

Portsmouth Students' Union Trading (PSUT) Limited
Board of Directors
MINUTES
3.00pm, 28th August 2018
Boardroom, The Union Building

ACTIONS

Action	Who	Update	Status
1. Update the Board of Directors Terms of Reference to require 3 directors (to include an external director and a sabbatical officer) in order to be to be quorate (TW)	TW		Complete
5.1 Share our brief to Counter Culture and their consultation report to Sabbs	TW		Complete

CONFIDENTIAL ITEMS

5.2 Business Development Update

Present:

Violet Karapaseva (VK - Chair), Rhian Johns (RJ – present for items 5.2, 6, 7 and 8), Tom Worman (TW), Sophie Butler (SB), Charlotte Beaney (CB - interim)

In Attendance:

Anna Clodfelter (AC), Laurie Jones - Minutes

1. Apologies for Absence and Welcome of New Directors

No apologies received

Adoption of three new officer directors - Sophie Butler, Violet Karapaseva and Charlotte Beaney (interim)

Members of Committee:

- Violet Karapaseva (chair), Tom Worman, Sophie Butler, Rhian Johns – Formal Directors
- Charlotte Beaney is standing in as an interim until an external director is recruited
- Recruiting for a student trustee and an independent external director

Action: Update the Board of Directors Terms of Reference to require 3 directors (to include an external director and a sabbatical officer) in order to be to be quorate (TW)

2. Declaration of Interests

No declarations

3. Minutes of Previous Meeting

Minutes from 29th May 2018 agreed.

4. Matters Arising and Action Points From Those Minutes

4.1 Add F&R highlight report to go alongside the minutes to all future agendas (LJ) **Complete**

5. Business Matters

5.1 Year End Trading Report - for note and questions only – TW

Report taken as read.

TW:

- Good year overall – operated in four areas – corporate partnerships (Domino’s, Endsleigh etc.), commercial events (housing fairs, Gradball), retail services (taken on corporate University merchandise) and student houses (student house finder – this market changed considerably last year due to the new halls)

- Defined these areas into three focuses for next year – partnerships/events/retail – dropping student house finder
- We get support from Finance and Marketing departments, which we pay for as a management charge, and we continue to support students staff, with our student staff winning national awards for the 3rd year running
- Ongoing non-executive director recruitment. This has been challenging - we've actively recruited through targeted channels like Hampshire Chamber of Commerce and local Business Groups.
- Trading profits:
 - Media Sales – Hit our target
 - Events – we did really well, predominately thanks to the Shred Party. Commercial hire to the University has helped too
 - Commercial partnerships – we've done very well. We have some of the biggest contracts in the UK (e.g. Domino's). This is good but also a risk as this is a lot of money for us
 - Retail – really good, predominately through the corporate merchandise
 - Student House Finder – looks like we've done really well, but that's because the Business Development Manager got a really good contract with Unite Halls for £12k. If we didn't have that, those figures would be a lot smaller.
 - The other income is mainly reversal of accruals or income we weren't expecting
- Highlights: this is largest operating profits of all time. We've invested in £40k in future proofing the business and gifting lots to the charity. We've had some really good growth, but also some tough challenges
- Headlines for media sales: £99k income and we spent £17k
- Headlines for commercial events: we did really well with Shred Party/Coca Cola. Tracked about 17% down compared to last year with Gradball – looking to have a year-end summer ball next year
- Headlines for corporate partnerships – Purple Wednesday is 18% up against budget and overall rise of 10% against budget in all commercial partnerships. We've tried to future proof ourselves by putting in long term agreements and contracts – this gives us some security. Expecting Endsleigh and Unite to move to longer term fixed term contracts
- Headlines from Retail: Clothing sales were up 21% against budget, and 27% up in merchandise. Predominantly this was through the pop up shops at Freshers' and Graduation. NUS Extra continues to decline, but we are above the national trend – predominately because of University staff cards – which we may lose this year
- Headlines from Student House Finder – Christmas housing fair was really strong, but March housing fair wasn't – this is due to a change in the housing market. We're changing the dates this year so the first one will be earlier with the aim to browse and the second will be an opportunity to sign up

AC: We tried to have them it later to encourage students to not make a decision so fast, but it's an ingrained panic that we don't have much control over

TW: Hopefully students will make a more informed decision due to us having two housing fairs.

- Risks – NUS is a significant risk. Currently being changed to TOTUM. Still a concern with the new platform. They are still building the platform which is worrying

CB: So this won't be here in time for students?

