

# **NUS Proposal for Reform**

## **A 'White Paper' on reform**

January 2019

## Foreword

The journey to arrive at this White Paper has been several years in the making. The issues we face today are a result of over-complexity, lack of accessibility, and a feeling that the world has moved on and NUS has stayed the same for too long. We've done governance reviews, we've looked at the cost and benefits of membership, and we have had thousands of conversations on what NUS should do. It is time for action.

We can't wait any longer for reform. We urgently need to make NUS financially and operationally viable, in order to build the transformational high-impact NUS our members need us to be.

Over the last few months we have been with you at events, on your campuses, on the phone and on Skype. This consultation has involved students' unions across the UK and NUS' elected leadership, and has been supported by our staff and volunteers. There are still a few final areas we need to work on but, in most areas, we are quickly approaching agreement.

In this White Paper we lay out a proposal for reform, built on what you have told us. After the consultation (October – December 2018) we narrowed down the areas where there is consensus. There are now just a few final points to debate before we publish the final motion to National Conference and the Company Law Meeting.

There is much you agree on. You want NUS to do less and do it better; you want a student voice function which is accessible and too loud to ignore; you want students' union support focused on a 'core' set of services, that align with your needs and that NUS is best placed to deliver. More than anything, you want a relationship with NUS pushing the centre out rather than working top down. This also means you need greater control over where your money goes and a greater say over how it is spent.

If you want to refresh your mind on the Turnaround process so far you can find all of our Turnaround resources [here](#). If you would like to talk about this further don't forget to book onto a Skype surgery [here](#).

This is the last opportunity to discuss reform before National Conference and the Company Law Meeting. Members and stakeholders have given a huge amount to the NUS Turnaround process and that's what's fuelling it to move forward at such pace. It is you – our members and stakeholders – who will push these reforms over the line in the end, so please get involved in this final discussion and let's make reform happen.

Please respond to the questions below by **5.00pm Friday 8 February 2019**.

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1. Summary of stakeholder feedback
2. Detailed governance reform proposals
3. Final questions for Members

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## Background

This paper has been developed by the NUS Turnaround Board and approved for publication to NUS members and stakeholders by the NUS Group Boards.

This White Paper contains a body of reform proposals that have been developed on the back of feedback from members and stakeholders. There are three areas that require further discussion from members in order to form a final view. These areas are set out as questions in this White Paper.

Members are now invited to comment on the specific proposals and three questions by **5.00pm Friday 8 February 2019**.

For instructions on how to submit your feedback please see Appendix 1 on page 17.

## Process

Following receipt of final feedback (see above), formal reform proposals will be prepared and put to NUS National Conference and a Company Law Meeting.

You can register delegates for NUS National Conference until **noon Friday 19 March 2019**.

# 1. SUMMARY OF STAKEHOLDER FEEDBACK

## Why does NUS exist and what core activities should it be delivering?

The student movement exists because students want to be able to influence their education, their social and economic surroundings, and the world around them. The world is a better place with NUS and Students' Unions in it! Within that, NUS exists to do things that students' unions and students can't do for themselves, namely:

- Delivering a powerful national voice;
- Supporting excellent students' unions.

Most people see NUS' *primary* role as delivering a national student voice. Most see strong students' unions as both integral to delivering a national voice, and of value in and of themselves in empowering students locally to affect change.

## What does simple and modern governance look like?

There is very strong support from members and stakeholders to simplify and modernise NUS' governance and delivery.

In terms of inputs, members want effective corporate oversight complimented by a vibrant democracy setting policy and electing student leaders. There is consensus around the need to spend less time making decisions and more time taking action. Members want to be more in control of their organisation through modern democratic systems e.g. digital voting and the ability to prioritise issues.

Members want to see an 'interface' between inputs (what members' think) and outputs (what NUS actually does) to ensure that NUS' outputs are focused and coherent. The interface should synthesise inputs from elections, policy-making and insight to make rounded, considered decisions about what NUS should prioritise. The interface should apply to all NUS activities, including campaigning and voice.

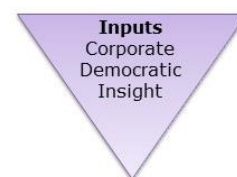
In terms of outputs and impact, there is strong support for a simpler 'offer' to members and for NUS to focus on things only NUS can do. Most people see two distinct areas of delivery – student voice and student union (SU) support, although stress the inter-relationship between the two. This is most clearly illustrated in the theory of change developed in NUS 100.

## Independent and facilitated members

Within NUS' membership there are two distinct groups of students' unions:

- Independent students' unions – stand-alone registered charities and companies
- Facilitated students' unions – run from within an institution

Members want NUS to deliver its activities in a tailored way, rather than having to sift through absolutely everything NUS offers and finding something they want to access<sup>1</sup>.



<sup>1</sup> Independent SUs pay up to £60,000 NUS membership fee whilst most facilitated SUs pay £250 – a ratio of 250:1. For comparison, NCVO membership fees range from £49 - £810 per year – a ratio of 16:1.

## 2. GOVERNANCE REFORM PROPOSALS

Following extensive consultation with members, and building on work done by NUS and SUs as part of the New Settlement, NUS 100 and the Institutional Racism Review, SUs have been clear with us about the things that must be achieved through reform. These are broken down in this White Paper into six essential requirements. The six requirements are set out with specific reform proposals over the following six pages of the White Paper.

The six requirements are:

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**REQUIREMENT 1: Defined purpose and focused activities**

Most SUs believe NUS’ purpose should be to deliver a powerful national student voice and to support strong students’ unions. Members see these purposes as inter-related and inextricably linked, but distinct in terms of delivery. When pressed to offer a single purpose, most members and stakeholders think that delivering a national student voice is the primary purpose of NUS, with strong SUs as a critical part of that. But members also see supporting strong SUs as having inherent value on its own.

