

4 March 2019

IMPORTANT INFORMATION FOR DELEGATES ATTENDING NUS NATIONAL CONFERENCE 2019

Dear delegate,

First of all, thank you for booking your place at NUS Conference. This year's event is a momentous occasion as we seek to put the control of NUS back in the hands of members. We really need you to **DRIVE NUS** if we are to survive, thrive and be here for future generations of students and students' unions. We're therefore asking you to:

- **Debate** what NUS' future will be
- **Recognise** our new financial reality
- **Imagine** new ways of working
- **Vote**
- **Engage** with fellow students and students' unions to shape new organisations.

NUS has a long history of undertaking incredible things, but as we've failed to change over the past five years, some trust and belief in NUS has been lost.

While the current financial situation has provided an imperative for reform, financial recovery is not the only reason for us to transform. Our actions to date have resulted in less and less engagement with the very people we're here to serve, students' unions and students. If we don't change we will simply die. This is not an overstatement, it's a fact.

At annual conference you will debate and decide what you want us to be. To do this you'll need to recognise our new financial reality and use this to imagine new ways of working that will modernise and simplify how we're governed, work and engage with students and students' unions. Your vote at conference will determine the future of NUS so it's essential you engage with us and understand what your vote will mean.

The NUS Reform information pack and this letter contain information about NUS that you'll want to read before conference. If you would like to speak to someone in NUS about anything contained in this letter or the reform materials, contact us at questions@nus.org.uk and we'll arrange a meeting for you with a member of the senior team as soon as possible.

You can also book to attend one of our [Skype surgeries](#) in the run up to conference or invite us to attend a meeting with you and other delegates, staff or officers in your students' union. We can do this either in person or via skype.

Important information for NUS delegates 2019

You may have heard that NUS is going through some challenges and changes right now. This letter will give you a bit more information about what's going on and how this will impact you as a) a delegate b) a student and c) a member of your students' union.

What's happened?

In autumn 2018 NUS identified significant new risks to its traditional income streams: affiliation fees from students' unions, trading support and student discounts. We rely upon these income streams to fund our campaign and charity work.

A company's reserves are there to help in such situations, but we don't have enough reserves to cover the shortfalls we're facing. As a result, it was confirmed that without some immediate actions and decisions we were facing insolvency in April 2019.

Insolvency means we would run out of cash and see our organisation handed over to an insolvency practitioner to arrange disposal of assets and closure of the companies in our group. All parts of the group would be affected, and no part would be immune.

However, a plan of action was prepared, and some very difficult decisions have been taken by boards across the NUS Group.

Where are we now?

As a result of these decisions we have:

- secured a loan to cover our in (financial) year cash shortfall;
- put our London building up for sale, so we can pay back the loan quickly and replenish our reserves
- completed a serious cost cutting exercise which has resulted in 54 redundancies and a recruitment freeze on 40 other roles, and
- put in place some interim budget measures for 2019/20 (this latter measure helped us secure the loan to cover our 2018/19 shortfall and seeks to provide breathing space for us to transition to new organisations, new governance, new ways of working and a stable and sustainable future).

Alongside the above, NUS also undertook detailed consultation on its future between November 2018 and February 2019. Independent forensic assessment of our financial position has also confirmed that our governance structures are the inherent source of our problems. We must reform how we're governed, work and engage with students and students' unions to remain a viable, sustainable and stable organisation.

Why do we need to reform?

Without reform we won't survive or thrive; we will die. This is not an overstatement but a simple fact.

Our income issues are not the cause of our problems; they've simply exposed an over reliance, expectation and hope that overspends will always be covered by another company within the group.

Our governance hasn't helped to address this because we have so much governance, and so many boards, committees and groups making spending decisions, that there's been no clear line of sight to spot when conflicts arise. We've known there were issues about governance for some time – we've been trying to reform for five years – but we're now at a crucial point.

Without radical reform we know we will not be able to remove the financial problems that we know we'll still face in future years. If we continue as we are now, we'll have to keep selling our assets until they're all gone and risk many students' unions disaffiliating. Members' patience and students' patience has run out; after five years of talking about reform, they want action. At conference you have the one opportunity to make reform a reality. We really mean this.

Our new financial reality

As a group we were operating to a turnover of around £22m in 2017/18 with 223 staff, but 2019/20 will see us working closer to a turnover of £11m with just over 100 staff, and 2020/21 to a turnover of nearer £7.5m. This equates to roughly a 65 per cent reduction in our group turnover from 2017 to 2020.

Servicing and delivery of NUS' current democratic structure – committees, meetings, travel, support, activity etc. – costs in excess of £1.5m, equivalent to nearly half the annual income expected from future affiliation fees for student voice activities.

Very detailed financial work has therefore been undertaken, looking at over 460 financing, structure and operational options taken from the feedback and consultation submissions provided by members, officers, students' union staff and students over the past four months. From the modelling it's clear that if we want to be stable and sustainable, and able to deliver for students and students' unions, we must recognise our new financial reality. This means we must live within our means and imagine and implement new ways of working that fit how students and students' unions live and work today.

Members are under financial pressures too and while they want to see NUS continue, they know there are better ways of campaigning, engaging and working together. They are employing many of these ways themselves, so it's not unreasonable for them to expect NUS to embrace these to.

