

*Version 2 - Final*

**Minutes of Meeting 2 2016** of the Board of Trustees held on Tuesday 19<sup>th</sup> April in the Boardroom, Paisley, commencing at 10.00am.

**Sederunt Present**

Jack Douglas	<b>JD</b>	President (Chair)	
Simon Cain	<b>SC</b>	Sports President	
Janine Hunt	<b>JH</b>	Chief Executive	
Allan Miller	<b>AM</b>	External Trustee	
Samantha Robertson	<b>SR</b>	External Trustee	
Arlane Fleming	<b>AF</b>	External Trustee	
Martyn Cosh	<b>MC</b>	Student Trustee	
Bryce Hamilton	<b>BH</b>	Finance Manager	(part of meeting)
Aileen McColl	<b>AMcC</b>	Admin Assistant	(minute taker)

**Apologies**

John Black	<b>JB</b>	Depute President Education and Welfare	
Douglas McWhirter	<b>DMcW</b>	Campus President	(Hamilton)
Herborg Hansen	<b>HH</b>	Campus President	(Ayr)

The resignation was noted of Herborg Hansen.

**ACCEPTED**

**2/1. Welcome and introductions**

**JD** welcomed everyone along to the second Board meeting

**2/2. Any declaration of interests**

**JH** received all declaration of interest forms, and A.McC will produce a table of interests for all board members.

**2/3. Minutes of Board Meeting of 10<sup>th</sup> February**

Minutes were discussed

**APPROVED**

**2/4. President Board Update**

**JD** asked anyone who was not sure of any matters contained in the report to please ask questions.

No questions were asked.

## **2/5. Need for Governance Matters**

The matter of a Deputy Chair was discussed, **JB** was willing to put himself forward for this position, the constitution and bye-laws state Deputy Chair is required to be an External Trustee.

**JH** further explained that NUS also advises that the Deputy Chair needs to be an External Trustee in order to be able to run the meeting effectively if the Chair is not available.

**External Trustees and Board members** discussed this and resulted in the following outcome:

**AF** declined as she is Chair of FRC, **AM** accepted this position. It was stated that at the moment, **JD** does not require help with chairing the Board meetings but incoming Sabbatical would welcome support.

**ACTION:** A meeting with new SSR to be arranged.

**AGREED:** Allan Miller elected as Deputy Chair.

## **Appointments Committee – External Trustee**

The resignation of John Turner (External Trustee) was discussed and noted.

**SR** stated and it was agreed there was a space at the moment, the appointment of an External Trustee could be completed in just a few meetings, there would be a quorum of four (4) required, according to the constitution. Previous applications from External Trustee applicants could be reviewed.

**AGREED:**

**JH JD SR** and **MC** to be on Appointments Committee as and when required.

## **2/5a Matters for Constitution - JD**

The minutes of TAB (v3) were discussed, and it was agreed that with the redaction of sensitive parts of the minutes they should be published. **SR** said she felt there was nothing too sensitive, but if there was they should be redacted.

**AF** stated there needed to be monitoring of communications both internally and externally as the organisation was undergoing a lot of change therefore minutes should perhaps not be published straight away, we should think of timings for publishing.

**MC** suggested we should consider delaying publication to maybe 3 months. It was asked if the Board would be comfortable with a revised / public version to be sent out. Board members to comment when available as a redraft.

**AGREED** to publish Turnaround Board minutes after Board approval.

## **DELEGATED AUTHORITY**

**JH** discussed with Board members her concerns regarding the following:

The inability to sign anything off in her role as CEO, noting Sabbatical Officers are only persons with authority to sign off cheques or authorise purchases.

There is no BACS system currently exists within SAUWS for swift financial transactions.

There have been instances of inadequate access to transactions regarding finance, i.e. credit card issues; at the moment, **AMcC** is the only person who has petty cash responsibility.

**JH** asked the Board to agree a financial limit, giving her permission to a limit of financial responsibility and allowing her to fulfil her duties in accordance with her job description.

The meeting discussed previous practice where the General Manager controlled everything with staff not being authorised for any financial transactions. **JH** understood a written agreement would be required to allow her to authorise transactions over £5,000, this would enable her to authorise matters within the limit for "Fresher's" etc., this was discussed by various Board members and the question was asked would an email permission be sufficient to authorise above that limit.

The Board suggested that the amount needs to be realistic and it should be agreed at Finance and Resources Committee. Site Managers have no financial authority at the moment, would it be possible to include this in the framework? **JH** supervises managers, but Ayr and Hamilton managers struggle with having no sabbaticals to authorise regular expenditure, £500 limit would enable them to bulk buy en mass and distribute as required.

