

ICU Trustee Board Managing Director's Report April 2015

Financial Performance

The Union's financial performance continues to be strong, and following the publication of April's management accounts the Union is heading towards achieving its budget, and posting a bottom-line surplus, for the fourth consecutive year. Consistently strong financial performance, which is backed up by a positive outcome from the KPMG internal audit report, published last week, is not only reflected on the balance sheet but on the improved reputation of the Union. This is crucial due to the opportunities that this leads to, such as the current Woodward bar project. To be seen as a credible service delivery partner for the College is a significant development and bodes well for future development of the College's estate, especially in White City. It's worth taking a moment to thank all those who play a role in our financial performance and enforcing financial controls, not just budget holders, who have done a fantastic job since this responsibility was devolved 18 months ago, but to all permanent and student staff members who contribute to the Union's performance with every interaction and transaction they are responsible for.

The budget for 2015/6 has been incredibly challenging to put together – over our three year funding period (of which this year is the third) our salary bill has increased faster than our block grant, and a number of 'one-off' benefits in this year's budget (such as the minibus shuttle scheme) have not been available to us this year. We have remained committed, as a guiding principle, that the budget must include a £50k surplus and a £75k contingency, which has forced us to bring forward tough decisions and ensure that each line of the budget is justified and has a clear impact. I would like to thank the Union's budget holders in particular who have worked incredibly hard to develop their areas of the budget, ensure a 'zero-based' approach to every line, and have revised and re-thought their budgets where required. Making hard decisions and applying a high level of scrutiny during this process is key to ensuring that we are able to achieve our financial objectives for the coming year.

Management Restructure Implementation

I would like to welcome Paul Buckley as our new Head of Student Experience and Services, who started with the Union on 1st June. This is an important milestone in the restructuring of the organisation which has been a key feature of the year. Whilst there have been difficult moments, particularly related to staffing and management gaps, it has also been a period of renewal and creativity for the Union, enabling us to think differently about how we approach many areas of work and how we interact with our membership. I am confident that the new structure will benefit from this year of learning and that the Union will be well equipped to face the future.

Strategy and Funding

The coming year will be a crucial one in the Union's development – in 12 months' time the Board will be approving the next strategic plan and the first budget within the next funding arrangement with the College. We have done all we can over the past two years to ensure that the Union is in a strong position to continue to develop and to hold the confidence of the College in terms of financial stability and effective service delivery. I look forward to working with all board members to explore the options for the future of the Union.

Woodward Bar

A great example of the College's confidence in the Union is the opportunity we now have to operate the bar within the College's new hall of residence at Acton. Clearly the timescales are tight and it is essential that we get this service right, especially for those of our members that live at the hall.

Thanks

This meeting will be the last for a number of Officer and Student Trustees. I would like to thank all of you and especially the outgoing Officer Trustees for all their efforts this year. In many ways it has been a challenging year but a transformational one for the Union and I hope that you will all look back with pride with what you have achieved in your year in office.

Joe Cooper
Managing Director
June 2015

Financial Performance	Top 5 future risks
<ol style="list-style-type: none"> 1. Summary - Following a challenging year we are now confident that the Union should hit its overall financial objectives for 2014/5. The upcoming year will be the most challenging yet and it remains essential that the Union is able to demonstrate financial competence to all of its stakeholders. 2. Latest management accounts – April's management accounts showed a steady performance, showing a small negative variance to the bottom line for April (£3.7k), leaving the union £29,728 ahead of budget for the year to date. 3. Financial Reporting: The new finance team structure continues to establish itself and is performing well – management accounts continue to be produced with the target turnaround time, supported by weekly revenue updates and daily trading summaries. 4. Current revenue performance – The weekly 'flash' report for 31st May shows that the Union is ahead of revenue objectives by £15 over the most recent six weeks. Catering is consistently performing ahead of budget whereas alcohol sales in SK bars and h-bar are struggling to meet budgeted expectations. 5. Financial Control – The internal audit report, released to the Union this week, outlines the high level of confidence in the Union's controls. It especially recognises the commitment of budget holders across the Union and this should be commended 	<ol style="list-style-type: none"> 1. Financial Performance – Delivery of next years' budget will remain a top priority - demonstrating our financial competence will be central to the funding negotiations for 2016+. 2. Woodward bar Delivery – It is now looking very likely that the Union will be operating the Bar at Woodward Halls under the broad terms agreed at the Board of Trustees meeting in May. Whilst financial and legal risks have been mitigated by the nature of the year one agreement, significant reputational risks remain and it is essential that we deliver the service well from the outset 3. Strategic Development and Funding – Work now begins in earnest of the development of the next strategic plan and the concurrent negotiations with the College. It is essential that we are able to demonstrate the value in investing in the Union in order for us to continue to grow the scale, scope and effectiveness of our work for our membership 4. Involvement in Imperial West – The Union President and Head of Student Voice recently met with the College's new lead officer on Imperial West. The Union needs to continue to be involved in the developments at White City and be seen as an option in terms of service delivery on the new campus. 5. Union relationship with Volunteers and Alcohol/behaviour/reputation issues – A number of initiatives are in place to address this including a new approach to training and support for CSP volunteers and a joint review into our Sports Strategy.
Top 5 things achieved since last Board meeting	Top 5 issues we are managing at the moment
<ol style="list-style-type: none"> 1. Financial Performance As we head into the final stages of the financial year we are now confident in hitting budget – this is a collective effort from budget holders, staff and officers in all areas of the organisation and is core to the Union's reputation and stability. 2. Inclusion and influence in College Strategy- The Union's strategic objective, of being mentioned in the College's new strategy has been exceeded and the Union has been highly influential in the development of the new plan. 3. Student Academic Choice Awards - This project was delivered exceptionally well, in partnership between student officers and staff, and continues to be incredibly influential within the college. 4. Summer Ball Ticket Sales – To date ticket sales for the event has significantly exceeded expectations and precedent. This is due to good forward planning, good decision making and good marketing planning – we look forward to a successful event! 5. Development of Budget 2015/6 This, as ever, has been a challenging process but also a creative one and has taken a significant level of focus from all involved. I am grateful in particular to the budget holders who ensure that each line of expenditure, and its impact, is considered carefully 	<ol style="list-style-type: none"> 1. Management Restructure – Our new Head of Student Experience and Services started at the beginning of June, the biggest milestone yet in the implementation of the Union's new management structure. It is important that we continue to focus on ensuring that the new structure delivers the desired benefits for the organisation. 2. Budget implementation–. A number of key decisions have been made that need to be implemented in order for the Union to be able to deliver the budget for 2016/7. It is important that these actions are completed before the year end. 3. Delivery of Summer Ball/Union Awards – These are key events in the Union calendar and it is essential that they meet the expectations of our members 4. Service Delivery and Culture change – work is underway to develop a new layout for the Union offices to improve the experience for students and ensure effective interaction between staff and officers. There are a number of perspectives to consider but this is a crucial part in improving our accessibility to, and relationship with, our members. 5. Woodward bar delivery – As outlined elsewhere, this project carries significant risk and opportunity for the Union and we are moving forward with the planning in earnest.