



LOCSU

Constitution Review: Funding section & schedule (treasurer engagement)

July 2024

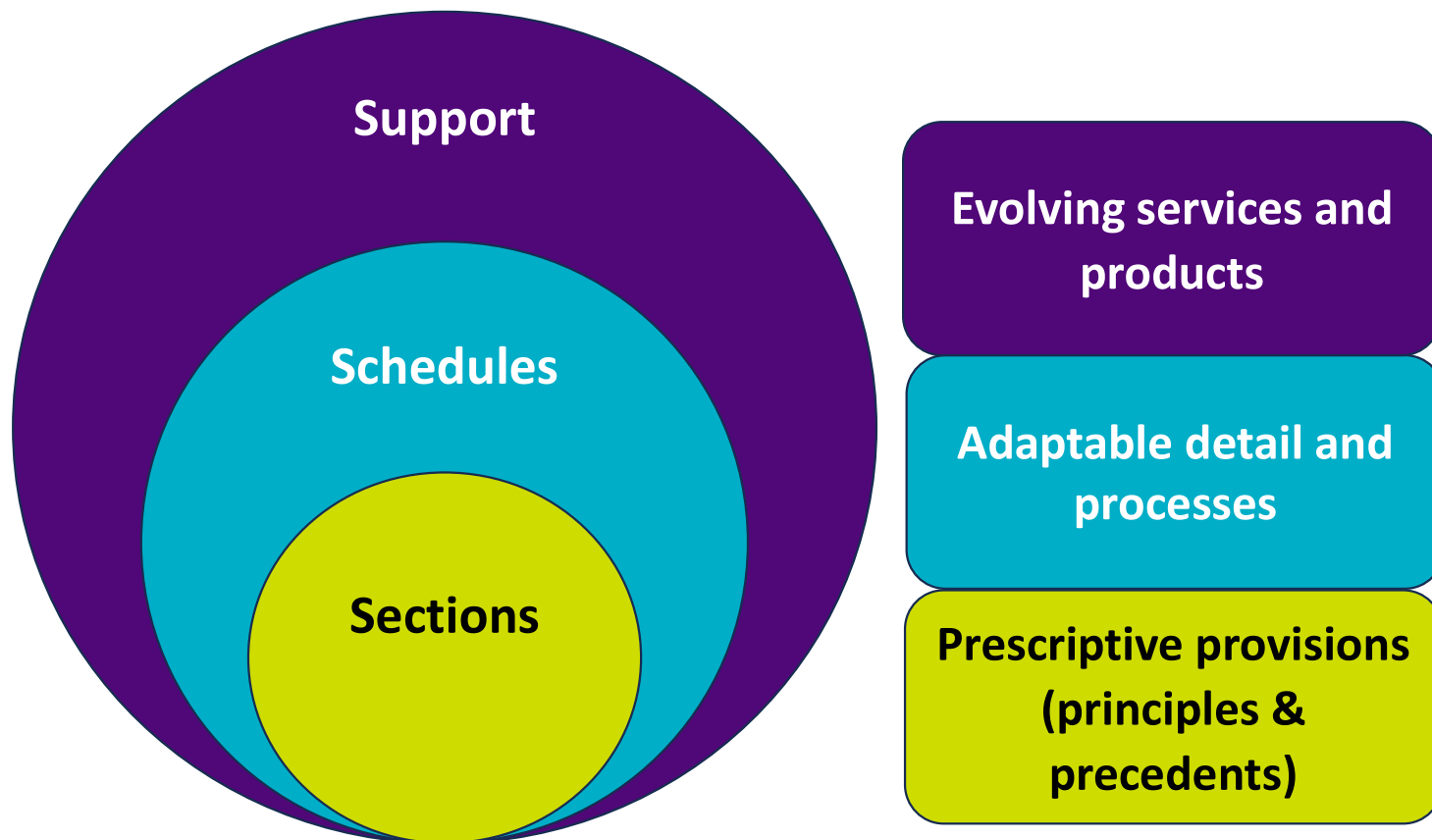
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New constitutional framework



