

Portsmouth Students' Union Trading (PSUT) Limited
Board of Directors
MINUTES
3.00pm 25th August 2015
Room 1, The Union Building

Present:

Nick Johnson (NJ - Chair), Elisa Kanagarajah (EK), Carla Watton (CW), Anna Clodfelter (AC), Rhian Johns (RJ), Ian Watson (IW).

In Attendance:

Tom Worman (TW), Ian Lockwood (IL), Jamie Mitchell (JM), Fern Lewis (FL), Rebecca Beard (RB), Joanna Miguens (JMg), Jon Phillmore (JP – Blue Spire), Lucy Simpson - Minutes

1. Apologies for Absence

No apologies received. Chair welcomed new Sabbatical Officers CW/EK to BoD.

2. Declaration of Interests

None.

3. Minutes of Previous Meeting

Minutes from 26th May 2015 agreed.

4. Matters Arising and Action Points From Those Minutes

4.1 AU Strategy (AC – moved to BoT).

5. Business Matters

5.1 Year End Trading Report

Report taken as read.

CW – trips and tours have been removed as a commercial aspect and following this the report talks about the partnership with Eskimo11. The reason we stopped profiting from tour is because we feel that the Union should not profit from events which encourage excessive drinking. Eskimo11 run club events which are designed around excessive drinking and feels this is sending a mixed message to students.

TW – agrees with this valid point. However, students have an expectation around the night time economy (especially Freshers) and we are in a tendered 2 year contract which we are half way through. The starting point is the AU tour and continued focus on culture change. Another key factor in withdrawing from tour was that it is very resource intensive. We are working on the funds that would have come to us from I Love Tour being used to support student welfare.

CW – if we're not profiting from tour, where is the money coming from that we will not be getting from tour?

TW – it's not in the budget and we are finding other routes.

CW – with regards to the required changes by Fleet/Popworld, what happens if these changes are not made?

TW – these changes have to be made to keep the contract and we are pushing for them to be made before Freshers.

RJ – Looking at the lifecycle showing decline of advertising, is the just us or nationally?

TW – is researching this at the moment. We are seeing (for Freshers) a huge decline in national advertising so the general impression is that it is a national trend.

IW – are we struggling for sponsorship as well?

TW – sponsorship is coming out entirely and we are moving towards partnerships.

IW – would disagree as a general trend as there are just different ways of advertising and wouldn't like us to give up on entirely.

TW – no intention of giving up on advertising. It's reached its maturity in its in current model and the model is changing. We don't do enough in our digital remits around advertising or the partnership side.

IW – believes the advertising dollar is still out there and we should look at this area carefully.

NJ – TW to take this forward as part of the business plan due Feb 2016.

IL – tour was pulled as it wasn't making money but is it not something that students want?

AC – tour is still available for our students to go on, we are just changing the relationship with tour as it's not a sports tour and is reputationally extremely very high risk. It works against all we are trying to do in the AU. What we are doing is maintaining the relationship with I Love Tour and working with them to ensure the welfare provision is maintained and making sure the money they used to give us as commission they are driving back into the clubs directly. We haven't pulled the relationship but we're just changed the relationship we have with tour. The relationship is now directly between the students and I Love Tour.

IL – can we not work to re-shape tour so it doesn't revolve around drinking?

EK – we are working with the AU on a code of conduct / zero tolerance at the moment to move away from excessive drinking when representing the university/union. Also pushing I Love Tour to promote tour as a sports tour not drinking tour. They are working on new locations and new sports and looking at making the first day a longer sports day and the 2nd an activities day (less competitive and trying new sports) so the focus is not on drinking but getting students up and actively doing things. Organisation by I Love Tour has not been good in the past so the money they are not going to be paying us will go back into systems to make it better organised and more welfare. This is the last year they have to redeem themselves so there is a lot of pressure on I Love Tour to redeem themselves and deliver.

IW – would these changes be better done in partnership rather than hands off?

FL – we are not looking at working with I Love Tour long term and moving towards a different variety of companies who can provide sports and experience tours and alternatives to this culture. The students love I Love Tour and we are therefore working with them to facilitate it and hopefully working with the culture and providing more alternatives to filter it out slowly.

IW – would we want to filter it out right now?

FL – it's student led and we need to appreciate that they want to go on it still.

IW – completely understands the risk to the Union but wouldn't want us to leave the risk with the students to protect our reputation.

EK – even if we completely took tour away the students would just organise their own. By changing the culture and working with I Love Tour to reduce risk we are able to keep an eye on the welfare side. If I Love Tour don't meet our expectations this year they know we will not go to them anymore. The reason we are stepping back is that we are telling students right from the beginning of the year that we have a whole new drinking culture and we don't want to contradict ourselves, however we are still keeping a watchful eye on welfare.

FL – we need to be satisfied about the welfare of students.

ACTION: RB to feedback from the AU Tour working Group to next BoT.

BOARD OF DIRECTORS NOTED THE TRADING REPORT

6. Finance Matters

6.1 PSUT Final Quarter Management Accounts for note

Taken as read.

IW – looking at the Housing Line. What's the plan going forward as it seemed like such a commercial win and it didn't quite work. Wonders what TW view is of why it didn't work and whether it will work going forward?

TW – will keep an eye on this next year as we do have a bit of a conflict in that students see the housing service as the Union's housing service therefore how is our Advice Centre independent if they wish to make a complaint? We need to be careful about this and make sure it is clear that this is a platform to advertise rather than us endorsing the properties. Looking at the commercial aspect, we started late last year and had staff changes so this area didn't get focus.

IW – when might we get first indication / numbers on how it's going?

TW – realistically January as we try to encourage students not to house hunt too early.

CW – in Schedule 1 of the management accounts why is the PSUT share of the sponsorship income 10%?

TW – this is a historic figure that we take essentially as an admin fee for PSUT. In the budget for this year there is nothing for sponsorship as this process will be managed by the students and their B accounts.

IW – how much of the surplus has come from up cycle of written off stock?

TW – just under £10k.

IW – so the rest is genuine. We have obviously overachieved in retail. Is this sustainable?

TW – the team has been very proactive in trialling new lines, doing small batch runs and talking to students. The team are motivated and confident the success will continue.

AC – the team is very reactive to students.

TW – we have also done well with NUS Extra Sales, however the 3 year card impact is not known yet.

BOARD OF DIRECTORS NOTED PSUT MANAGEMENT ACCOUNTS

7. AOB

7.1 Discussion on Head of Operations Directorship

TW not present during this discussion.

AC – at present AC is Director of PSUT but TW is not a Director and in light of his new role would it be the right move to put TW in as the Managing Director / driver of this business that we are likely to look at growing over the next 3 -5 years. Is it right that he is a decision maker and accountable person for the business? Or is it right that he sits outside this process.

CW – if he's making the decisions then he should be accountable for the decisions as Managing Director.

EK – as he's so hands on then you get a more personal touch so he should sit as a Director as he has the knowledge.

AC – apologised for not bringing this to Leadership first as it was short notice agenda item.

RJ – what are the implications?

AC – to TW personally there are implications but to the organisation they are minimal.

JP – his salary would be reported as a Director of PSUT.

AC – the same way as AC's as a Director?

JP – it can be rolled up with other Directors.

IL – this is not an impact on the business.

IW – does TW want this and is it motivating or would it be demotivating if we don't agree? Would the relationship between AC and TW change because of this? Is there something cleaner about AC ability to hold TW to account (someone outside Board reporting to Board rather than being part of the Board)?

AC – yes TW does want this but he is totally accepting if, for the good of the business, the Board decide not to agree. The relationship is not an issue but if either TW/AC leaves, the Board may want to look at this again.

IL – does this Board need another Director as part of its operational function or are we doing this to retain TW? Is he of the right calibre now or does he need training as part of his development and then the Board decides?

RJ – this structure is the same at Kings where the Commercial Director is one of the Directors of the Company and there is never any stress between the Commercial Director and the CEO but there is something about that person having a real responsibility about driving the business forward. Wouldn't see any challenges in that respect.

NJ – a membership point is that TW being Director would outweigh Sabbs 3 to 4.

AC – is happy to be removed as a Director and TW go on in her place. With regards to the organisational need, is TW better placed as a Director for this Board than AC and has he the better knowledge to fulfil this role? Will him taking ownership add as a driver in taking ownership? AC believes TW role makes better sense to be the Director and he is ready as he is the person who grew the business.

RJ – what would be good to do is make this a personal decision not positional. If TW or AC leaves this may need to be changed.

RJ – what KPIs are around the commercial side?

AC – they are rolled up into the financial out-turn.

RJ – requested specific overview KPIs

ACTION: AC to provide KPIs for PSUT.

BOARD OF DIRECTORS APPROVED for TW to be added as Managing Director of PSUT and AC to step down (6 for / 0 against / 0 abstain).

ACTION: LS/AC - TW to be added as Managing Director and AC removed as Director of PSUT.

8. Date and Time of Next Meeting

Tuesday 3rd November 2015 at 3pm

Room 1, The Union Building

ACTIONS

Action	Who	Update	Status
5.1 - Feedback from the AU Tour working Group to next BoT	RB	Moved to November BoT meeting	Moved to BoT
7.1 - Provide KPIs for PSUT	AC		
7.1 - TW to be added as Managing Director and AC removed as Director of PSUT.	AC/LS		

CONFIDENTIAL ITEMS

NONE

Minutes Approved: _____

Date: _____