Our workforce will be half the size it was 12 months ago by the end of May this year, and various work will have been stopped, outsourced, paused or adapted pending reform. 2019/20 will be a year of transition and significant organisational change is likely during this period. But if you vote for reform we can begin transition so that the first full year of the proposed new organisations will begin on 1 July 2020.

Decisions that matter

It should not be underestimated how difficult the last few months have been for all involved; officers, board members, staff and member students' unions. Making decisions that require cuts to staff, reductions in officer numbers and shelving of activities that are important to students and students' unions is not something any officer or board member expected to have to make at the start of this educational year.

Officers and board members have had to set aside their personal preferences and instead put the wants of the members first. They have listened and heard the voices of members across the UK and taking everything they've learned into account, have approved the Reform proposals presented to you. Its thanks to their courage that we are still here to give you the chance to debate, recognise, imagine, vote and engage with reform.

NUS is a member organisation. It is here to deliver for its members and its members' members, students. It's time to put you back in control of your organisation and catch up with the 21st century.

How will this impact on me as a delegate?

As a delegate representing your students' union you should be aware of your students' union's views on NUS reform. The first consultation provided a high degree of consensus amongst NUS members and the second consultation enabled members to state their views on various ideas that members themselves presented as possible options for a cabinet of officers; decision making verses doing and membership models.

You should also consider how your students' union works now and how NUS works now, and how reform and change could affect how your union engages with NUS. We've not provided lots of detail on ways of working because there are a number of operational options available and you should and will have the opportunity to shape them. We are however providing examples of how other similar democratic spaces work in other organisations.

You may also want to think about the tone and conduct of your engagement in the debate about reform. NUS is genuinely facing a fight for its existence. If you care about NUS' existence, believe it is worth saving and want to see NUS survive and thrive then say so! These are serious issues and we know people are passionate about what they care about, but it will make a huge difference if delegates at conference take the time and care to be

respectful to each other, listen and understand others' perspectives and build relationships with each other that could help re-build NUS!

How will this affect me as a student and my students' union?

2019/20 is a year where NUS will be transitioning from its current state into a new, reformed NUS. In order to transform NUS quickly and smoothly we'll need to operate differently to usual. The following list provides you with some information about the bits that may impact on you as a student and your students' union during 2019/20:

- **Small number of priorities:** We will be delivering a core program of activity which means all elected officers will need to work together to identify a small number of political priorities. With this in mind, you may see candidates streamlining their 'promises' to the electorate and being more realistic with you as a voter about what's achievable. It also means you should see a small number of specific campaigns that you can take part in, at whatever level that works for you;
- **Limited budgets:** Expenditure and budgets will be limited and finite, so we'll be extra vigilant about budget balancing throughout the year. This means once officers are elected NUS staff will work with them as a group, to translate a manifesto into a plan of work. This will likely mean prioritising one or two things, and possibly sharing a campaign priority with a group of officers. Given limited resources, the urgent need to reform NUS, and our members telling us they want us to deliver less to a higher standard, this is the approach we'll be taking in the next couple of years while we stabilise our finances;
- **Partnership working:** The nature of the work in 2019/20 will require the officer team to work together more than ever, so all elected officers will be required to invest time and energy into building a team and fostering strong and productive relationships. They'll need to work in partnership on campaigns, events and conferences – because we'll be running a streamlined program of activity – and they'll be looking at new ways of working with officers, students and staff in students' unions to deliver campaigns of mutual interest across the year;
- **Developing a new organisation:** This is the fun bit! The elected team next year will be developing new ways of working and operating in NUS. Again, this will involve teamwork, sharing ideas, and being open with students and students' unions and flexible to new ways of working. The next two years will lay the foundations for future campaigns that win and a successful 100th birthday year (2021/22);
- **Leading change:** Many elected officers hold director or trustee responsibilities at NUS. This means officers may find themselves sitting on a board of one of the companies within the group. As a director, alongside their fellow board members, they're accountable for the solvency of that company, the welfare of its staff and ensuring that the company meets its legal responsibilities. This means they may need to make some tough decisions, as we implement reform, some of which may be challenging for them and for you.
- **Building trust with members:** This is probably the most important one. Students' unions (our members) and their members, students, have lost faith in NUS' value in the past few years. A massive part of our work will be to re-build this trust. Many students' unions have told us that the openness and accessibility of the reform process has been a huge positive. We now need to take this approach and apply it across everything we do, harnessing this momentum as we reform.

What do you need to do?

Read, read, read the NUS Reform notes and guidance, motion and accompanying materials. Remember that whatever we look like in 2019/20, and even 2020/21, this is not the end game for NUS. It's the beginning of a new era for the organisation.

Transforming NUS will very much rely upon your future involvement and engagement to reshape it so debate, discuss and decide NUS' future with your students' union staff and officers.

Review the financial information and make sure you understand how our funding is changing and what's possible with the money we have available right now.

Imagine what can be achieved if we work differently and consider what involvement you, fellow students and your students union would like in your future organisation.

Vote and engage in conference and reform of NUS as we transition.

We do hope you enjoy conference! While the main topic of discussion is a serious one, we want all our conferences to be safe spaces where you can express your views and explore ideas with confidence and respect.

If you want to talk to someone in NUS about any of the above, please don't hesitate to contact us.

Email questions@nus.org.uk and we'll arrange a meeting for you (telephone, face to face or via Skype) with a member of the senior team, as soon as possible.

Yours faithfully,