

**FINANCIAL MEMORANDUM
BETWEEN
THE UNIVERSITY OF WEST LONDON
&
WEST LONDON STUDENTS' UNION**

1 BACKGROUND

- 1.1 West London Students' Union (the SU) is recognised by The University of West London Higher Education Corporation (the University) as the representative body of students at the University.
- 1.2 The University's Articles of Government state that the SU shall conduct and manage its own affairs and funds in accordance with the SU Constitution which is approved by the Board of Governors.

The Constitution is reviewed by the Board of Governors on a quinquennial basis.

The University and the SU are also required to agree a Code of Practice and a Financial Memorandum in accordance with the requirements of the 1994 Education Act. In addition to the Financial Memorandum an annual side letter will also be issued with details of the annual block grant and other variables.

These documents make it clear that the SU's senior managers and the Trustee Board are responsible for ensuring that the SU's financial affairs are conducted properly.

- 1.3 The Union receives an annual grant for revenue purposes which is allocated by the University's Board of Governors.
- 1.4 This financial memorandum will accompany the Students' Union Articles of Association.

2 REQUIREMENTS OF THE CONSTITUTION AND CODE OF PRACTICE

- 2.1 The Students' Union Articles, and the Code of Practice between the University and the SU, specifically require the SU to:
- a) Keep accounts and accounting records in accordance with normal professional accounting principles and present audited accounts to the University's Board of Governors on an annual basis.
 - b) Maintain a sound system of financial management and control.

- c) Present its annual grant request for consideration and approval. The Students Liaison Committee (SLC) will consider and advise the Union on the contents of the proposed draft Strategic Plan and proposed draft annual grant application and make a recommendation to the Board of Governors. The grant request will include:
 - i) An outline of proposed activity
 - ii) An outline of KPI's against which progress can be measured
 - iii) An outline of any proposed works under the Student Enhancement Activities model
- d) Monthly progress updates given to the Student Enhancement Activities Group including VCE members and updates to VCE as requested.
- e) Display summary copies of the audited Report and Accounts on the SU website and make copies available on request to students.
- f) Include as an addendum to the annual accounts and financial reports, a list of the external organisations to which the SU has affiliated in the periods to which such accounts or reports relate, and details of such affiliations.
- g) Make available the books and accounting records of the SU to the University for inspection on request.

3 ADDITIONAL REQUIREMENTS

- 3.1 In order to meet the requirements of the SU's Articles and Code of Practice, the SU will also be required as a condition of the grant of funds to:
- a) Plan and conduct its financial affairs to ensure that its total income is at least sufficient, in any one year, to meet its total expenditure, and to maintain financial solvency.
 - b) As part of the preparation of the annual budget. Prepare estimates of income and expenditure for all its budgets on a monthly basis and produce detailed, monthly management accounts showing actual income and expenditure against phased budget by entity.
 - c) Obtain the prior written consent of the Group Chief Financial Officer to borrow money for a period in excess of twelve months where such an amount would exceed 15% of the block grant (excluding rent) in any one year.
 - d) Not give any guarantees or indemnities which commit the SU to liabilities beyond any one-year without the prior approval of the Group Chief Financial Officer where such an amount would exceed 15% of the block grant (excluding rent and including the Students' Union's overdraft facility) in any one year.
 - e) Ensure that all expenditure is undertaken in accordance with the Finance regulation Bye Law of the SU's Articles.

- f) Inform the Group Chief Financial Officer immediately of any potential difficulties in meeting any of the conditions.

4 IMPLEMENTATION AND COMPLIANCE

- 4.1 The financial position of the SU will be monitored via regular meetings of the Student Liaison Committee and meetings with the Vice Chancellors Executive. There are also monthly Student Enhancement Activities and financial review meetings with the Pro Vice Chancellor, Group Chief Financial Officer and Chief Executive Officer of the Students' Union. However, if either the SU or the University consider it to be necessary, the Chief Executive (see 10 below) and the President of the Students' Union will meet with the Group Chief Financial Officer in order to:
 - a) review the level of income and expenditure by the SU;
 - b) discuss any corrective action necessary or taken by the SU;
 - c) discuss the likely level of income and expenditure by the SU, over the forthcoming month;
 - d) approve revisions to the final budget; and
 - e) assure themselves that the terms of this Memorandum are being complied with.
- 4.2 The Group Chief Financial Officer will have the right, as a last resort, to seek the advice of the Chair of the Finance Committee on whether the University should:
 - a) take any corrective action they consider necessary if expenditure exceeds income in any one month which is not foreseen in the approved annual budget.
 - b) veto any proposed expenditure in the forthcoming month if they consider that this would seriously prejudice the ability of the Union to deliver an annual budget in which total expenditure does not exceed total income.