TW: It launches on the 14th Sept – so we won't have time to test or anything. Commercially we will do all we can do to push it, but before I can see it in action, it's really hard to train staff etc. We will put a kiosk down at Richmond to be the TOTUM hub and we have some plans for marketing at Freshers' Fayre.

- Increase of costs to Gradball was a big issue this year - negative comments were that it looked a bit cheap in comparisons to previous years.
- Counter Culture – failing to deliver appropriate business plan. Regularly touch base with them and they have had a quiet period but now it will all ramp up and I've had the first report

- Counter Culture are our appointed business consultants – they are building a business portfolio in line with our strategy. They will be working on feasibility plans and working with us to make business models
- We have a team– someone who was ex-commercial students' union, catering and retail expert, our principal contact who is the research/project manager. They will be coming on Sept 13th to present their findings and then we will have a workshop that morning to work out the feasibility of some of these businesses
- We should see if Counterculture have any connections for the non-executive director position

Action: TW to share our brief to Counter Culture and their consultation report to Sabbs

AC: Just to make you aware, Counter Culture also have accounting/financial services. You will hear Counter Culture in this context, but also Peter Greaney is our financial expert who also works for Counter Culture – but in a different part

TW:

- We will continue to explore potential business in the city. Drift in the City is going to be demolished, so it is probably good we chose not to invest in that.
- We have a working agreement with Bernie Topham that we will give 10 days notice of an intention to Fiona Bell – if we don't get a response, we can assume it's okay to continue
- Student spend continues to decline – we're working with Insights to work out what drives purchasing habits, and our business portfolio will need to consider this
- For the next 5 years there's a decline in 18 year olds and therefore our customer base
- We have risk that the University might withdraw its branding rights at any stage, and that will have an impact on our corporate merchandise
- Year-end investments:
 - £35k in the consultancy
 - £3.5k in our kiosk – we probably paid of 50% of that in graduation
 - We've refitted the shop – first time in 5 years

AC: Does the refit increase stock on the floor?

TW: Yes – significantly.

- We also prepaid at the end of the year for some funds to turn the ground floor event store into something. We've had the sign off on which bits of the third space café we can use, so we should be able to start moving stuff up there
- This won't be open in time for Freshers' but it needs to be open by January 2019 at the latest
- Next year we will:
 - Continue to work with our corporate partners
 - Make sure the University offer is fully embedded and finalised.
 - Look into starting some personalisation services like t-shirt printing. We're already in discussions with the University and CCI, so they will be able to design products that we will stock in the shop
 - Grow our channels onsite and online
 - Events – end of year summer ball instead of Gradball, but we will still do something in graduation week probably with one of our nightlife partners
 - Work with Counter Culture with some 5 year business models to be approved by Board in March

BOARD OF DIRECTORS NOTED THE YEAR END TRADING REPORT

5.2 New Business Development Update – TW

Confidential Discussion

BOARD OF DIRECTORS NOTED TO NEW BUSINESS DEVELOPMENT UPDATE

6. Finance Matters

6.1 PSUT Management Accounts for note

Report taken as read

RJ: Are we in good shape for the start of the academic year?

TW: There is a risk with NUS and TOTUM. From a clothing/merchandise point of view, we will be fine. Most of it is a rinse and reuse system with some more drive. The rest are all contracted our partnerships which everything is signed for, so we're in a fairly solid place in that perspective. Key objective is delivering those partnerships

CB: Our research and development – the variance is quite large. Is this due to the consultants?

TW: Yes and the additional investments that I detailed earlier.

RJ: We need to invest in the right things upfront to make business grow. The 13th September is going to be a really critical day and we will probably need to invest more to keep growing

TW: We need to have a conversation around surplus and how we protect that for the business and take an idea to Finance and Risk. We generated quite a lot of money which needs to be protected for business development to go forwards and we need to seek advice from PG as to how we can best protect it. We need to ask the charity to ring fence the profits this month on top of any investment so we are guaranteed it. Reserves should be fine, and my view is that we need to be protected. Expect PG will say we shouldn't keep it in PSUT as we'd have to pay corporation tax, so we should donate it to the charity and they can loan/gift it back.

AC: The reporting of it will be important from a University perspective – because then the charity will be showing a surplus it doesn't have.

BOARD OF DIRECTORS NOTED THE PSUT MANAGEMENT ACCOUNTS

6.2 Finance & Risk Sub-Committee Highlight Report and Minutes 29th May 2018 for note and questions

BOARD OF DIRECTORS NOTED THE FINANCE & RISK SUB-COMMITTEE MINUTES

7. AOB
None

8. Date and Time of Next Meeting

Tuesday 27th November 2018 at 3pm – Boardroom, The Union Building

Minutes Approved: _____

Date: _____