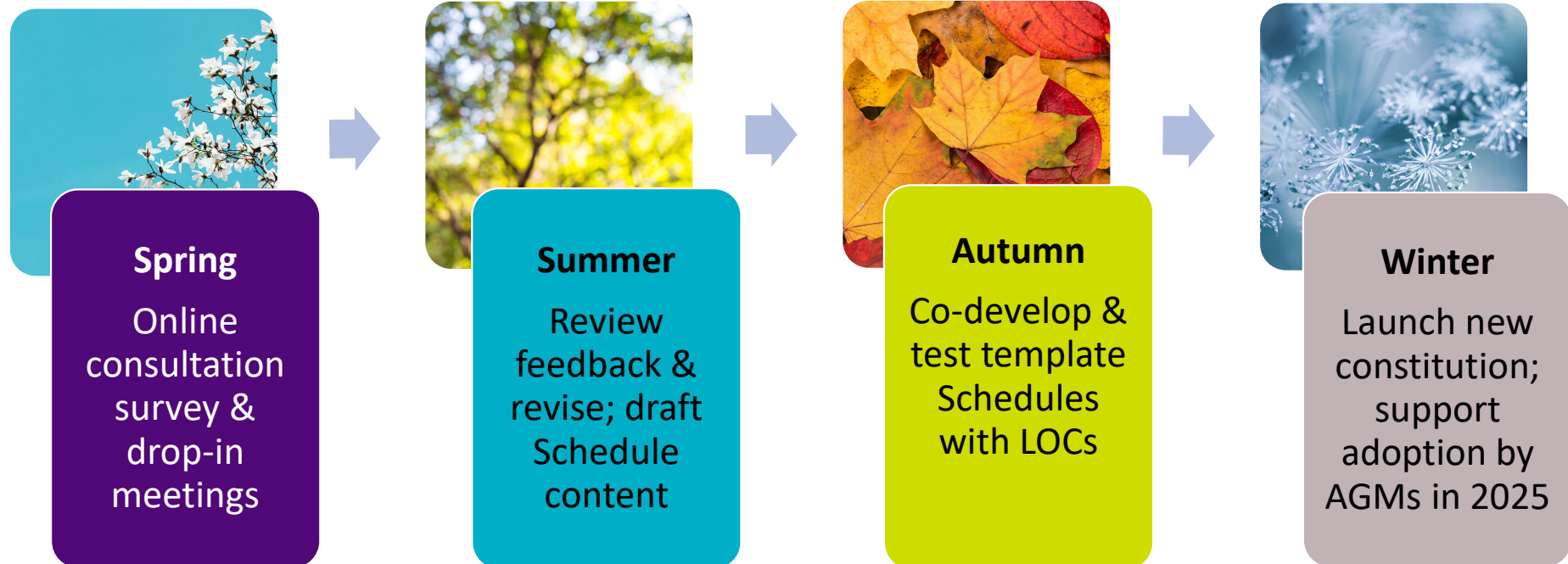
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2024/25 milestones