Such action may include:

 - a) stopping scheduled payment of the block grant due during the year;
 - b) withdrawing any University guarantees with the SU's bankers;
- 4.3 The University requires the Union to employ at least one qualified person to maintain the accounting records of the SU and to act as the Union's Accounting Officer.



- 4.4 The University requires the SU to discuss any proposals to change its senior management, such as the post of Students' Chief Executive, with the Pro Vice Chancellor. The Accounting Officer is responsible for advising the SU's Trustee Board if, at any time, any action or policy under consideration by them appears to be incompatible with the SU's Articles, agreed Code of Practice, or this Memorandum. Should the Trustee Board nevertheless proceed with such action, the Chief Executive will inform the Group Chief Financial Officer immediately in writing. The Accounting Officer is also responsible for advising the University immediately if the SU is unable to comply with any of the conditions of this Memorandum.
- 4.5 The Group Chief Financial Officer will be the main link between the Students' Union, the University's Vice-Chancellor's Executive and the Board of Governors.

5 FINANCIAL SUPPORT AND REQUIREMENTS

- 5.1 The Group Chief Financial Officer will issue the SU's President and Students' Union Chief Executive with an annual written confirmation of the annual revenue grant allocated by the Board of Governors and any associated conditions imposed by the Governing Body no later than the 1st of August annually. The University continues to provide additional support through shared services which include: facilities, cleaning, security, payroll, human resources, learning and development, employee mental health support, legal, postage, finance, IT & printing and transport.
- 5.2 The University continues to provide assistance to the SU by way of provision of buildings which are fully serviced.

These arrangements are subject to ongoing review in accordance with the University's overall estates strategy. All stakeholders will be consulted as part of the planning process.

The University and SU may reimburse each other for costs incurred in addition to the Block Grant and the provisions set out in the Memorandum. This includes the SU providing an Advice service for FE learners at Ruskin College as part of supporting the development of the Ruskin Student Union. Equally, both the University and the SU are able to access services provided by each other either at no or some cost where there is an agreed benefit to either or both parties, which includes SU access to University staff benefits where applicable.

- 5.3 The Union is required to annually review and report on its Strategic Plan. It is a requirement of continued grant funding that the action set out in the plan is implemented. The Group Chief Financial Officer will oversee implementation of the Plan, and report on progress to the Finance Committee and/or Student Liaison Committee as appropriate. Any changes to the Plan must be approved by the University Executive and reported to the Finance Committee or the Student Liaison Committee.
- 5.4 Any grant of funds by the Board of Governors to the SU is made on the condition that the requirements of this memorandum are met.

- 5.5 Failure to comply with this memorandum may require the repayment, in whole or in part, of any funds paid by the Board or the University to the SU.
- 5.6 This memorandum will accompany the Students' Union Articles of Association to ensure that it is available to the Trustees of the Students' Union.

It will be reviewed from time to time by the Board of Governors at no less than five year intervals.

Signed by the Group Chief Financial Officer:

Patrick Fuller



Date: 13/11/23

Signed by the Students' Union President: Mae Kelly



Date: 02 NOVEMBER 2023

Ms Mae Kelly
University of West London Students' Union
St Mary's Road
London
W5 5RF

Dear Mae

I am writing to formally notify the Students' Union (SU) about the outcome of its Block Grant Application for 2023-24.

At its meeting in July 2023 the Board of Governors approved a Block Grant payment to West London Students' Union of £1,802,860 for 2023-24 and £819,958 for the rent of serviced premises and provision of venue hire, totalling £2,622,818. In addition to this, circa £522,301 is to be charged for student enhancement activities undertaken in partnership with UWL.

With regard to the other variables, I can confirm that:

- Payment is to be made in instalments as agreed by the University and the SU.
- The main block grant relates to the Students' Union 2023-24 Strategy and related KPIs agreed by UWLSU Trustee Board and UWL Board of Governors.
- The rent charges relate to service space occupied. This valuation is independently assessed and benchmarked by third parties.

I attach a copy of the revised Financial Memorandum between the University and the Students' Union. Please sign and return the enclosed copy of this letter and the copy of the Financial Memorandum to confirm that you accept on behalf of the SU the contents of both this letter and the Financial Memorandum.

Should you have any queries please do not hesitate to contact me.

Yours sincerely

Patrick Fuller
Group Chief Financial Officer



Acknowledged by the Students' Union President: