

**Portsmouth Students' Union Trading (PSUT) Limited**  
**Board of Directors**  
**MINUTES**  
**3.00pm 27<sup>th</sup> June 2017**  
**Room 1, The Union Building**

**Present:**

James Belmonte (JB - Chair), Rhian Johns (RJ), Ian Watson (IW), Tom Worman (TW), Ben Conway (BC), Bethany Moody (BM)

**In Attendance:**

Anna Clodfelter (AC), Laurie Jones - minutes

**1. Apologies for Absence**

No apologies received

**2. Declaration of Interests**

No declarations

**3. Minutes of Previous Meeting**

Minutes from 4<sup>th</sup> April agreed.

**4. Matters Arising and Action Points From Those Minutes**

4.1 Trial monthly management account reporting to Board of Directors and review at the next Board of Directors meeting (27th June 2017) – TW **Complete**

BM: I found this really beneficial and helpful

IW: Did this help TW?

TW: More work - had to be in a format suitable for trustees. Worth steering towards a better template with Counterculture – if this format works for you, then we should use it

IW: I'm nervous about getting too operational, but it's valuable if others find useful

TW: Potentially do monthly for Sabbatical Officers, and quarterly for everyone else - will this be of more value to you? Or would you prefer a monthly synopsis?

RJ: A monthly report was so we could get used to the numbers – if it's helping, let's keep doing it

BC: Once every 3 months is too much information and monthly would help Sabbatical Officers, especially with no experience of the Board of Directors

TW: I'll work with Peter Greaney from Counterculture to see whether we can build this into an automated template for our management accounts, and then I'll build the commentary

**BOARD OF DIRECTORS AGREED TO REVIEW THE MONTHLY MANAGEMENT ACCOUNT REPORTING AT THE NEXT BOARD WITH POTENTIAL NEW TEMPLATE**

**5. Finance Matters**

**5.1 PSUT Management Accounts for note**

TW: Is this useful to see when you have monthly management account reports?

BM: Not as useful and accessible

IW: Retail in Q3 was to deliver £4k and the actual is £13k?

TW: Very good shop performance – bringing in new ranges/changing things. NUS drive is always substantial

IW: NUS is in the retail line? It would be helpful to break out some of these with the new template. Most of this was driven by unforeseen NUS extra?

TW: Uptake from University staff is the big driver

IW: I'd like to understand NUS commercially. The Q4 forecast – management charges are a worrying shape

TW: Mainly a phasing problem – volume of income and management charges were high - Blue Spire advised us to spread this evenly across the year

IW: We need to work out what is bringing us clarity to what we can and can't control

TW: Will have this discussion with Counterculture

JB: Is it normal for operating costs to be in negative?

TW: Earlier in the year money was taken from different lines that threw it out – also push for additional spend at the end of the year e.g. creating graduation pop up shop. Also a buffer if we've had poor performance

**BOARD OF DIRECTORS NOTED THE PSUT MANAGEMENT ACCOUNTS**

## 5.2 Finance & Risk Sub-Committee Minutes 17/05/17 (for note, questions only – including formal approval of PSUT budget)

TW: This was approved at Finance and Risk

AC: There is an amendment which needs approval (BAM Advertising Model) and it's an adoption of everything else

RJ: BAM – I think it's sensible to do this for a year and then review it. Due to timescales of recruitment, we need to review in 6 months if we'd like to recruit staff instead

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

**BOARD OF DIRECTORS APPROVED THE PSUT BUDGET (INCLUDING THE BAM AMENDMENT)**

## 6. Business Matters

### 6.1 Trading Report - for note and questions only - TW Report taken as read.

TW: Broken down to current performance looking ahead to next year:

- HR Matters – Sales Coordinator: result of performance management processes – reflected in the levels of income
- An excellent student staff member filled in – both Sam Allman and Vlad Fagarasanu (student staff) have won the national award for Student Employee of the Year
- Commercialising our events – we've had to turn away work due to capacity but this has enabled us to have conversations on what we can do next year – all extra value to the Union, student experience and student jobs over the summer

IW: Would it be possible to circulate the business model? Interested to know what the model is/what the margins are/what we're doing in house. Would like to see how we might scale it up/what the risk/reward profile might be. Also useful to understand how NUS Extra works

**Action: TW to circulate the Trading Business Model and how NUS Extra cards work**

TW: Grad Ball: not yet sold out

IW: On the website there are two separate pages – one says it's sold out and one I could buy tickets – website looked out of date

TW: The content is a problem – I will look into this

BC: In the report you mentioned that Grad Ball tickets sales change is due to cultural change?

