

OPEN UNIVERSITY STUDENTS ASSOCIATION**Central Executive Committee (CEC)**

27 – 28 April 2019

FINANCE REPORT

The C E C is asked to:-

- i) **note** the attached income and expenditure report to date (Appendix A)

1. Income and expenditure

- 1.1 The attached income and expenditure report (appendix A) reports actuals to date, together with the forecast position against the current year budget. Prior year actuals are provided for comparison purposes.
- 1.2 Income to date is broadly in line with expectations. Although NUS income is largely front-loaded, comparisons with prior years suggests this budget may be exceeded.
- 1.3 The OU has provided an additional £2,000 to support costs associated with the JISC conference. A forecast of associated expenditure has been included in Student Services – Student Voice.
- 1.4 Overall expenditure to date represents 60.57% of the revised budget, agreed by the Board of Trustees at their meeting held on 8th February 2019. Expenditure is unevenly spread due to a variety of factors including staff vacancies earlier in the year, the timing of increments, the timing of the incorporation implementation process. The current forecast indicates a small overall underspend by the end of the year.
- 1.5 The revised budget provides for income to exceed expenditure by £244,085. Due to additional income received, together with the small forecast underspend against expenditure budgets, the current overall forecast is that we will end the year with an in-year surplus of £248,592. The main risks to this forecast position are set out in paragraphs 1.6 to 1.8.
- 1.6 Staff costs have been affected by a vacancy since December in the Digital Communications team, with the forecast saving being mostly offset by the cost of providing some temporary administrative support and repetition of recruitment advertising costs.

- 1.7 Incorporation costs are expected to pick up pace now that we have entered the implementation phase. There is however a degree of uncertainty around the costs involved in this part of the process. The general legal costs budget is now overspent by just under £2,000. The forecast allows for a further £6,000 spend between now and the end of the year, but again this is difficult to predict.
- 1.8 The Board of Trustees has approved four further projects - AL Awareness, Mental Health Awareness Training, Volunteer Event, 50th Anniversary Merchandise. A total of £31,925 of the £40,000 budget has now been allocated. The forecast assumes the remaining £8,075 will be allocated and spent before the end of the year. However, having received two very different quotes relating to the proposed culture project, it is now likely that work on this will be postponed until September so that further consideration can be given to the scope of the work and to allow time to seek additional comparative quotes. Underspends are anticipated from the DBS checks and Achievements Projects. So overall, there is the potential for a total underspend in this area of £10,624.

Alison Lunn
Deputy Chief Executive (Finance and Resources)