**AGREED**

**£10,000 and should be put forward for authority for CEO with the subsequent creation of this framework through F&R Committee.**

**£500 limit for Site Managers to be included in delegated authority framework.**

**2/5b SENIOR STUDENT REPRESENTATIVE (SSR) and SECOND COURT REPRESENTATIVE (SCR) Update - JD**

**JD** explained the second Court representative sits on Court, they do not Chair, then explained their election process. **JD** had met with the Principal who was not entirely comfortable with this proposal, but did accept that this was what the students' wanted. **Donna McMillan** had previously expressed dissatisfaction with the impact on the elections process/relationship with who would fulfil what role?

A meeting was arranged with **David Devlin** (Membership Manager) and the process was explained and examined in detail in late February 16. Each member standing for election signed that they understood the governance process and 13 people stood for election. There were four people elected.

**JD** has a phone meeting scheduled with Paul Martin (Depute Principal) to discuss what the implications are and the importance of the Higher Education Act UK where that sat with the senior representation process.

SAUWS ability to produce annual accounts is extremely important and make an adequate financial return with a designated Chair of the Board.

**SR** indicated she was a bit perplexed by the University's attitude towards SAUWS and the proposed changes. The relationship with the University had been a bit strained, as reported by the Turnaround Board but work had been

done to improve this. The University's main concern seems to be that there is no decision making hierarchy, there may have been some confusion at the start but SAUWS feels this has now been made clear through discussions the current President has undertaken.

NUS will be able to assist SAUWS with advice over this matter.

**AF** suggested SAUWS produces an organisational chart, "how it was, how it is now, and how it fits into the University structure", it was noted RGU operate a similar structure.

**AGREED: CEO to action**

### **2/6 Finance & Resources Committee draft - JH/AF**

It was explained that Sabbatical Officers are required to attend FRC; also the Finance Manager along with another Trustee should be invited to attend but would have no voting rights. There was then a discussion about amending quorum

### **QUORUM agreed discussed amendment**

2 Sabbatical Officers, plus 1 other External Trustee other than the Chair.

**AF** suggested there should be a pre meeting before the first FRC meeting as a matter of planning the process for a new committee.

**AGREED: amended terms of reference**

**JH** and **AF** have already started working on FRC remit, SAUWS constitution states there is a requirement for a finance committee, also the Director of Finance from the University looked at the draft FRC remit .The draft was taken from charities who have F&R committees and also Stirling University SA.

**AF** proposed HR is taken out of FRC as there is a strong HR experience in the external Trustees, would this be separate (into an appointments committee) and what would an HR subcommittee do? Look at restructuring, compare and contrast, **JH** stated she would welcome people to work with her. SAUWS has a detailed staffing handbook, and external HR support until October at a half day per month providing advice and HR administration.

The meeting **agreed** to remove HR decision making from FRC.

**JH** raised the matter that SAUWS financial procedures date back to 2002 and are now not fit for purpose, FRC need to radically overhaul these. **JH** could only find two financial policies, (credit card and staff expenses).

### **AGREED**

To monitor the need for HR oversight and review if it needs to be part of the appointments committee.

### **2/7 Risk Management Presentation – JH/JD**

Risk Management Presentation was produced and given by **JH** and **JD**.

### **AGREED**

Risk Register should be remitted to FRC for regular monitoring – matters of financial risk to be discussed at first meeting, and Board to

review the full risk register every quarter.

## **2/8 Strategic Planning Process – JH**

### **a) Redbrick – AF/AM**

The paper presented was for information, as discussed at previous Board meeting<sup>1</sup>. SAUWS contacted Renfrewshire Council regarding support for funding market research, unfortunately our work would need to be in Renfrewshire only to be eligible.

The Board noted Redbrick Market Research at a total cost of £11,000 excluding VAT. This research went live as of this morning (19<sup>th</sup> April 2016), there are incentives to get students involved, and a reminder sent every day at 5pm.

### **b) Staff Away Day**

This was a great success and the Board noted the accompanying report from Jamie Spurway; the matters recorded were noted for future discussions as part of developing the organisation's strategy.

**JD** stated he found the Away Day paper really interesting, including the suggestion of a pay rise for commercial services, safe space, how we move forward needs to be driven by Board taking a view of how things should be done from the recommendation of Market Research.

**AF** asked if SAUWS were making sure we are building in the right questions? Should we be looking at short or long term planning? Also how were we communicating the intention of the market research to students.

## **2/9 ERNST & YOUNG Auditors Report & Approval of Accounts 14-15**

Ernst & Young representative (Ken Baldwin) joined the meeting.

He explained the audit process, and there had been discussions with **BH** and **ACB**, and at that time there were a number of matters to be resolved, accounts were to be signed and a letter of representation drafted.

The Board reminded Ken that one had stood down and another constituted at the last meeting, various questions were asked as there was transition from one Board to another. The members noted there was more work needed we must file our accounts. Ken Baldwin (Ernst & Young) recommended the accounts were prepared and were comfortable to sign these off.