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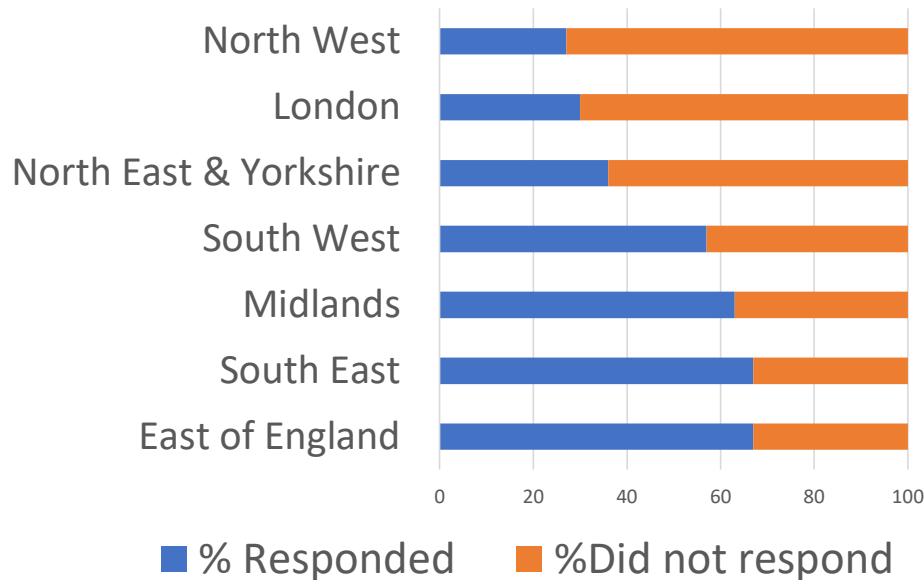


Online survey respondents & need

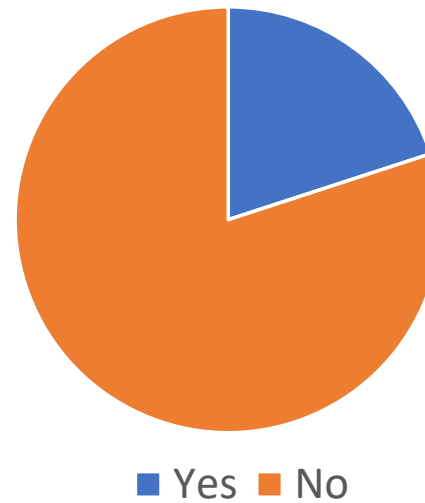


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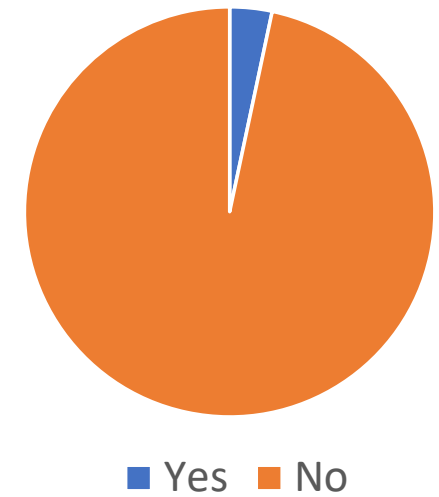
% of LOCs that responded per region (30/73: 43%)



