitment of staff in activities and communications
- Revised budget for 18/19 including rationale to stop food operation in the bar
- Quality Students' Union - all work completed and audit to take place on 2nd April 2019
- NUS Reform Project

10. 2017/2018 Financial Statements

The Chief Executive introduced the statements highlighting a deficit for the year of £114,539. EHSU's gross income from all sources for the year was £1,864,054 with total expenditure being £1,979,029. The impact of the deficit meant a reduction in reserves from £459,160 to £344,155. It was noted that income generated had surpassed the previous year's figure (£1,864,054 vs £1,391,005) due to positive performance of certain commercial departments. However, expenditure had also risen to a level which meant any benefit had been lost through other underperforming commercial areas.

The Chief Executive also explained that the imbalance in staff costs in our membership services area was now having a detrimental effect on the SU as a whole, hence the action taken over the summer period to initiate a compulsory redundancy programme at senior management level. He also explained where each aspect of our commercial area had fallen down such as dealing with wastage, controlling labour costs in addition to some basic operational issues.

The Chief Executive explained that the action plan moving forward was two-fold; to align as far as possible the cost of membership-based services expenditure with the block grant as these are all core purpose services and all non-income generating; and to address all non performing aspects of our commercial activity. Concluding discussion, the 2017/2018 Financial Statements were recommended to the Board for approval.

11. Revised Budget 2018/2019

For context, PM explained that he had presented the Block Grant Submission/Operating Budget to the June 2018 University Resources Committee, in which he wrote,

"...our budget and subsequent planning echo the themes within Carl's (University Director of Finance) paper. The Students' Union now faces a challenging period with the prospect of a year on year decrease in block grant for the next three years alongside pressures and competition to parts of our commercial services...

With this environment in mind, the focus of my time and direction will be one of consolidation and divestment in order to survive the next three years...to deliver on our long-term strategic goals based around academic engagement, advice and representation...Staff are our biggest cost and I will be taking every opportunity to reduce our size from this point during the next three years, in order to align our salary cost to the level of our block grant. I am also not complacent in the challenge to ensure that our services to our members continue to make a difference, add value and have a positive impact to the Edge Hill student experience"

The need for action mentioned above was further reinforced when PM then presented our 17/18 Audited Accounts to the September 2018 University Resources Committee which reported a deficit of -£114,975.

PM then explained the further action he would be taking to Resources Committee to get the SU back on track at which point he was requested to re-present the revised budget that would be developed.

Please see attached revised budget.

Edge Hill Students' Union Ltd

Budget Summary

	2016-17 (Actual)	2017-18 (Actual)	2018-19 (Budget)	2019-20 (Forecast)	2020-21 (Forecast)
Rent					
Grant	107,314	143,983	146,532	146,530	146,530
Payment	107,314	143,983	146,532	146,530	146,530
	0	0	0	0	0
Income - Membership					
Block Grant	491,629	517,423	493,144	483,800	483,800
Other Grants	0	0	0	0	0
Bank Interest Received	831	372	350	350	350
Team Edge Hill Memberships	20,440	21,250	0	0	0
Other Income	0	0	0	0	0
	512,900	539,045	493,494	484,150	484,150
Expenditure - Membership					
Support Costs	266,498	216,264	187,005	167,750	171,430
Policy & Campaigns	330,244	397,793	330,315	336,014	343,135
	596,742	614,057	517,320	503,764	514,565
Net Surplus/(Deficit) - Grant	(83,842)	(75,012)	(23,826)	(19,614)	(30,415)
Commercial Services					
Income	767,003	1,170,007	1,127,266	1,150,129	1,184,447
Cost of Sales	291,590	504,843	454,725	464,364	478,295
Gross Profit	475,413	665,164	672,541	685,765	706,152
<i>Gross Profit Margin %</i>	62%	57%	60%	60%	60%
Expenditure	371,196	578,916	516,964	508,313	480,802
50% Support Staff Costs	147,989	126,211	108,766	90,526	92,685
Net Surplus/(Deficit) - Comm	(43,772)	(39,963)	46,811	86,926	132,665
<i>Net Profit Margin %</i>	-6%	-3%	4%	8%	11%
Net Surplus/(Deficit) - Comb	(127,614)	(114,975)	22,985	67,312	102,250
	-10%	-7%	4%	8%	11%

Key changes to revised 2018/19 budget:

- Major review of organisational structure with subsequent removal of two senior management roles, creating significant cost savings
- Removal of Bar Food as a commercial income due to 2017/18 poor performance and forecasted loss
- Sales & Sponsorship and Launderette departments merged into Retail, Bar & Events and Advertising departments
- Marketing & Communications department merged with Support department
- Recruitment of an additional Activities Coordinator (within Membership Services)
- Increase to budget for Elected Officer activity
- Small increase to Block/Rent Grant following confirmation of EHU audited results (Grant Review CG/KS Oct'18)

12. Edge Hill University Sport Strategy

PM and DB spoke to the finalised University Sport Strategy based on the University running student sport for at least the next 5 years. Both thought it important that the Board saw sight of the document as the culmination of 12 months' work in terms of the collaboration and the Boards commitment to ensuring student sport does not 'flip-flop' between the SU and University in the future. There were positive comments made about the document and congratulations given to Dan for seeing this stage of the work through.

13. Election Bye-Law

DJ spoke to his paper in which he had reviewed our elections bye-law. Following discussion, it was suggested that minor amendments should be made to clauses 2.2.1, 4.1, 5.2.3 and 7.1. All of the amendments were agreed on the night and the paper passed on the basis that DJ would update and publish accordingly.

14. Any other business

Joanne Caldwell - PM thanked JC for serving her 3 year term of office as an independent trustee and for the contributions she had made to the Board. He also thanked her for the personal support she had offered his role on occasion.

Student Council Terms of Reference Amendment - CM tabled a paper requesting certain amendments to be made to the Terms of Reference of the Student Council of which he is now Chair. In response to the request made to amend the terms of reference for student council, the Board of Trustees agreed that recommendations 1 and 4 should not be implemented.

It was felt that recommendation 1 ("clarification on being a Student Trustee and Council member") was not necessary, given that Student Council does not have authority over the Board of Trustees.

With regards to recommendation 4, which concerned what policies passed by Student Council are subject to approval by the Board of Trustees, it was noted that, in order to comply with the union's charitable objects and the Education Act, it is necessary for the Board to have oversight of all policy development. However, in practice, the Board would only intervene if it felt the proposed policy would have significant financial or reputational implications.

Recommendations 2 (improving the accountability of Sabbatical Officers) and 3 (clarifying SU committee members' involvement with Council) were accepted. As such, the following amendments have been made to the terms of reference:

- The Membership section has been updated (see italicised section) to state that Student Council will include: *"Representatives drawn from the plurality of stakeholders that constitute our membership. These will include Academic Representatives from each of Edge Hill University's three faculties, as well as representatives from student-led committees or forums overseen by the Students' Union. In the case of liberation and sections committees chaired by Part-Time Officers, the relevant Part-Time Officer will be that committee's designated representative on Student Council."*
- The Meeting Procedure and Protocol sections has been updated to state: "Officer reports will be subject to approval from Student Council members. Officers will not be permitted to vote to approve their own report"

15. Date and time of next meeting - Monday 18th March 2019.