

**067                    Show us the MONEY!**

**Proposer:** Taylor Sounes (Undergraduate Education Officer)

**Seconded:** Elise Page (Postgraduate Officer)

**Summary**

To change Byelaw 10 to be fit for purpose and allow meaningful input from Union Council into the budget setting process, and to ensure that Council is provided the right financial information throughout the year to properly monitor performance of the union.

**Union Notes**

1. Currently, the budgetary process begins in April, starting with Estimates and a Financial Update from the Chair of the Finance Committee
2. A budget is produced for the financial year that runs from August to July
3. A key role of Union Council is to provide student input into how the union spends it's money over the course of the year and to monitor performance semesterly at a high level
4. A significant proportion of the union's spending is fixed in the short term and is primarily made up of staff costs and so the strategic direction that can be recommended in the short term is on prioritisation of resources
5. The union has a 3 year strategy, created by senior managers with input by students, trustees and officers, which primarily informs the direction of the union and the Estimates that are produced for council.
6. The union's income comes from the "Block Grant" from the UEA which includes a portion assigned from the transfer of "Retail and Catering"
7. Two members of Union Council sit on Finance Committee allowing Council's input into the finances of the union throughout the year

**Union Believes**

1. Estimates papers for the last few years have been too long and overly complex. Estimates has historically also contained information about allocation of resources that is difficult to move in the short term – particularly around staff costs. This makes meaningful input from council into estimates difficult. Estimates should therefore consist of information which Council can input into, allowing members to influence the strategic allocation of discretionary spending.
2. When presented with Estimates, a detailed financial update should be presented by the Chair of Finance and Chair of Trustee Board. This financial update should be accompanied by an update on the Union's Strategy as this will have informed the Estimates policy presented to Council.

3. By having members on Finance Committee, Council is able to have representation on the decisions being taken.
4. Council should be provided financial information regularly enough to provide the crucial scrutiny function of the union but, where there is significant information to present i.e semesterly as otherwise it would be unnecessary.
5. It is the job of the Chair of the Trustee Board, Chair of the Finance Committee to ensure that Council is fully informed of any deviation from the approved targets set by Council in Estimates.

### **Union Resolves**

1. To change the title of Bye Law 10 from "Bye Law 10: The Budget Definitions" to "Bye Law 10: The Union's Finances and Budget"
2. To delete Bye Laws 10.1 to 10.9
3. To replace Bye Law 10.1 to 10.9 with the following and renumber accordingly:

### **Bye-Law 10: The Union's Finances and Budget**

10.1 The Union finances can be simply stated to comprise of the following elements:

- a. Contribution from Commercial activities, including Venues
- b. Block grant, including an amount from the transfer of "Retail and Catering", and other specific funding from the University
- c. Net expenditure on charitable activities and central support overheads

10.2 Key terms in this bye law can be defined as:

10.2.1 "Estimates" is a policy that is proposed to and approved by Union Council. The policy should contain information about discretionary spending for Council to input into. The policy should be based on the strategic priorities of the union and produced by the Chair of Finance Committee and the Chair of the Trustee Board, with support from appropriate staff.

10.2.2 "The Budget": the Union builds a detailed budget, across all management accounting headings and including cash flows, capital expenditure, funding and pension arrangements. This will be recommended to the Board of Trustees by Finance Committee for approval. Budgets are prepared for the accounting period 1 August to 31 July each year. Summaries of the budget will be made available on the Union's Website, with the full budget available on request from the Chair of Finance Committee.

10.2.3 "Financial Statements" are regulatory documents that are produced each year and approved by Finance Committee and Trustee Board, subject to an external audit report. This will be made available on the Union's Website and can also be found on Companies House.

### 10.3 Estimates

10.3.1 Council will have the opportunity to discuss and suggest amendments to the Provisional Estimates for consideration by Finance Committee and the Trustee Board.

10.3.2 In the event of the rejection of the Provisional Estimates by Union Council, a proposal addressing the concerns of Council will be resubmitted at the earliest opportunity and incorporated into updated Estimates.

10.3.3 Once Estimates are passed by the Union at the start of the new financial year there will be no change in the funding allocated until such time as a fresh set of Estimates are passed by the Union, except for when the Finance Committee deem exceptional circumstances that warrants moving away from the approved estimates. This should be reported to Union Council.

### 10.4 The Budget

10.4.1 The role of Council will be to suggest the changes to the prioritisation of future resources to reflect strategic priorities by making recommendations to Finance Committee and the Trustee Board through Estimates

10.4.2 Council will monitor against the approved expenditure during the current year through semesterly updates on the financial status of the union

10.4.3 As a significant proportion of expenditure is represented by staff costs, significant redirection of resources will tend to be difficult in the short term.

### 10.5 Timetable and Process

10.5.1 The Union staff and Management Committee will prepare a budget as follows:

- a. The first set of estimates are prepared for consideration at the April Finance Committee.
- b. Provisional Estimates will be presented to the Union Council for approval at the April Council Meeting, or at the earliest opportunity once prepared but before the start of the financial year. This will be accompanied by an update on the

Union's financial performance and long-term strategy, presented by the Chair of the Finance Committee and Chair of the Trustee Board.

- c. The full budget is then produced, taking into account the approved estimates, for approval by Finance Committee and the Trustee Board in June

## 10.6 Accountability and Transparency

10.6.1 Union Council will have the opportunity to appoint two members of the Finance Committee with direct access to the Union's approval and reporting processes.

10.6.2 A report on income and expenditure against the Budget will be presented to Union Council at the January meeting.

10.7 At the beginning of each academic year, the Student Officer Committee will receive detailed information about the union's finances and the timetable and process for budgetary involvement from Union Council

10.8 Finance Committee will report to Union Council if it becomes aware of deviations from the Estimates arising from performance of different areas of the Union.

10.9 Union Council members will be provided training on the union's finances explaining the union's current budget and basic financial terms, allowing them to meaningfully input on the finances of the union