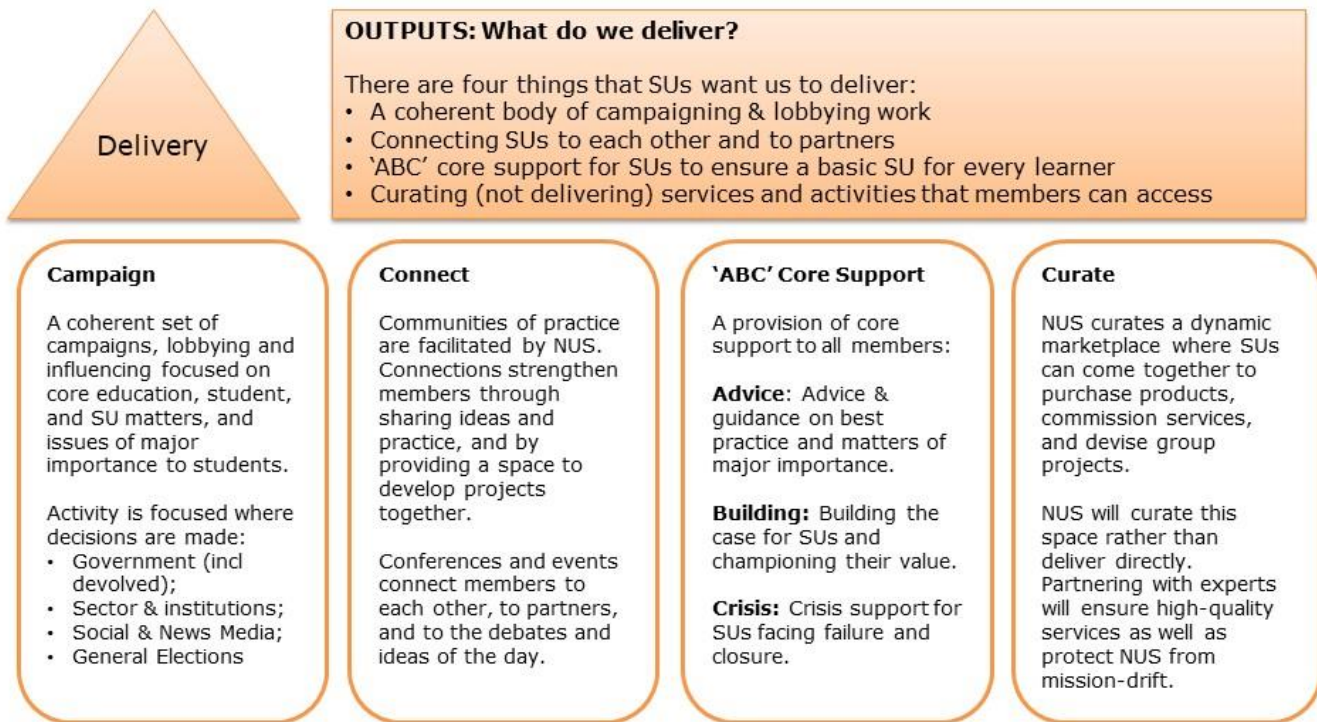
When it comes to NUS’ activities, most SUs want NUS to focus on things that only NUS can do, and that SUs can’t do on their own.

**Reform recommendation 1.1: Re-affirm NUS’ purpose**

NUS’ purpose should be to deliver a powerful national student voice and support strong students’ unions.

**Reform recommendation 2.1: NUS should focus on the following core activities**

- Campaigning
- Connecting SUs
- ‘ABC’ Core SU Support (Advice, Building, Crisis)
- Curated Services.



## REQUIREMENT 2: Effective corporate oversight

Members want a well-run organisation(s) with strong financial, legal compliance and strategic oversight and governance. NUS' corporate governance should be designed to deliver a NUS able to meet its fiscal responsibilities and to exercise its fiduciary duty. Members want the management team to answer to one board and to achieve a clear 'line of sight' throughout the whole organisation – from decision-making to delivery.

Members want to end the current 'dual-track' corporate/democratic decision-making process. They want to be able to better determine the resources they hand over to NUS. They also want political views and elections to be taken by a representative democracy. To be clear – members want these *different* spaces to take *different* decisions.

### Reform Recommendation 2.1: One board

One board is recommended, regardless of the number of organisations or entities operating. The board should be balanced, should reflect our purpose and membership, and should deliver excellent decisions, direction and oversight. The chair should be the President, supported by an experienced deputy chair and dedicated secretarial support. There should be between 12 - 16 members made up of a balance of elected officers, people from SUs, and independents<sup>2</sup>.

### Reform Recommendation 2.2: All FTOs should be on the board

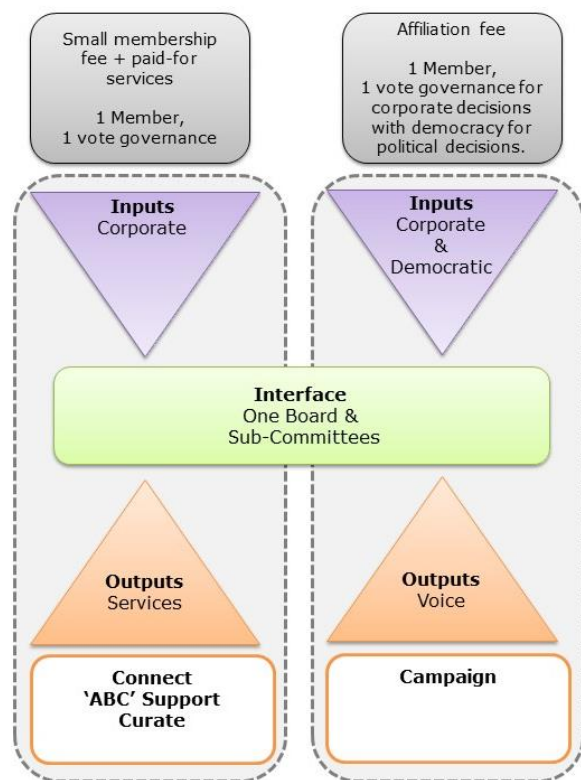
In order to achieve a single line of sight, and the most operationally effective structure within NUS' context, all FTOs should be on the board. If elected student leaders do not sit on the board they effectively sit outside of the structure creating an anomalous governance situation (the current situation) that translates into dysfunctional delivery. An elected leader needs the power to lead and the scrutiny to be accountable – that means being on the board.

### Reform Recommendation 2.3: Corporate does corporate, politics does politics

Corporate governance decisions (articles and funding) should be taken by a company law meeting on a one member, one vote basis. Political decisions (views on various issues, campaigning priorities, and FTO elections) should take place through a democratic vote of members (a conference or referendum) on a proportionate representation basis.

### Further consultation required:

- FTO numbers and roles



<sup>2</sup> <https://www.charitygovernancecode.org/en/5-board-effectiveness> Guidance on board effectiveness suggests that a combination of the right overall number, and the right mix of skills, experiences and perspectives is essential to a high-functioning board. For NUS' purpose and nature, this will mean a balance of student leaders, SU representatives (both staff and student leaders) and lay trustees. Together the board needs to cover a bare minimum of legal, HR, and financial expertise, plus specialist skill in campaigning, politics, media, charities, and membership organisation development.

### **REQUIREMENT 3: Coherent campaigns that win!**

Rather than individual work delivered by individual officers and departments, members want a coherent program of campaigns designed to direct our collective resources towards significant wins for students at a national level. Rather than individual manifestos, SUs want a single coherent 'NUS manifesto' based on democratically agreed positions, backed-up by empirical evidence, and refined by contextual insight. It should be published to members and used for accountability purposes.

In terms of delivery, NUS should strengthen its greatest strength and asset – elected full-time student leaders. In doing so, NUS should separate 'representation' from 'delivery' and should have FTO roles that reflect the work. In financial terms, SUs want us to invest their collective resource into a significantly smaller number of higher-impact campaigns, led by well-supported and productive FTOs.