1. There were a number of old project balances, balances sitting on ledgers are credits, there was an inability to identify specific balances, it is appropriate to clear balances through the accounts. Where money is being received for specific things, there should be regular reconciliation with any monies given.
2. Clubs and societies banking arrangements: the way the transactions relating to them made it difficult to identify and not clear how much societies had in their funds, each society should have clear and regular reconciliation and each society should know how much they have. Requires clarity, each have separate code, and money left at end of year should roll over to next year. New codes

should be available for next financial year. Individual funds would be held and reconciled to each individual account. Match up income to expenditure, each club should have a nominated person, the system is a bit vague.

3. VAT partial exemption, should check regularly we are getting the correct rate, it would be beneficial to have a VAT specialist to check for SA. Rate looks ok, no issues. Things can change, worth a check every so often, E&Y recommending this done now. No one particular firm specialist in this, and very expensive. There is a down side of not being compliant.
4. Accounts preparation: not one person has full responsibility for accounts, any feedback on recommendations? No. Janine: charity accounts lodged by end of April, finalise accounts, income statement being corrected, other than that no changes to last. Reserves policy? Can E&Y recommend anything when devising reserves policy, SA is mostly current assets and liabilities, **JD** asked Board if there was anything they wished to discuss. E&Y one thing to note: fundamental continuing support from University, letter comfort received regarding grant. No formal agreement that University should support SA could be a worry. Trustees need to understand what we can rely on and go forward.

**Board accepted accounts and agreed the signing of the letter of representation. Accounts by JD and SC. Ernst & Young also signed the audit report.**

**Agreed action Accounts can now be put on the website and filed with OSCR.**

## **2/10 Financial Management Report February16 – BH**

**BH** explained to the Board that most of SAUWS grants allocation had been received from UWS and not much trading in December and January.

He stated would probably run at a loss for the next 5 months within commercial services, but there has been improvement from December accounts, making up a lot of ground.

The main negative variance areas are Paisley commercial, Paisley cafe trading is starting to pick up, and will help to reduce current deficit of £20,000 but will not reduce it completely in the last few months of trading ( May/June ).

As of next year, we will re-profile the budget as we go along. Starbucks sales are improving, it could be possible to turn commercial round in 2 – 3 years as predicted by the Interim Director .

The meeting noted that the language of ' subsidy' better represents the overheads support provided to commercial services.

Commercial services needs to be 'by students for students' but needs to have an ethos of break even.

## **2/11. Budget Development 16/17 – JH/BH**

Ernst & Young auditors recommend SAUWS to start budget development now. SAUWS should be looking at budgets in month 8 or 9 as part of the planning process.

**BH** presented a proposed budget review document for the Board's discussion. The matters discussed relate to the following:

## Cost reductions:

The Board noted savings we can make:

- installed new photocopiers on each campus,
- consider change of change stock taker reducing to 2 external stocktakes per year,
- termination of Sky, BT with effect of October 2016, releasing us from subscription fees.

Projected savings of £10,000 a year

## Current staffing matters:

1. SAUWS is responsible for new living wage effective from April at £7.20 per hour which will increase the wage bill by £1750 per year. The Board noted its duty to pay the New Living Wage
2. The Board notes and **agreed a** new Supervisor rate of pay at £7.80 which would equate to costs of £1380 per year, legally we need to provide living wage.

Matters 1 and 2 **were approved** by the Board

## Budget Development Options

Matters for potential staffing cost implications were discussed by the Board

On the advice of the CEO the Board agreed to hold the request for a pay rise in line with the voluntary sector and remitted to discuss at the next meeting.

It remitted the following matters to the new FRC

- a) Ethical pay framework for staff including a minimum hourly rate of pay regardless of age.
- b) The Role of interns and how they would be used within SAUWS in the future?
- c) The commitment from the previous Board of the rate of pay for the CEO.

The Board **agreed** to include the following matters as part of budget preparation only by the finance manager and CEO.

- a) Commercial Manager
- b) Finance Assistant
- c) Environment project co-ordinator.

**BH** informed the Board about the changing funding climate of UWS as a result of the adverse settlement from the Scottish Funding Council of £3.5m. This was then discussed as a matter that may affect the likely block grant funding to SAUWS. The matter was being discussed by the CEO with the Director of Finance

## 2/12. Any Other Business:

Matter of resignation by John Turner – it was discussed that Aspen People be approached to see if an alternative from the pool of applicants can be approached.

**Agreed JD to action on behalf of the Board.**

**SC raised an issue:**

Travel expenses: SAUWS travel expenses policy states travel by cheapest mode of transport, does this mean there is a potential to reimburse at public transport rate when the staff member is driving? He proposed there be a change to the policy?

**AGREED remit to FRC**

**2/13. Proposed dates of future meeting/engagements:**

Date of Dinner with the UWS Principal and Executive Team 17<sup>th</sup> May 6 – 9pm

**NOTED**

Date of Next Board Meeting - 24<sup>th</sup> May 10.00 – 1.00pm

**AGREED**

Meeting closed at 2.00