

Portsmouth Students' Union Trading (PSUT) Limited
Board of Directors
MINUTES
3.00pm 12th January 2016
Room 1, The Union Building

Present:

Nick Johnson (NJ - Chair), Elisa Kanagarajah (EK), Ian Watson (IW) – via Skype, Tom Worman (TW), Carla Watton (CW)

In Attendance:

Ian Lockwood (IL), Anna Clodfelter (AC), Lucy Simpson - Minutes

1. Apologies for Absence

Apologies received from Rhian Johns.

2. Declaration of Interests

EK declared an interest In Agenda Item 5.2.

3. Minutes of Previous Meeting

Minutes from 3rd November 2015 agreed.

4. Matters Arising and Action Points From Those Minutes

4.1 Update BoD after Xebra meeting (AC) **AGENDA ITEM 6.1 and covered in BoT**

4.2 Circulate Management Accounts when available (AC) **COMPLETED**

4.3 Circulate TOR and discuss rearranging 19/4/16 SFG Committee meeting (LS) - **COMPLETED**

4.4 Draft TOR for BoD (TW/AC) **We have been given advice by the Charity Commission that we should have Articles of Association for PSUT as a Private Limited Company and the ToR would follow on from that. AC/TW will action with legal advice in the New Year – ON-GOING ACTION**

4.5 Purple Wednesday Actions (Confidential) **AGENDA ITEM 5.2**

5. Business Matters

5.1 Trading Report - for note and questions only - TW

Report taken as read.

CW – where it talks about the voluntary overtime the previous Business Development Manager did, what are we doing to communicate that to our partners to make sure they understand?

TW – it doesn't necessarily affect our partners directly. The voluntary work was done at home with the Business Development Manager seeking out new business opportunities which will affect income not our existing partners. The additional hours were identified and discussed at various meetings with the Business Development Manager.

NJ – NUS Extra sales that are on target. Is this including the new University deal and if so do we know what it would be without this deal?

TW – yes, it includes the University. Without this the figure will be down as is the UK trend.

Action: TW to identify NUS Extra sales without the University deal.

AC – there could also be a knock-on from the 3 year card.

EK – on point 2.2.2 talking about the Victorious Festival. Really likes this idea and would like to receive updates on this.

TW – the meeting with CCI turned into a bit of a creative discussion but the person that's doing Victorious has flagged it with Bernie that we are interested so will keep trustees updated.

CW – point 2.14 the Christmas Market, what are we going to be doing in the coming years to make it better?

TW – markets do come in on budget but are hugely staff resource intensive so it is unlikely that we will continue them in the future.

CW – point 2.21 the Portsmouth Triathlon - as we don't have a BUCs team, is this something we could collaborate with the athletics club to do this in the future?

TW – that's the hope. RB/CT are working on this. But this idea of Portsmouth Triathlon is very early stages.

EK – on point 3.5.2 talking about Kit Locker, the reason for the slow to establish payment was probably due to the big confusion which happened in the AU which has now been resolved.

TW – we have had a good response in quarter 1 with approx. £1000 commission which is quite good.

EK – we've had a lot from cricket, hockey and women's football who have bought over 50 pieces each so it is growing.

AC – has the GP clothing issue been sorted or is that still one of the things we're looking at with the Xero issues?

TW – we are still looking at this with Blue Spire as the calculations are wrong in the budget sheet compared to the KPIs that trustees signed off. So JG has been working on different figures to what's in the budget sheet. We are trying to resolve this.

IL – so this was the issue with 38% rather than 50%? How did this come about that we had 50% as a target?

TW – unsure how this came about but suspects this is due to automatic calculations in the budget which had been left in from previous years and hadn't been double checked properly.

IL – so we've selling them too cheaply?

TW – essentially yes but we've been selling them in line with our KPI of 50% (cost).

AC – not sure of understanding so will pick up with TW outside the meeting.

BOARD OF DIRECTORS NOTED THE TRADING REPORT

5.2 Purple Wednesday Discussion CONFIDENTIAL – TW (moved to end of agenda)

DISCUSSION TO BE CIRCULATED SEPARATELY - EK not present for discussion as conflict of interest.

5.3 Trading Strategy – verbal update - TW

TW – the intention was to bring the trading strategy for BoD to approval but we have delayed this due to going through the business review process. There has been some interesting feedback from his report which will be progressed over the course of the next few months. The headlines from this report are:

- The business is profitable
- There's risk of it not being able to maximise income due to the nature of the trading being too closing linked to the charity.
- It's got a very narrow portfolio of business and we need to widen this portfolio to start reducing the risks.

- There could be a conflict of interest with trustees e.g. the chair of the Trustee Board also chairing the Directors Board.

He hasn't come up with anything hugely new to us but it formalises it for us. His next steps (much of which we are already working on) suggest looking at a new enterprise development with a high risk strategy (leading edge innovation) so rather than jumping in on setting up a business with a model that already exists he is talking about us going in with something brand new and innovative. Research continues alongside this into LATC (Local Authority Trading Companies) – the NEC used to be a LATC owned by Birmingham Council and this group has recently been sold to Lloyds Bank for millions of pounds. This is quite an interesting model for us to explore.

CW – said that the business consultant didn't come up with anything new so why haven't we tackled it before?

TW – part of this is resources and being able to sit back and look at it from a managing directors strategic view point. Much has been on an ad-hoc basis so far. It has reaffirmed much but there are some new elements as well.

BOARD OF DIRECTORS NOTED THE UPDATE TO THE TRADING STRATEGY

6. Finance Matters

6.1 PSUT Management Accounts for note

AC – questions to be directed to TW in future.

CW – what are we going to do to tackle the companies that haven't reinvested due to poor performance?

TW – we are talking to those companies to find out why. They are tending to be the smaller/independent businesses and feedback we are getting is that they are finding it is easier to communicate with students via Facebook.

IW – so is it a number of large clients or a list of smaller clients?

TW – the feeling is that, using the 80/20 rule – with it being the 80% that generate 20% of the income (small funded £200/£300 traders), not the larger ones. We still have the largest income in the UK from Dominos. Our big funders are still there. It's the companies who have to be really tight and careful with their money that are tending to disappear.

CW – the report says there have been issues with poor performance in what we've given them so are we doing anything else apart from talking to them?

TW – we are now offering what we can deliver. The team has reviewed the rate card and knocked off the things we can't deliver.

BOARD OF DIRECTORS NOTED THE PSUT MANAGEMENT ACCOUNTS

6.2 Finance & Risk Sub-Committee Minutes (including Risk Grid) for note and questions

IL – they come up at Trustees so questions can be asked then.

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

7. AOB

None

8. Date and Time of Next Meeting

Tuesday 22nd March 2016 at no later than 5pm - Room 1, The Union Building

ACTIONS

Action	Who	Update	Status
4.4 – Draft TOR for BoD	AC/TW	To follow from Business Review	Ongoing
5.1 – Identify NUS Extra sales excluding University deal.	TW	Included in trading report 22/03/16	Completed

CONFIDENTIAL ITEMS

Purple Wednesday Discussion

Minutes Approved: _____

Date: _____