#### **Reform Recommendation 3.1: Cabinet + NUS Manifesto**

NUS should introduce a 'cabinet' of FTOs who agree a single organisational manifesto that drives the campaigning work. This should be approved by the board to ensure line of sight and scrutiny. This approach should be taken regardless of the number of FTOs.

#### **Reform Recommendation 3.2: Two-year officer posts**

Two-year officer posts were a key recommendation from the Institutional Racism Review. Extending the term of office will increase the FTOs' ability to form a team, to deliver a coherent program of work, and to be focused on the work itself rather than an impending election. In practice, the 'in-life' period (the time and resource spent delivering work) can be as little as five months for a one year post, compared to 20 months in a two-year post<sup>3</sup>.

#### **Reform Recommendation 3.3: FTOs reflect the work**

The FTO team should be smaller, not only for governance purposes, but in the interests of focusing the work. A small FTO team should be focused on roles that deliver a balance of work that reflects what members want to see NUS campaigning on. The group should be small enough to form the 'cabinet' (3.1, above) and would be held to account by a balanced board that they all sit on.

#### **Reform Recommendation 3.4: Increase the resource levels per FTO-led field**

Currently, NUS spreads its resources thinly – at last count we were working on 300+ 'priorities' across 20 FTOs. This creates low-impact work, low member satisfaction, and a toxic culture where people fight over limited resources. We need a new methodology that increases resources for each FTO-led area of work. Resources should wrap around each FTO to support them to be highly effective and impactful<sup>4</sup>. The result should be high-impact campaigning led by happy and productive FTOs working as a team together.

#### **Further consultation required:**

- FTO numbers and roles

<sup>3</sup> The 'in-life' time for an FTO depends on their trajectory. The following four scenarios illustrate the differences and the calculations are a measure of how the resources are spent incl FTO and NUS' staff and budgets:

One year FTO (loses re-election): two months training, five months delivering, three months election, two months transitioning out.

One year FTO (does not run again): two months training, eight months delivering, two months transitioning out.

Two year FTO (wins re-election): three months training, 16 months delivering, three months election, two months transitioning out.

Two year FTO (no re-election): two months training, 20 months delivering, 2 months transitioning out.

<sup>4</sup> If the balance of investment is right (see White Paper Question 1, p14), the support package would include: induction personalised to the individual to maximise their impact in the role; public profile strategies for each FTO and their priorities; dedicated policy & content support; and dedicated comms, media and project support.



#### **REQUIREMENT 4: Representative of members**

Members feel that NUS' democratic processes do not result in effective representation of their student bodies. One reason is because NUS' current delegate entitlements do not empower SUs to determine delegates. Another reason is because the burden of participation is currently too high for many SUs to take part in, both in terms of cost, time and 'capital'. A SUs ability to be heard in NUS should not be reliant on their block grant.

A key issue for members is the relationship between elections and policy setting. SUs feel that NUS' elections take over the policy process – effectively rendering the policy process nothing more than an extended election platform. Members want the policy process to include more consensus-building and to enable SUs to set clear priorities.

#### **Reform Recommendation 4.1: Voting should be accessible to ALL SUs**

All SUs should be able to take part in any policy vote or election that they are eligible to vote in. For elections and any pre/post-conference ballots, all SUs should be able to vote online. For conference policy votes, SUs should be able to engage digitally and take part in voting, even if they aren't physically at the event<sup>5</sup>.

#### **Reform Recommendation 4.2: SUs should determine delegates**

NUS should set the number of delegates eligible to vote, and should be able to specify characteristics for certain votes (e.g. nations, liberation). An SU should be free to determine which delegates it wishes to send.

#### **Reform Recommendation 4.3: Regional activity (but not regional structures)**

NUS should run organising, networking, campaigning, and policy-development activities on a regional basis to make participating in NUS easier and less costly. But this should be activity-driven not structure-driven, and as such should stay out of the Articles.

#### **Reform Recommendation 4.4: Separate elections from policy-making**

NUS should hold elections separate to the formation of policy to ensure policy-making is not simply an extension of the elections themselves. This will enable more genuine discussion between members about their views and will enable us to use seminars, workshops, and consensus-building policy development techniques.

#### **Reform Recommendation 4.5: Simplify and modernise NUS democracy**

In line with many of the recommendations from the 2017 democracy review<sup>6</sup>, the following should be implemented:

- Hold one NUS Conference per year with caucuses for specific votes and topics (FE, HE, nations, liberation groups, sections)
- Ballot pre and post-conference to determine consensus, debates and priorities
- Introduce detail into motions on the financial/operational impact on NUS or SUs
- Introduce accountability surgeries for members
- Enable new types of SUs to join NUS to reflect modern modes of learning (e.g. National Association of Apprentices, or an SU in a private provider e.g. BPP)

#### **Further consultation required:**

- Balance of decision-making Vs doing

<sup>5</sup> The technical provision would need to be effective and secure, with back-up contingencies. The specification would be drawn up, put to tender, and NUS should take expert technical advice on this matter.

<sup>6</sup> Strengthening NUS Democracy <https://www.nusconnect.org.uk/resources/strengthening-nus-democracy-motion>

## **REQUIREMENT 5: Focus on core SU services**

Members want NUS to focus activity in areas they see as being 'core' and that only NUS can deliver. Delivering a powerful student voice on education and student matters is seen as the number one core activity that NUS should deliver. On the SU support side, members see the provision of basic advice and guidance, support for SUs to exist (to form and when they hit crisis), and networking as being absolutely 'core' functions that wouldn't happen outside of NUS.

Feedback from all parties suggests that operationally there should be two distinct operations – student voice and SU support – to reflect that the work itself is qualitatively different and requires different models of delivery to be most effective. But that the two operations are two sides of one coin and should be operating back-to-back under one board.

### **Reform Recommendation 5.1: Two back-to-back organisations**

There should be two organisations operating under one board. One organisation should focus on delivering a national student voice, led by FTOs, delivering a small number of priority campaigns (see Requirement 3 for more detail). The other organisation should focus on ensuring the existence of strong students' unions through the provision of core services (see Reform Recommendation 5.2 – 5.3 below for more detail).

### **Reform Recommendation 5.2: Deliver only core SU support activities**

NUS should refine the services it delivers to students' unions down to a core provision of:

- Connecting members
- 'ABC' Core Support
  - **A**dvice and guidance on best practice and matters of major importance
  - **B**uilding the case for SUs existence and championing their value
  - **C**risis support for SUs facing failure and closure.

### **Reform Recommendation 5.3: Curate rather than deliver all non-core activities**

NUS should curate a 'dynamic marketplace' where SUs can come together to access services that strengthen their work, achieve an economy of scale in purchasing, and add value to their members e.g. volume purchasing, commissioning bespoke research, training and professional qualifications, strategic support etc. In this space SUs decide what work takes place, who is involved in it, and how much funding to commit and NUS' role is to curate that on an ongoing basis (as opposed to NUS offering a 'shop' of products that SUs can 'purchase').