TW: We're down to under 100 tickets unsold and we have achieved budget. Potentially to do with:

- Change in cultural drinking – 15% of 18-24 year olds don't drink alcohol
- Changes to the Graduation period – Grad Ball used to fall in between the two week period
- Theme this year isn't commercially viable

MC: Last year you put the acts on early and they were very good – this year it was later and the acts weren't as massive sell

TW: Grad Ball model hasn't been reviewed for a while – now is the time to check if it serves student needs/information is right/right time of year etc. Project starting very soon – there will be an update for the next Board. Annual Survey will be a key feature

JB: Clear opportunity with the success of Party in the Park

TW:

- Purple Wednesday has continued to be quite good bringing in £3.5k

- Moving ahead, already sold a lot of contracts which is important at this time of year. Have another £25k contract from Domino's
- New models with Eskimo – detailed in report
- Bigger contracts – more money and less staff resource

RJ: Is the expectation that they get more from us, e.g. relationship building, reporting etc.

TW: Yes, where the work load come in - we will be building relationships/programmes with them as a brand partner rather than just delivering a banner on our website

AC: Domino's contract was hard fought this year – credit to TW and team to make this happen – happened because relationship with Domino's. Think these programmes are really beneficial for students, but worth noting that we need to be ready to review

JB: On Eskimo – do you think this will help the culture of people thinking the Union is Eskimo in terms of ticket sales?

TW: We will be really clearly directing students to them rather than selling tickets ourselves and they will clearly be marked as a partner

JB: point 3.5 – purely for nightclub based events?

TW: Yes – Popworld/Deco not affected, mainly Pryzm

JB: Is this exclusive across the board – e.g. when we did things to try out for, we wouldn't include things like Pryzm?

TW: No

RJ: 3.10 – any update to alternative discount model for NUS Extra?

AC: New benefit package has been announced to University staff – don't know what impact that will have on NUS extra

RJ: Is there risk that if it works well for staff, this will be rolled out to students?

AC: Yes – it's a better package than NUS Extra – more benefits, higher value, broader range. Needs to be discussed at SU 17 next week

JB: 4.4 – if we have the merchandise licence, do you think this will be a significant increase?

TW: Yes – University have offered us the exclusive licensing which will be great for the shop – would like to get some student designers – really exciting model

RJ: Given the above, do we need to put investment into the online shop? If commercial aspects are going to increase, do we need to put money in the budget to enable success?

TW: This is something that came after building the budget – there isn't a huge rush at the moment. The functionality is there, but we need to engage students with the products that we sell

RJ: Particularly looking at the changing demographic and what students are looking for, we need to be on top of our game when it comes to digital – we need to show the way

**BOARD OF DIRECTORS NOTED THE TRADING REPORT**

## 6.2 Trading Review (P25 Update) – TW

TW: Outlines next stages of the Trading Review as part of P25 – by this time next year we'll have a strategy, business plan and a model signed off for delivering

**BOARD OF DIRECTORS NOTED THE TRADING REVIEW**

## 6.3 Trading Governance (for approval) - TW Report taken as read.

TW:

- Part of P25 – tasked with reviewing the governance – came out of audit report
- Have old and outdated Memorandum and Articles of Association. Made revised edition that meets the government guidelines and is in line with best practice
- We had no Terms of Reference – the Board makeup is the big fundamental change
- Ideally would like to come to a resolution due to August Away day discussions
- Recommendation is that Board approves and recommends this goes through a solicitor

IW: Do we need to do it now? – P25 will establish ambition and structure for commercial part of organisation. I agree that we need a lawyer to shape this and see if appropriate. Is there a danger to do it wrong now - would rather do it once and get it right

TW: Reason why we set out to do this now is because we have an active group of Sabbatical Officers who have been here a year, understood P25, where we're at, where we're going. We have been lacking in good governance in PSUT with no frameworks – really important to move forward. In October the incoming Sabbs might not have enough experience, and next June, there might not be enough structure to shape the strategy

IW: What are we lacking currently?

TW: The Articles have just been brought up to date, but we need the Terms of Reference and the shape of the Board

BC: Only having one Sabbatical Officer takes away the conflict and I'd love to give a student the experience of a Student Director – only question is one Student enough?

