

**ICU Trustee Board
General Managers' report
July 2012**

It has been a very busy yet rewarding few months for the Union. Underpinning our successes this year has been very strong financial performance, improving both our financial position but, perhaps more importantly, beginning to start the work of improving perceptions about the Union from all stakeholders, most importantly the membership and the College. It is important to note that this has been achieved by all staff, and budget holders in particular, working incredibly hard to maximise revenues and control costs. It also could not have happened without the hard work of the Finance team who have ensured that financial information has been available during some very difficult circumstances. This is only the start of the process of rebuilding and the challenge in the coming year will be significantly greater which a more stretching budget.

Another key milestone in moving the Union forward has been the success of this years' Summer Ball. The event sold out, looks set to make a profit, and has achieved satisfaction rating of nearly 80% in our Survey. Given the financial and reputational damage caused by this event last year this is a significant achievement, and was genuinely a team effort. I was very proud to witness Union staff and officers working incredibly hard to ensure that the event was a success.

A marker of our improved reputation is the £105k increase to our College subvention – the first time that this has been achieved in recent memory. This extra funding will enable us to grow the scope of our services for students and it is essential that we deliver the outcomes for this funding. The budget for next year facilitates a significant increase in staffing for the Union and some improvements to management structures, which should enable us to focus on delivering these, and our other strategic aims.

Whilst we have achieved significant changes to how we conduct our financial affairs, how staff are managed, how we work with the College and how we deliver our services, precious little has changed in terms of our governance and management arrangements. I believe that the problems faced by the Union over the last five years have been the result of a failure of governance and we should take this seriously. Discussions on this subject have been intensely political, which to some extent should be expected, but another year of little progress will put the organisation at risk. The Board should consider how it will ensure that this work moves forward, and empowers all stakeholders, including staff, to contribute to the process.

Joe Cooper
General Manager

July 2012

| Financial Performance | Top 5 future risks |
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| <ol style="list-style-type: none"> 1. Summary – <i>Financial Performance has continued to be strong, with May management accounts showing year to date surplus of £198k, and improvement of £331k to the same point last year.</i> 2. Latest management accounts – <i>May management accounts showed a £15k surplus, a £60k improvement on the same date last year.</i> 3. Current revenue performance – <i>Commercial Services and Retail are both performing well. In May, Retail, Conferences, Entertainments, and both bars beat forecasted revenues. Only Catering fell short of forecast but showed an improvement on the same month last year. Overall YTD commercial revenues are £345k ahead of last year.</i> 4. Financial Reporting - <i>The Finance department continue to do a great job ensuring that the accounts are produced and made available on time. The new Head of Finance has suggested some improvements to the month end timetable and has identified a medium – term target to reduce the amount of time taken to produce and publish the management accounts.</i> 5. Financial Control – <i>Deloitte have completed their internal audit and we are expecting initial results next week. Finance and Risk Committee will look at the findings in detail and we will publish an action plan in response to the report.</i> | <ol style="list-style-type: none"> 1. Financial Performance– <i>The new budget, whilst achievable, is significantly more stretching than the current budget. More than ever the organisation must be focused on growing revenues, controlling costs, and improving its financial reporting mechanisms.</i> 2. Delivering on outcomes related to new funding – <i>It has been some time since the College has agreed extra funding for the Union and it is essential that the Union is seen to deliver on the agreed outcomes related to this funding.</i> 3. Governance Reform - <i>Charity Registration must happen eventually and it is crucial that the Union’s governance and management structures are made fit for purpose. It is important that the Board realise that the current system has failed in recent years and things must change. Further, the Board should consider its role in driving this process, avoiding the political logjam that has occurred this year.</i> 4. Financial Control – <i>We await the results of the recent Internal Audit and it is essential that we develop and deliver an action plan in response to the findings, in order to continue to develop a sense of trust from all stakeholders, in particular the College.</i> 5. New staff recruitment – <i>The Union is recruiting to a number of new positions and the selection and induction processes for these must be swift and robust.</i> |
| Top 5 things achieved since last Board meeting | Top 5 issues we are managing at the moment |
| <ol style="list-style-type: none"> 1. Sustained positive financial performance – <i>as above</i> 2. Recruitment and Induction of Head of Finance – <i>The new Head of Finance is settling well to the role and starting to make a positive impact.</i> 3. Summer Ball – <i>All signs point to the event making an operating profit (without college subsidy) for the first time ever. The event sold out and our satisfaction survey showed a 79% satisfaction rating for the event.</i> 4. Increased funding from the College – <i>We have successfully negotiated a £105k increase in the subvention – the first time the Union has received an increase in at least five years. The increase specifically funds new activity, in the areas of student volunteering, outreach work for non SK-students and student-led teaching awards.</i> 5. New Budget developed in timely and robust fashion. <i>The new process has involved all budget holders and has been scrutinised in detail by Finance and Risk Committee.</i> | <ol style="list-style-type: none"> 1. Focus on financial performance for the remainder of the year – <i>Every opportunity needs to be taken to maximise the year end surplus for both fiscal and reputational reasons.</i> 2. Governance Reform and Charity Registration – <i>as above.</i> 3. Focus on improving communication with staff and organisational culture – <i>It has turned out that this year has been about implementing some urgent and fundamental changes and focusing on financial performance. There is still a lot of work to do in improving the organisation as a work place as increasing productivity as a result. This will be a key focus for me over the coming months.</i> 4. Staff Recruitment and developing the management structure – <i>The budget increases the headcount of the Union significantly and potential development opportunities for existing staff. This process must be well managed and deliver on its desired outcomes.</i> 5. Developing a response to the outcomes of the Union Survey – <i>The survey was successful in terms of turnout and gives us a wide range of useful data. Each department is developing and action plan in response to these outcomes and a summary of this work will come to the Board.</i> |