Updated since 2017



Updated since 2022

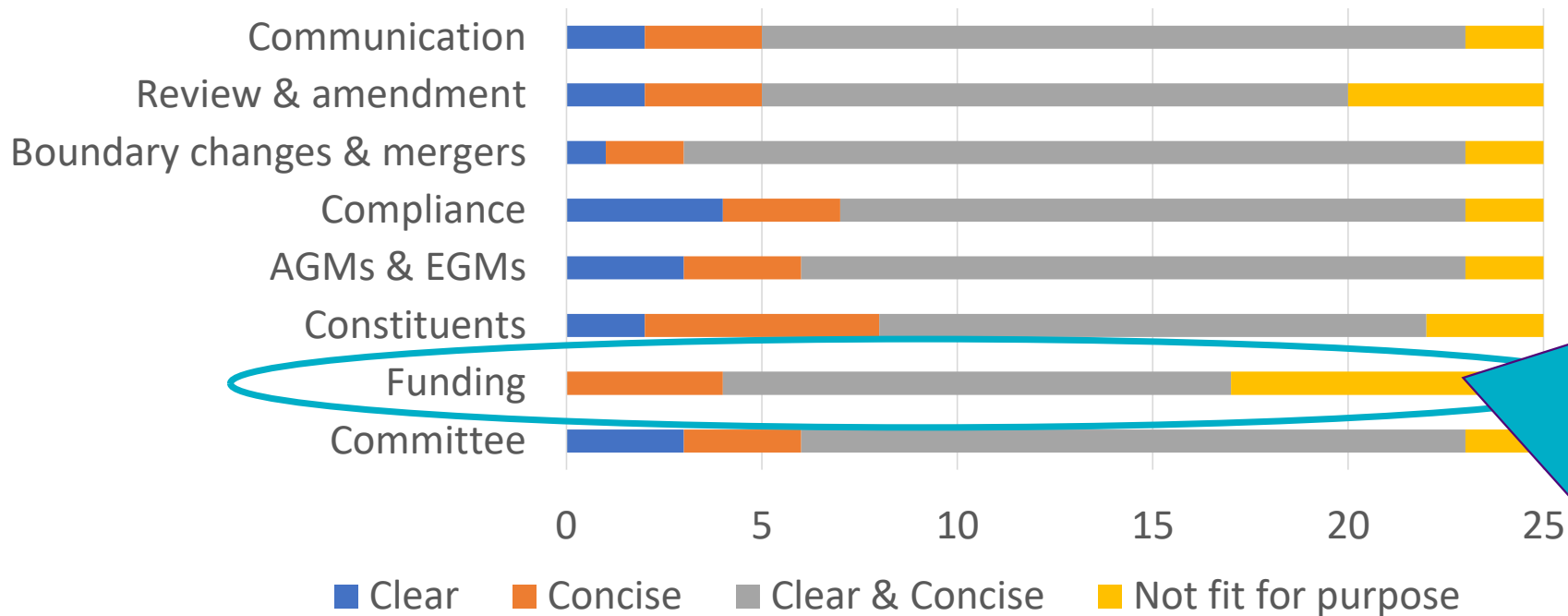


Headlines



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Perceptions of each section of the Core Constitution...



Themes

1. End of year accounts
2. Levy
3. Other sources of income
4. Reserves policy
5. Bank accounts

Funding: end of year accounts



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The requirement for an accountant would be a change for LOCs and not feasible without support. Objections were based on cost, time and a general view that it was not necessary. Some agreed it would be good practice, and there were some compromise suggestions, for example, moving the criteria to the schedule and enabling local determination from a list of appropriate people.

Recommendations

- Legal advice on whether list of ‘appropriately qualified’ could be extended e.g., to include bookkeeper, retired accountant.
- Pending advice on A; core constitution to refer to ‘appropriately qualified as set out in schedule...’ then the Funding Schedule to define what that includes.
- LOCSU to consider the feasibility of providing accounts service through centralised contract with an accountancy firm with appropriate sector knowledge; include feasibility testing of timelines to ensure these could be met.

Funding: levy



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The wording in this section is difficult to interpret in places. Current requirements are not uniformly understood, and some LOCs have inferred an unintended meaning in the draft new constitution (requirement for constituent approval, which is not the case); some suggested it would be good if the constitution signposted or linked to information on how to change the levy which would help mitigate these issues. A comment on the voluntary levy suggested the LOC did not understand it is a mechanism they can use; this caused confusion about the wording of the draft new constitution.

Recommendations

- Clarify scope of LOC autonomy when setting the levy and making in-year changes with no requirement for a vote at AGM/ EGM.
- Clarify the role of the commissioning organisation regarding levy changes and include signposting to LOCSU guidance/ tools that support the levy change request process.
- Clarify what is meant by ‘voluntary levy’ and how this can be used by the LOC.

Funding: other sources of income



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One respondent affirmed the ‘easy read’ notes “explained other funding issues well”, however other comments indicate the draft new constitution is not sufficiently clear. LOCs are asking for more detail, such as examples of services that could be provided (what is in and out of scope) and a suggested fee structure. There are some concerns about whether some sources of sponsorship income could be deemed an inappropriate ‘conflict of interest’.

Recommendations

- Review wording to more closely reflect the ‘easy read’ notes.
- Provide more detail including examples of inclusions and exclusions in the funding schedule.
- Develop a template policy for sourcing non-levy funding.



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**Further
feedback or
questions...**

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