### **Further consultation required:**

- Membership model

## **REQUIREMENT 6: Financially sustainable, value for money**

In 2018, NUS announced that it had reached a financial crisis and that it needed to generate £3m cash by March 2019 to remain solvent. TOTUM sales will not deliver the £4m income target set in this financial year (2018/19). Members have been clear that they are not satisfied with either the value they receive for the current level of affiliation fee they pay, nor how that fee (and other income) is allocated to different activities across voice and SU support.

The following factors should guide NUS' new financial model:

- Members want more visibility and control over how they spend their resources, but want to maintain protections for the most vulnerable in our movement (very small or non-existent SUs and SUs in crisis);
- Members feel NUS could deliver a more powerful student voice with less resource and more focused goals and activities;
- Member views and market forces mean OneVoice will need to re-think the business model and value proposition supporting TOTUM which means that in the short-term NUS and SUs cannot rely on the TOTUM income.

In terms of cost allocation, NUS needs to both reduce its overall core expenditure, redirect funds to meet members' priorities<sup>7</sup>, and enable SUs to have more direct control over how their resources are invested in SU Support.

### **Recommendation 6.1: Re-set NUS' business model**

A detailed financial modelling exercise will be undertaken to explore what the most effective value proposition, pricing and packaging should be, in order to drive value to members, maximise reach to members, and offer the most sustainable financial model for NUS. It will be modelled on the recommendations in this White Paper, leaving room for the three remaining questions, and will be published alongside the final reform proposals to inform debate and decisions at National Conference and a Company Law Meeting.

Guiding principles for modelling:

- Retain an affiliation fee and reduce from 4% to 2.5%<sup>8</sup>;
- Ensure NUS can offer a core package of SU support to all SUs, regardless of income, and fund this predominantly through non-affiliation revenues (e.g. income from NUS' commercial activities);
- Fund activities in the curated space through a 'committed funding model' where SUs direct their resources towards the products, services, and providers that meet their needs in any given period of time<sup>9</sup>.

Note: NUS' Turnaround Plan aims for a new financial model to be implemented by 2021.

### **Further consultation required:**

- **Membership model**

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<sup>7</sup> This is in line with the outcomes of the New Settlement (2015) [The New Settlement](#)

<sup>8</sup> A reduction in affiliation fees from 4% to 2.5% would include a 2.5% reduction of the upper cap. In other words, the upper cap would reduce the same % to ensure that all SUs paying above the minimum level experience a proportionate reduction in the new model.

<sup>9</sup> The 'committed funding' model offers a dynamic pricing and packaging approach where SUs decide what to fund, to what level, and which delivery partners to work with. This is distinct from a 'pay to play' model where a series of products with a fixed price are on 'sale' for members to buy. Committed funding also enables work to be curated and resourced in different ways e.g. a sector body, rather than an SU, may wish to fund a project developing SUs in Further Education.

### 3. FINAL QUESTIONS FOR MEMBERS

NUS is facing critical risk to its financial and strategic health and must deliver reform this year or face a very uncertain future. It is therefore critical that we bring members a final reform proposal they are happy with.

To be completely confident in the final reform proposals, there are three topics that require a further discussion amongst members. These three topics have a significant impact on the future for NUS and are choices that only our members can make.

The three questions are:

WHITE PAPER QUESTION 1: What should the elected full-time officer roles be?

WHITE PAPER QUESTION 2: What should the membership model be?

WHITE PAPER QUESTION 3: Is the balance of deciding/doing right?

## **WHITE PAPER QUESTION 1: What should the elected full-time officer roles be?**

Student leadership sets NUS and students' unions apart from any other advocacy, campaigning or membership organisation in the UK, and is a key feature that should be strengthened through these reforms. But in its current format, it simply isn't working.

NUS currently has 20 FTOs<sup>10</sup>. It is clear that we will need a smaller FTO team - members and stakeholders alike want a smaller, more effective team. But the specific number and roles require some further discussion and consideration.

In answering this question, respondents may wish to consider the following information:

### **1. Focused, coherent output**

SUs have been absolutely clear about the need for NUS to focus its resources on a small number of high impact campaigning priorities. SUs want NUS to flip its current model – currently NUS spreads its resource thinly across hundreds of activities and campaigns, but SUs want us to flip that and devote a higher amount of resource to fewer activities. FTO roles directly determine how thinly spread NUS' resources are. Each FTO role splits the resources by an average multiple of 10-15<sup>11</sup> and this number gets exponentially worse the more roles there are, and exponentially better the fewer roles there are. This is because fewer roles make it easier for FTOs to work as a group, agree shared priorities and pool resources.

### **2. Well-supported officers**

There is widespread agreement that NUS officers are not well-supported. The support an officer receives is based on two factors: a) the amount of resource and b) the configuration of that resource. This White Paper proposes a new vision for officer support where we increase the resource-per-officer (factor a) and re-configure the resource to 'wrap around' the officers (factor b). The complicating factor is the overall resource level – in the new financial model (*Requirement 6, p11*), NUS' overall resource is reduced by about 40%. So to improve the amount of resource per officer (factor a), the number of roles needs to reduce by at least 45% in order to yield an improvement.

**In order to meet the specific requirements set out in this White Paper (specifically, points 1 and 2 above) the ideal officer number is between five to eight.** However, some of our stakeholders have argued for a larger team, of between 12 to 15, to ensure adequate representation and to cover more areas of work.

The following page offers four options based on specific feedback from members and stakeholders. It gives an explanation of how the team would function and an evaluation of the implications against the requirements set out in the White Paper.

Whilst we had some discussion about different types of roles (non-portfolio and constituency-based roles), there has been little appetite.

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<sup>10</sup> NUS' current 20 FTO roles are: National President, VP Higher Education, VP Further Education, VP Union Development, VP Welfare, VP Society & Citizenship, International Students' Officer, Women's Officer, Black Students' Officer, LGBT+ Officer (Open Place), LGBT+ Officer (Women's Place), Trans Officer, Disabled Students' Officer, NUS Scotland President, NUS Scotland Deputy President, NUS Scotland Women's Officer, NUS Wales President, NUS Wales Deputy President, NUS Wales Women's Officer, NUS-USI President

<sup>11</sup> Analysis of FTO activity reveals that each FTO works on a minimum of three fields of activity (political priorities) across between three to five types of activity (campaigning, influencing, policy, democracy, capacity building).