TW: Big Boards can be over complicated, but there is flexibility for additional resource/members

RJ: I work with non-executive directors – majority are not more than 6/7 people per Board for multi-billion pound companies – if those organisations recognise that a small Board is more able to make decisions – for our size, we probably don't want to go any bigger than that. I'd also like to look at how we'll involve more students - without making them directors? Having groups of students for each part of the company to involve all students – don't have to be directors but need to feed into what decisions are made

IW: Can you tell me more about where you see conflict between PSUT and UPSU?

TW: The chair of the Trustee Board also chairs the trading company – advised strongly that we don't do this – as the single shareholder, the chair can steer things in either direction

AC: We agree that PSUT exists to make money –when that purpose acts for the purpose of the charity, having the same people at the governance level making the decision makes it challenging to make good governance decisions

JB: E.g. - Eskimo 11 was directly in the way of the Union as a charity – students saw the Union was linked with Eskimo when actually it was PSUT – is it our core charitable aims to go with an organisation that didn't share the same values?

IW: It's quite hard to lean into this without understanding the parent group – it feels mainly about values and the commercial subsidiary should and does share the same values as the Union

AC: Feels like this is closer to best than what we've already got, and we can always go back

RJ: What happens if someone is off and someone else has to cover - could that cause a bigger conflict of interest?

IW: Who is paying for TW – some people fall under commercial and some people fall under USPU – needs to be separated?

RJ: Point 9.1: 'A director shall not participate in the discussions and/or decision-taking process on a subject or transaction in relation to which the Director has a conflict of interest with the Company.' - Would there need to be a charity trustee on the Board and what skillset do we need? Would be more comfortable in Terms of Reference if understood the obligation from charity to company.

JB: Sabbatical Officer would also not be able to take part if conflict of interest

RJ: Would need to make it clear what the Trustees purpose/rules are

**BOARD OF DIRECTORS APPROVED WITH RECOMMENDATIONS MADE TO SEND TO SOLICITOR AND REVIEW FOR NEXT BOARD OF DIRECTORS**

#### **6.4 Trading Vision Statement (for discussion) – TW**

TW: Echoes the strategy. We need to:

- Understand what it exists for
- Decide on vision/mission/combination of both today
- View some assumptions
- Discussion on whether trading company vision is the same as UPSU
- Gain some recommendations/ideas

JB: How realistic are the vision statements?  
 TW: Realistic, but should always have some ambition  
 IW: Don't find that vision statements resonate – need core purpose and to have an ambition. PSUT is commercial arm that has to support the Union's objectives and is in line with Union's vision/values. Can we explain why this company exists? Having a shared view is important  
 MC: Where would you stand if we made £3 million?  
 IW: As long as it's in line with our values – needs to always fit with purpose  
 JB: What if being commercially viable brings income but isn't anything to do with students?  
 IW: Even if there are great opportunities to make money, if it doesn't fit with core purpose and the Union we shouldn't do it. What is our core business?  
 AC: My steer is that if it provides opportunities to students or is a sustainable income we should do it - not conflicting  
 JT: Could be opportunity to explore student enterprises/start ups  
 RJ: Organisations built strategy and then figure out what the vision is – feel like we need more impact and discussion – how do we do these things in tangent? Do we need to have a workshop to decide the vision statement? Need a starting point – a positive impact for every student through commercial services?  
 IW: Nervous about linking to a positive impact for every student – doesn't feel the same in commercial company not to make money commercially – grey area on how much effect we have on students. Need to generate cash so we can do more for our members, but not in a way that runs counter to our values  
 AC: Need shared principles but wording may be different – needs to generate profit and share the Union values  
 IW: Bring a job creation for some students – here to create revenue  
**Action: TW to run a workshop for PSUT strategic focuses**

**7. AOB**

**7.1 Resignation of Board Members – JB**

Thank you to the chair, Bethany Moody and Ben Conway for the work that they have put in this year, and good luck to the incoming Sabbatical Officers

**8. Date and Time of Next Meeting**

Tuesday 3<sup>rd</sup> October 2017 at no later than 5pm - Room 1, The Union Building

**ACTIONS**

| Action  | Who | Update | Status          |
|---|-----|--------|-----------------|
| 6.1 Circulate the Trading Business Model including how NUS Extra cards work | TW  |        | <b>Complete</b> |
| 6.4 Run a workshop for PSUT strategic focuses                               | TW  |        | <b>Complete</b> |

**CONFIDENTIAL ITEMS**

|  |
|--|
|  |
|--|

Minutes Approved: \_\_\_\_\_

Date: \_\_\_\_\_