



A MEETING OF THE BOARD OF TRUSTEES 2015-16 WAS HELD
AT 5PM ON 20 OCTOBER 2015 IN THE BOARD ROOM

23 OCT 2015

BT-161-M1

MINUTES

Present: John Palmer, Luke Thompson, Harish Pesala, James Bowker, Max Crawford, Jess Excell, Rosie Harvey, Richard Taylor, Doug Livingstone, Dan Leedham, Matt Gill (UAC Chair), Ashlea Prescott, James Rowe, Jonathan Ako, Mark Dunkley.
In attendance: Andy Parsons, Louisa Todd.

- 1. Apologies:** None.
- 2. Register of interests.**
Any updates please notify LA.
Members should note that items discussed at this meeting are commercially sensitive and confidential.
- 3. To approve the minutes of the previous meeting and to deal with matters arising not elsewhere on the agenda – BT-153-M2.**
Minutes available for download on the papers website.
The minutes were approved.
- 4. To receive the Management Accounts for the Financial Year 2014-15 subject to Audit. Financial commentary**



Financial-Commentary-September-2015-2.

JB presented the commentary. DL suggested a comparison to the prior year would be helpful to the Board. This year we have similar student numbers to the year before last, so that would make a better comparison. We understand that we are reaching a peak with the numbers due to the building capacity. We have had some external events and Platinum sales are up so that is helpful. AP stated that we will not consider something a trend until we have seen it for at least 4 weeks so we are only conservatively optimistic. The targeted marketing via venue and marketing is assisting and we will continue to do this. Shops are down, MD suggested canvassing students for their opinions – this will be discussed in Finance & Trading Committee so a working group can be established. JP requested a report back at the point that the working group has a strategy. The Budget will be approved at the next Board Meeting in December.

Audit plan



Final-audit-plan2015.pdf

The plan was noted and approved subject to DL discussing issues which arise in advance of the next Board Meeting, where necessary.

LSS



trust-deed.pdf



Loughborough-Student-Service-Ltd.docx

AP presented his paper on LSS. MD noted that as the Union is a charity, and therefore should not 'trade' outside of its charitable purposes, it is not an unusual structure for a charity to wholly own a subsidiary company for the purposes of trading.

The Board noted that it was trading during the course of the last financial year broadly as set out in the Grant Thornton note quoted in AP's paper, except that the Nursery remains within the Union as its primary purpose is providing childcare for students' children.

The Board noted the Declaration of Trust documents that are in place and MD confirmed that this was a common mechanism for unincorporated charities to structure subsidiary companies.

The senior staff own the shares on the Board's behalf, and there exists a blank stock transfer in the event that it is needed.

All company finances will be reported on as a section of the accounts audited by Grant Thornton – it acts as a wholly owned subsidiary and profits will be returned to the Union via Gift Aid.

A separate Board needs to be set up to govern this subsidiary.

RT stated that some of his concerns have been addressed but he would like more time to consider the arrangement.

The Board agreed that in principle the recommendation as set out in AP's paper is approved but we will take 10 days to raise any concerns before making a final decision via email communication.

Please send any queries or concerns to the Chair by Wednesday 4 November 2015.

The Chair will also consult with Grant Thornton on this issue to ensure legal compliance.

5. To receive and approve a report from the Executive.



Exec report
20Oct15.docx

JE presented the report.

A date will be set for the presentation of the Executive outline strategic plans before the next Board Meeting, together with some new trustee training.

6. To receive and approve a report from the Union Director - AP.



Update-on-VAT-Case
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charity-commission.docx



Staff Changes since
the end of last acad

AP presented his report.

On the VAT situation, the legal cost will be less than £10k for us (so £30k total, the cost being split between the parties listed). The Barrister once the Opinion has been produced will respond directly to any correspondence from HMRC.

The anticipated revenue from the 15 events is c.£100k.

The worst outcome for us is a risk of £1.2m. Grant Thornton will calculate our worst case scenario. We are setting money aside to pay if we lose the case; the unfunded liability would currently be approx £600k (i.e. that we have not put money aside to pay), though we are unlikely to lose the whole case. If we appeal our payments are deferred – and we would appeal if it were at all possible.

We have requested Council's opinion and this will be circulated when it is received. DL will be consulted on the draft brief for the opinion.

The final decision on the legal approach will come to the Board.

If we lose the case we have the option to pay off the current outstanding loan, and then cover the debt with a new loan - £400-600K to cover the liability. The situation will not bankrupt the Union and nor is there likely to be an impact in this financial year.

JP requested a staff turnover report for the next Board meeting (Action LT) to include headcounts and staff budget. The Living Wage is due to increase in April 2016. This may have a significant impact on our budget due to student staff and will be reflected in the budget proposal.

The Innovation post being cut means that we lose part of our capacity to develop new ideas and explore new revenue streams etc. When the person was in post, they generated more income than they cost – if we can show this may be sustainable, we may be able to reinstate it. DL suggested that student involvement may assist with this.

We may need to discuss our staffing again if the budget requires it.

MD suggested we take the Charity Commission up on their offer of advice as this creates a good relationship and protects us against possible problems in the future. JE and AP to investigate what it is they need from us.

7. To discuss arrangements to explore options for the development of the Union building.

We are considering several options, with one possibility in partnership with the University. The timescale on this could be from 18 months to 3-7 years, depending on what is decided. We need to form a working group to discuss the various options, to include a consultant recommended by the University, in order to bring back the scope, then developed options and progress reports to the Board.

If you are interested, student members please email JE with your intentions. The group will be decided in the next few weeks and will be chaired by JP initially (or his nominee).

Membership will be: 3 lay trustees, 2-3 student trustees, AP. The core purpose of the group will be to identify the business need, define the scope and commission a detailed business case and feasibility study for the future development of the Union building, for approval by the Board. The first meeting will identify a clear set of terms of reference for the group for agreement at the December Board meeting.

RT recommended JE to write to Professor Bob Austin to request him to get this on the agenda of the University's finance committees and formally raise it, in case it needs to go onto the University's Capital Plan.

8. Any items referred to the Board from Union Affairs Committee and vice versa:

- a) Postgrad DO was elected.
- b) MG was elected to Chair.

- c) FMSC members currently elected in February but this needs to be October as the ones elected last year have left.
- d) Paragraphs changes: RNIB removed. Student Forum membership needs to be changed as it does not reflect the membership of the Union. MC suggests moving that to another part of the constitution to make it easier to adjust in future as the demographic changes. JP requested a paper for the next Board meeting.
- e) Schedules: Loughborough In London LSU committee and programme presidents established in the schedules. Sub committee Chairs established.

9. Institutions.

- University: Loughborough in London has exceeded the recruitment target. Phase 1 going well, Phase 2 should be online at Easter. There are students from 33 countries; over half of the cohort is from China.
- College: change of Principal, there is an interim so we expect another change.

10. Any other business.

a) Lay trustee

Mark Dunkley is resigning as a trustee. JP thanked him for his excellent service. The recommendation to UAC is Andy Doyle, an ex-sabb. He is currently Director of HR at Worldpay as well as other related positions. We will publish his cv and application as we get it.

b) Board members required for PMSC and FMSC.

FMSC: JR, HP, DL.

PMSC: JA, RH, APr.

11. Date of next meeting – Tuesday 8 December 2015.