## OPTIONS

	Roles	Total	Portfolios	Implications <sup>12</sup>
Option 1	National President Scotland President Wales President NUS-USI President	4	This small team would represent students on key matters and focus on a small number of campaigning priorities.	<ul style="list-style-type: none"> <li>All FTOs could sit on a balanced board.</li> <li>FTOs would receive significantly more (+60%) support than the current provision.</li> <li>NUS would significantly increase its focus, reduce the number of 'priorities' it campaigns on and increase the spend-per-priority.</li> </ul>
Option 2	National President VP HE VP FE VP Liberation & Equality Scotland President Wales President NUS-USI President	7	The four presidents would represent students primarily to governments and national media, whilst the three VPs would focus on specialist areas and sector.	<ul style="list-style-type: none"> <li>All FTOs could sit on a balanced Board.</li> <li>FTOs would receive more (+15%) support than the current provision.</li> <li>NUS would increase its focus, reduce the number of 'priorities' it campaigns on, and increase the spend-per-priority.</li> </ul>
Option 3	National President VP HE VP FE VP Union Development Scotland President Wales President NUS-USI President Women's Officer Disabled Students' Officer Black Students' Officer LGBT+ Officer Trans Officer	12	The four presidents would represent students primarily to govts and national media, whilst the four VPs and four liberation officers would focus on specialist areas and sector.  Only the VPs would sit on the board.	<ul style="list-style-type: none"> <li>Not all FTOs could sit on the Board – up to seven would sit on the board and five would not</li> <li>FTOs would receive less support than the current provision (-35%).</li> <li>NUS would slightly reduce the number of priorities it works on, but the spend-per-priority would decrease.</li> </ul>
Option 4	National President VP Education VP Welfare & Rights VP SU Development Scotland President Wales President NUS-USI President Scotland Deputy Wales Deputy Women's Officer Disabled Students' Officer Black Students' Officer LGBT+ Officer Trans Officer	14	The four presidents would represent students primarily to govts and national media, whilst the four VPs, two deputies and five liberation officers would focus on specialist areas and sector.  Only the VPs would sit on the board.	<ul style="list-style-type: none"> <li>Not all FTOs could sit on the board – up to half would sit on the board and half would not</li> <li>FTOs would receive less support than the current provision (-45%).</li> <li>NUS would slightly reduce the number of priorities it works on, but the spend-per-priority would decrease.</li> </ul>

<sup>12</sup> Calculations of FTO support are done based on a Group-wide staff:FTO ratio. The baseline is taken from the pre-reform period (216:20) and calculated using the financial model set out in the White Paper.

## WHITE PAPER QUESTION 2: What should the membership model be?

There are three main models of membership affiliation that NUS could adopt in line with the proposals set out in the White Paper:

- Single Membership: One single fee to join all of NUS' activities
- Gateway Membership: Different rates to access different activities but members are required to sign up to one part to gain access to another part
- Multiple Membership: Different rates to access different activities and members can choose which parts they want to join.

NUS' current model is the Gateway model where SUs pay different rates to access services (4% affiliation fee for student voice, c.£300 Trading Support fee, individual fees to access charitable activities). SUs must sign up to the student voice part in order to gain access to the rest.

The structure proposed in the White Paper (two back-to-back organisations under one board) offers the opportunity to look at a different affiliation model. There is no 'right or wrong' answer to this question – it's a case of how you see the movement and NUS working best for its members.

### OPTIONS

	Sample Membership	Implications
1. Single or Gateway Membership	Overall affiliation fee of 2.5% of block grants paying for both Student Voice (2%) and SU Support services (.5%). Once affiliated, SUs can access paid-for services and projects.	<ul style="list-style-type: none"> <li>• May enhance unity in the movement because SUs would be forced to join all of NUS or none of it. On the other hand, it could work the other way and SUs who don't like one part of NUS may withdraw and establish rival organisations/services.</li> <li>• May ensure higher levels of corporate cohesion in that it guarantees that the members are one group of SUs.</li> <li>• May reduce accountability in the eyes of members and members may want the chance to remove resources for services they feel are offering little value.</li> </ul>
2. Multiple Membership	SUs can choose any of the following membership options: <ul style="list-style-type: none"> <li>• Student Voice (2% block grant)</li> <li>• Core SU Support (.5% block grant)</li> <li>• Paid-for services (price depends on service)</li> </ul>	<ul style="list-style-type: none"> <li>• May enhance unity in the movement because SUs could stay with some parts of NUS even if they didn't like all of it. On the other hand, it could risk divesting from critical areas that are less easily quantifiable.</li> <li>• Members better able to determine how they wish to spend their resources.</li> <li>• May make it easier for NUS to separate into two independent organisations at some point in the future – some might view this as a strength and others as a risk.</li> </ul>

**Follow-up question:** You may feel that the proposed reduction in core affiliation income from 4% to 2.5% is not radical enough. Do you have a view on NUS' core income that is very different to what is proposed in this White Paper?

### WHITE PAPER QUESTION 3: Is the balance of deciding Vs doing right?

The most recent feedback from members (Oct – Dec 2018) suggests that they want to see NUS flip the current balance of deciding things Vs doing things on its head. In other words, Members want less decision-making and more campaigning.

Feedback from small and facilitated (non-independent) SUs (predominantly in FE) clearly tells us that if the burden of participation is too high in our decision-making structures, it becomes inaccessible to most of our members.

Members tell us that NUS has too much policy to possibly enact, and that it should focus in on fewer key issues facing SUs and their members (students). And that they want more discursive-organising spaces and fewer formal decision-making spaces.

To take this leap could be a major turning point for NUS, but we want to make sure this is definitely what SUs want!

### OPTIONS

	Summary	Implications
1. Proposed in this White Paper	<ul style="list-style-type: none"> <li>• One national conference per year with caucusing for devolved and autonomous matters</li> <li>• Elections &amp; policy voting done digitally to widen access to all members</li> <li>• One NUS Cabinet made up of FTOs</li> <li>• An 'NUS Manifesto' published that sets out the campaigning priorities for the organisation</li> <li>• No confidence mechanism</li> <li>• Member surgeries &amp; accountability/questioning process</li> <li>• Informal organising by region and other groupings</li> <li>• Dedicated delivery in the nations</li> </ul>	There would be a greater emphasis on the delivery of work in that NUS and SUs would spend less time making decisions and more time enacting decisions and doing things. Many structural layers that currently exist are removed in this version.
2. Proposed in the 2017 Governance Review	<ul style="list-style-type: none"> <li>• One national conference, 10 regional &amp; national bodies, five liberation bodies per year</li> <li>• Elections and policy voting done digitally to widen access to all members</li> <li>• One NUS leadership made up of FTOs</li> <li>• A range of accountability mechanisms including, membership surgeries and an online mechanism to register dissatisfaction with a FTO</li> </ul>	There would be significantly more work in admin supporting a formal regional system, but it is reflective of students' unions wanting a more regional approach to work. This approach was previously discussed at Conference 2017.
3. Current arrangements	<ul style="list-style-type: none"> <li>• One national conference and 66 decision-making bodies (conferences &amp; committees), running across nations, zones, liberation groups and sections</li> <li>• Voting takes place in person at events and meetings</li> <li>• Accountability mechanisms through the 66 bodies</li> <li>• 200+ elected volunteers</li> </ul>	SUs have expressed they don't like either the complexity or the cost (to NUS and to SUs) of the current system. Conference has voted to reform several times.



## **Appendix 1      Briefing note on responding to this White Paper**

We are accepting feedback on this White Paper from **Monday 21 January 2019 to Friday 8 February 2019** – a total of three working weeks.

We are accepting feedback in two formats:

- Official SU responses
- Responses from individuals and other groups/organisations.

As we approach the publication of the final Reform Motion, it is critical that we can clearly see what NUS' members (students' unions) want in an official capacity. But we also want to take on board the views of individuals and organisations wherever possible. That is why there are two avenues to feed back to this White Paper.

### **Official member students' union responses**

Every member students' union is invited specifically to feed back on the final three questions posed in this White Paper, and to do so you will need to **use your Secure Code and complete the online form.**

It is up to each individual students' union to determine what they view as being an 'official SU response' but the following guidance may help:

- The response should be submitted by someone authorised to use your SU's secure code – if you don't know what your secure code is contact [questions@nus.org.uk](mailto:questions@nus.org.uk);
- The response should be approved for submission by the senior people in your SU which may be a President, a lead officer, a CEO or a Learner Voice Practitioner;
- You should be confident that the response reflects the views and interests of your students' union and the students you represent – each SU will do this differently, but the following are some of the ways you might do this:
  - Discuss amongst the senior student representatives – who may also be your delegates to National Conference;
  - Consult your Executive, Trustee Board, Council or another senior body;
  - Look at any research or polling data you have that gives an idea of the views, needs and interests of your students;
  - Consider the SUs strategic plan.
- Once you have responded you may want to consider how you will follow-up with your delegates to National Conference and the Company Law meeting to ensure the will of your union is carried through to the end of this process.

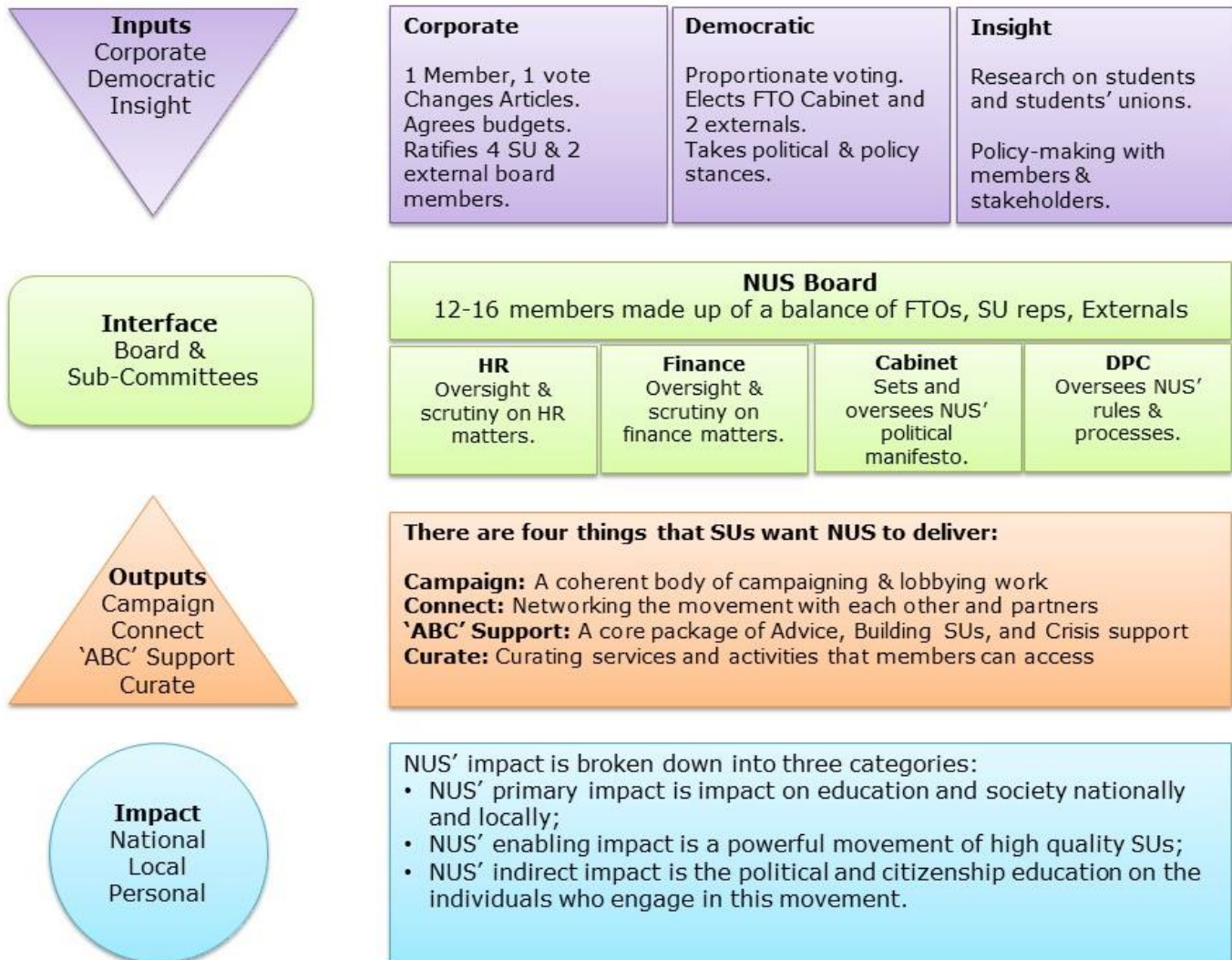
### **Responses from non-affiliates, individuals and other groups**

There will be non-affiliated SUs, individuals, groups and organisations that wish to express a view on the White Paper – this is welcomed. In order to understand where each response is coming from we ask that you give us a bit of information about who is responding and your connection with NUS and the reform process.

**Thank you to everyone – SUs, individuals, groups and organisations – for taking part in the White Paper consultation.**

## Appendix 2 Diagram of a reformed NUS

The diagram below shows a basic structure for NUS based on the six requirements that the governance reforms must deliver, and the proposals (above).



## Appendix 3 Stakeholder Feedback

### Background

This appendix sets out how NUS has systematically consulted with stakeholders over a period of several years to arrive at the current White Paper.

The current iteration of reform draws on years of research, consultation, events, interviews, and democratic conferences. It's important that anybody who reads the final proposals is aware that this consultation has not taken place during the eight weeks of Turnaround in 2018, but has been several years in the making. The methodology behind the White Paper also draws on work which has taken place to inform NUS' decision making elsewhere, e.g. the Membership Satisfaction survey.

Overall, the conclusions reached in the White Paper are born out of NUS' cumulatively largest ever consultation exercise, culminating in a final targeted consultation before we put together the final proposals (motion/resolution) for National Conference and the Company Law Meeting.

This appendix goes through the chronology of Turnaround and highlights where research has taken place with members to reach the conclusions set out in the White Paper. Members and stakeholders have moved towards reform over many years, but the financial and governance imperatives we face now mean there is an urgency to act and begin implementation within this financial year (by the end of June 2019).

This appendix covers two main areas:

- Historic consultation (pre-Turnaround)
- Turnaround Consultation (October 2018 – December 2018).

### Historic Consultation (pre-October 2018)

Arriving at the White Paper has been informed by years of consultation on the work of NUS. The table below highlights some of the key sources of information which have either directly informed the Turnaround consultation and this White Paper, or provided background reading to inform decision making.

Document	Overview	Contribution	Contributors
<a href="#">A New Settlement: 2015</a>	The report came out of an independent commission. Its remit was to look at the cost and benefits of NUS membership encompassing NUS' governance arrangements, cash flows, and NUS' delivery of work.	The contribution to our current thinking includes: <ul style="list-style-type: none"><li>• The move to reduce affiliation fees to 2.5%</li><li>• The governance of NUS by students' unions</li><li>• An emphasis on transparency of funding</li><li>• Greater emphasis on peer to peer network</li><li>• Streamlining activity to reduce mission drift</li><li>• The proposed funding model borrows heavily from this work (appendix one)</li><li>• The function of student voice.</li></ul>	30 HE students' unions were interviewed in depth. 8 FE students' unions were interviewed 72 members responded to a survey. 6 members of NUS staff were interviewed.

Document	Overview	Contribution	Contributors
<a href="#">NUS 100: Manifesto for a Just and Sustainable Future</a> : 2016	NUS 100 is a roadmap to strengthen and build the organisation, and the wider movement, so that together we can achieve our ultimate aims.	<ul style="list-style-type: none"> <li>The current framework NUS works within.</li> </ul>	Lengthy consultation open to the whole movement, including working groups and discussions with NUS officers and boards.
<a href="#">Independent Review into the allegation of Institutional Racism in NUS</a> : 2016	In February 2016, NUS commissioned the Runnymede Trust to carry out an independent review to investigate whether the organisation is institutionally racist. Although not directly related to NUS' democracy there are some important lessons for how we conduct our student voice work.	<ul style="list-style-type: none"> <li>NUS should give consideration to how it creates and reinforces the notion of a shared vision to which all - irrespective of political difference - can subscribe.</li> <li>NUS should consider moving elections to every other year as opposed to the current annual cycle.</li> </ul>	A total of <b>177</b> staff, FTOs, and volunteers.
<a href="#">Strengthening NUS Democracy and Governance</a> : 2017	NUS UK board endorsed the New Settlement report recommending a governance review in February 2015. NEC passed a motion mandating the review in June 2015. Work began in October 2015 as part of Project 100 overseen by a group of NUS and students' union officers, board members, staff and students	<ul style="list-style-type: none"> <li>Collective decision making.</li> <li>Cabinet model.</li> <li>Modern democracy – digital voting, nuanced voting that allows consensus-building and priority-setting, more informal spaces.</li> <li>Regional model.</li> </ul>	In informing the research there was a membership consultation which had <b>216</b> responses and surveyed <b>1,430</b> students. The resulting motion was passed at National Conference 2017 attended by <b>973</b> delegates.
<a href="#">Membership Satisfaction Survey</a> : Winter 2017	NUS' bi-annual satisfaction survey of members.	<ul style="list-style-type: none"> <li>48% satisfaction rating showed NUS had hit a critical point with members and needed to change significantly.</li> <li>Clear direction for a new membership support model; <a href="#">NUS 100 2.1</a>.</li> <li>Clear areas of satisfaction/dissatisfaction for priorities.</li> </ul>	<b>129</b> responses representing <b>97</b> SUs were analysed. A total of <b>140</b> responses were achieved by the time the survey was closed. A maximum of two responses per union.
<a href="#">NUS Strategic Plan Analysis</a> : 2018	A report into the ambitions and work of the movement through analysing higher education students' unions' strategic plans.	<ul style="list-style-type: none"> <li>Supported the development of the union support strand of the White Paper and the funding mechanisms.</li> </ul>	Reviewed nearly all Higher Education strategic plans.

## Turnaround Consultation (October 2018 – present)

Since the [announcement](#) of the Turnaround Work in late September, NUS has been systematically consulting with stakeholders. There have been a number of activities which have taken place, but primarily this includes:

- Consultation with over **170** participants at Strategic Conversation
- Consultation with **33** NUS' NEC members
- Regional meetings across the UK with over **50** attendees
- Over **60** participants in Skype meetings, written feedback, and phone calls
- Over **30** learner voice practitioners and FE officers
- Weekly meetings open to and with NUS' 20 FTOs
- Updates to students' unions through membership engagement visits

The table below summarises from the feedback where there is common ground across all of the consulted stakeholders and where there are areas of disagreement. It's important to note that as complete consensus would be impossible to achieve, for this purpose 'common ground' means there is broad agreement on the proposals.

The unique interactions between NUS' members, the elected leaders, and financial relationships, make it difficult to assign a value to responses, so this is carried out in the spirit of finding broad areas of agreement. The views of NEC can be read in full [here](#).

This should enable easy comparison between NUS' stakeholders and the elected body which acts in absence of Conference. Where a comment is *italicised* it appears in both the NEC consultation and broader consultation.

This should be read alongside the resources on the [Turnaround Hub](#) to give the fullest picture of this work.

### Stakeholder Engagement

	Common Ground	Disagreement
<b>Core Purpose</b>	NUS' core purpose is right, but the two parts should align more easily  NUS has become too broad  <i>Do less but do it better</i>	The extent to which NUS does student voice and the extent to which it does students' union development  <i>The extent to which students' union development is used to solely grow campaigning activity</i>
<b>Student Voice</b>	Representation on national educational issues  NUS needs to deliver work within a broader social issues remit  <i>NUS needs to focus on 'movement building' as well as officers</i>  There is <i>more</i> consent than ever on two-year election cycles	<i>The precise number of full time officers</i>  The extent to which NUS engages in broader social issues and the extent to which NUS works only on education  Who attends National Conference  The role of Liberation Officers within NUS; some suggestions of part-time roles, NEC suggestions as core activity, or others as some reduction as part of

	<b>Common Ground</b>	<b>Disagreement</b>
	<p>Reduce the number of officers (albeit total numbers not discussed at NEC and not a consensus of positions in consultation)</p> <p>It is core work for NUS but needs to be more focused and supportive of officer priorities</p> <p><i>National Conference and policy making more generally doesn't work in its current format</i></p> <p>The membership has made it clear they would like to see less officers but this is not reflected by NEC</p> <p><i>A more collaborative model of student leadership, although the mechanism isn't as established with some consent for a cabinet, programme of work, and a greater dispersal of power.</i></p> <p>Participation in democracy needs to be significantly easier. (Note: various suggestions on doing so but includes; streamlining conferences, digital democracy, pre-conference ballot, post-conference ballot)</p> <p>Integration of more digital democracy but needs work on mechanism of how that works</p> <p><i>Separating policy and elections</i></p> <p>A more accessible democracy (reflected through a number of mechanisms at both NEC, governance review, and member feedback)</p> <p><i>NUS' voice work absolutely needs to include the wider social, liberation, and regional, aspects of education</i></p>	<p>An overall reduction in officers. NEC was clear in wanting no changes to liberation numbers</p> <p>How regionalism could work in practice. People really want it but it's variously reflected as both an <i>organising</i> model and a <i>representation</i> model</p>

	<b>Common Ground</b>	<b>Disagreement</b>
<b>Students' Union Support</b>	<p><i>FE needs a more specific support offer than currently within NUS</i></p> <p><i>NUS needs to provide a range of 'students' union support'</i></p> <p><i>There is a definite role in NUS bringing members together on similar issues</i></p> <p>There is activity only NUS can do which it would have to continue</p> <p>NUS has a role to play in curating a range of services</p> <p><i>There are inherent difficulties in 'separating off' entities but it is unclear if this is in practice or affiliation</i></p> <p>There's a clear steer that there are some things NUS should just facilitate and others where we need not do what either students' unions can do, or competitors can do</p> <p>Agreement that an insurance product is particularly valuable</p> <p>There needs to be a baseline of activity which can be accessed (very few advocate for pure 'pay as you play' model)</p>	<p><i>How regionalism could work in practice although it seems like a good idea</i></p> <p><i>No clear way forward on what support would look like with different stakeholders valuing different parts</i></p> <p>What a 'generic' support to all students' unions looks like</p> <p>The relationship of Trading Support in a NUS structure and to its members</p> <p>What the absolute core things are that members want to retain</p>
<b>Governance</b>	<p><i>NUS' governance needs to be more 'agile'</i></p> <p><i>A single board</i></p> <p>The board's primary focus should be assurance not policy</p> <p><i>FE should be able to access 'more'</i></p> <p><i>Separate elections and policy making</i></p> <p>Insurance product for students' unions in a crisis</p> <p>Preserve our core functions through any legal mechanisms</p> <p><i>Clarity on the activity that is for students' unions and the activity for students</i></p> <p>There needs to be a mechanism which separates out responsibilities in governance while making clear who influences which bit</p>	<p>There is a real mix of how members should 'access' NUS through membership mechanisms</p> <p>Some really strong views on whether NUS is here for students or students' unions</p> <p>How a 'pay as you play model' could be viable for smaller students' unions</p> <p>There is some agreement that the board should contain all FTOs but it is unclear how that could be achieved without answering how many FTOs</p> <p>Board configurations; ideas on external chairs, representation, dispersal of power, role of the Chair</p> <p>There's a few references to a 'core test' of what is valuable which the board may want to explore but unsure what that is yet</p>

## Appendix 4 Financial Modelling Information

This appendix provides an overview of the current financial arrangements, and some more detail around the financial modelling principles set out in Recommendation 6 (p11).

### Current Business Model Financials

NUS' current business model is based on income streams that have significantly changed in financial year 2018/19 due to a reduction in income from TOTUM. Additionally, members have expressed that they do not see value in how the affiliation fee income is currently spent so this income source is also unsustainable.

Finances pre-crisis (budget for FY2018-19) and post-crisis (forecast for FY2018-19):

	Income pre-crisis	Income post-crisis	Variance	Commentary
NUS UK <i>Voice</i> <i>Campaigns</i> <i>FTOs</i> <i>Democracy</i>	£5.6m	£5.6m	£0	Income is made up of two streams that are static in 2018/19:  £1.3m from Endsleigh (dividends and donation)  £4.3m affiliation fees (4% of SU's block grants)  The affiliation fee level is not seen as good value and is not sustainable longer-term.
Charity <sup>13</sup> <i>SU development</i> <i>Funded projects &amp; services</i>	£3.7m	£1.1m	£(2.6m)	The pre-crisis income is based on a donation from NUS Services of £2.5m. In the post-crisis scenario this has been stopped entirely.
Services <i>Trading Support</i> <i>TOTUM</i>	£8m	£3.8m	£(4.2m)	Income has reduced due to a reduction of income from student discounts & partnerships.

### Possible Implications for Financial Modelling

#### *Recommendation 6.1:*

#### *Guiding principles for modelling:*

- *Retain an affiliation fee for student voice under the same model and reduce from 4% to 2.5%;*
- *Ensure NUS can offer a core package of SU support to all SUs, regardless of income, and fund this predominantly through non-affiliation revenues (e.g. income from NUS' commercial activities);*
- *Fund activities in the curated space through a 'committed funding model' where SUs direct their resources towards the products, services, and providers that meet their needs in any given period of time<sup>14</sup>.*

<sup>13</sup> Charity figures are shown in this chart with £2m of income from Sustainability removed to allow clearer comparison. Sustainability does not fund any other activities and is becoming an independent charity.

<sup>14</sup> The 'committed funding' model offers dynamic pricing and packaging approach where SUs decide what to fund, to what level, and which delivery partners to work with. This is distinct from a 'pay to play' model where a series of products with a fixed price are on 'sale' for members to buy. Committed funding also enables work to be curated and resourced in different ways e.g. a sector body, rather than an SU, may wish to fund a project developing SUs in Further Education.



## **Affiliation Fee Income**

The modelling will be based on an aim to reduce the affiliation fee to around 2.5%, depending on the final overall business model. Students' unions would therefore reduce their affiliation costs to NUS UK by 37.5%. This would provide an income to NUS of around £2.7m (compared to £4.3m currently), however the allocation of that income within NUS will be defined in the modelling. This figure also supposes we do not lose affiliation income through disaffiliation or financial hardship in SUs.

## **Endsleigh Income**

Income from Endsleigh, made up of dividends and donation, is predicted to be stable. This would mean that income would remain at around £1.3m in future years.

## **NUS Services Income**

Without any income from TOTUM, NUS Services will likely generate around £3.8m. However, this is not the amount it could donate in *surplus* to fund other activity in NUS. The costs of generating surplus through trading activity in NUS Services has a direct bearing on how much it can gift to run other activity. The modelling will need to look at NUS' overheads and the cost of running various activities – this will include the cost of buildings we own and rent across the UK.

The modelling will need to look closely at the long-term income generation options for TOTUM.

## **Curation Income**

The modelling will be based on the principle that NUS curates services within a dynamic marketplace. Students' unions will come together to access services which give them benefits through both an economy of scale and the ability to access great services.

The viability of this model depends on NUS having both the resource to support its curation and having the infrastructure to be participants within the marketplace. It does not commit NUS to be a 'shop' with a range of products but it is likely there are places where NUS will be the provider of choice.

To test the best way of operating this model NUS needs to further model both the infrastructure required to run this model and the services which would fall here not linked to a core provision (as per appendix two and the financial model above this is difficult prior to final consultation and NUS' finance committee taking place).

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