

**Imperial College Union  
Board of Trustees / 13 July 2022**

**Final Budget 2022/23**

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Purpose: To present the budget for 2022/23 for approval.

### 1. Summary

The budget for 2022/23 has been developed in line with the budget principles approved by Trustees in March (included in Appendix 2 for reference), and reflecting the financial model that was agreed in May 2021. As planned, budgets have been proposed but budget holders and scrutinised by Senior Managers in a more consultative approach than previous years impacted by the pandemic.

The budget presented below excludes any strategic, one-off or capital investments which are being considered separately and explained in section 3 of this paper.

### 2. Draft Budget 2022/23

An overview of the budget is shown below:

Imperial College Union  
**Budget 2022/23 Round 2**  
 Union

	Core			Total
	Grant Funded	Venues & Events	Enterprise	
<b>Income</b>				
Block Grant	2,610,220			2,610,220
Other Income	23,171			23,171
Advertising & Media Sales	55,000			55,000
Welcome	50,000			50,000
Venues	-	1,891,883		1,891,883
Retail	-		794,000	794,000
External Bookings	60,000		49,000	109,000
<b>Income Total</b>	<b>2,798,391</b>	<b>1,891,883</b>	<b>843,000</b>	<b>5,533,274</b>
<b>Cost of Sales</b>				
Venues	-	(597,622)		(597,622)
Retail	-	-	(354,940)	(354,940)
External Bookings	-	-	-	-
<b>Gross Profit</b>	<b>2,798,391</b>	<b>1,294,261</b>	<b>488,060</b>	<b>4,580,711</b>
<b>Expenditure</b>				
Core Expenditure Total	(2,791,646)			(2,791,646)
Venues		(1,295,858)		(1,295,858)
Retail			(378,279)	(378,279)
External Bookings				-
<b>Total Expenditure</b>	<b>(2,791,646)</b>	<b>(1,295,858)</b>	<b>(378,279)</b>	<b>(4,465,783)</b>
<b>Operating Surplus/(Deficit)</b>	<b>6,744</b>	<b>(1,597)</b>	<b>109,781</b>	<b>114,929</b>
Depreciation	(50,405)			(50,405)
<b>Total Surplus/(Deficit)</b>	<b>(43,661)</b>	<b>(1,597)</b>	<b>109,781</b>	<b>64,524</b>

The detailed budget is included in Appendix 1. Some important items to note within the budget are:

- i. The budget maintains the financial model, with Venues breaking even, and Enterprise generating a surplus.
- ii. Venues budget is based on this year's actual performance, adjusted for current pricing levels (future inflation expectations are not built in, but the principle is that this would be passed on through price increased, which is in line with the College's approach and accepted by our members).
- iii. Venues budgets have been split out by location for more transparent reporting.
- iv. Retail budget includes a £100k sinking fund as in 2021/22.
- v. The minibus detailed budget is yet to be completed along with a business plan for the operation of the service going forward, however this will be on a breakeven basis so there is no impact on the rest of the budget.
- vi. Block grant has been uplifted to cover the inflationary cost of staffing, but the exact grant level has yet to be formally agreed (we have also enquired about non-staff inflationary increases).
- vii. External bookings have been split between Enterprise and Core – this is an effort to reflect that a number of our bookings are low risk and do not compete with student bookings, without creating any pressure on driving additional performance in this area that might not align with our strategy (ie a major client or a number of small clients could leave without creating a negative impact on our core budgets).
- viii. There is an in-built vacancy saving assumption of 3% of permanent staffing, which is considered prudent and in line with sector norms.
- ix. The underlying staffing establishment remains as currently approved, any additional staff requests will be subject to funded business cases.

### **3. Strategic Investment Opportunities**

A number of investment requests have been made by budget holders as part of the budget setting process. These are viewed as aspirational and 'beyond basics', and have therefore been removed from the budget presented for approval. Instead, they are included in a list of potential investment opportunities to be considered for funding from the Strategic Investment Fund, as enabled by the financial model.

Allocation of funds from the Strategic Investment Fund is ultimately the responsibility of Trustees, and a proposed process is:

- i. Management Committee maintains a list of potential and emerging investment opportunities, including a loose priority ranking
- ii. Any investment decisions will be subject to a business case which details the benefits, costs, risks, alternatives etc
- iii. Business cases will be developed by budget holders with the support of their Senior Manager and an OT sponsor, and reviewed by Management Committee
- iv. Where Management Committee support a business case, it will be submitted to Union Council (along with the loosely prioritised list of investment opportunities for context), and feedback
- v. Supported business cases will then be submitted to Finance, Audit & Risk Subcommittee for funding approval (this could also be the full Board of Trustees)

This process ensures that projects are well considered, and the planned benefits and success criteria are clearly articulated in advance of the project, ensuring that maximum value for money can be achieved with the strategic investment fund.

It also helps ensure that resourcing decisions can be made with the new Officer Trustees and best reflect their priorities and manifestos.

The table below shows the current list of potential investment opportunities. Amounts are either those including within submissions from budget holders, or estimate ranges, and are subject to refinement and competition through the business case process.

<b>Budget</b>	<b>Amount</b>	<b>Detail</b>
Education & Welfare	£10k	One-off - ICU history researcher
Systems	£50-100k	Capex - digital transformation project (could be a over multiple years)
Education & Welfare	£25k	One-off - Insight research to support strategic development
Leadership	£10-15k	Strategic – Consultancy support to help us understand and improve
Leadership	£10-15k	Strategic - Continuation of EDI Development following the review with Koreo
Marketing	£20k	Strategic - Development of new brand identity
Marketing	£30k	Strategic - Implementation of new brand identity
Marketing	£25k	Capex - digital screens investment (enterprise)
Student Activities	£7k	One-off - Learning management system
Student Activities	£20k	Strategic - Engagement Fund to enhance accessibility to our CSPs and student activities
Student Activities	£40k	Strategic - Additional staff member to provide support for CSPs
	<u>£247-307k</u>	

Subject to the final results for 2021/22, it is expected that there will be an opening strategic investment fund of c£110k, with an additional £110k being contributed in 2022/23. In addition to this, the Retail sinking fund of £100k could enable additional capital works / investment.

### 3.1 ICU History Researcher

One project submitted for Strategic Investment Fund consideration has been a piece of work to finally establish and formally record the history of Imperial College Union. This would be a three-month engagement for someone with good knowledge of Imperial (likely a student or recent graduate) to research and document this history, through competitive appointment.

The key drivers behind this project are:

- i. The EDI strategy: which has established our history and tradition as a key factor influencing our culture. There is therefore a requirement to understand this comprehensively in order to decide which elements should and should not continue.
- ii. The College's own history project: which has considered topics such as the motto and the name of various buildings – including that of Beit. There is a requirement to follow this work, or we risk falling behind the institution.
- iii. Operational factors: the pewter tankard collection is a popular feature in the Union, and one that students and alumni are engaged in. However, there are issues associated with some of the groups, and it is time we comprehensively looked into this.

In terms of process, we are looking for approval from the full Board ahead of the proposed wider Strategic Investment Fund process for two reasons:

- i. Time sensitivity: we would like the work to be undertaken between August – October this year as this is the best time to attract candidates and aligns well with the EDI strategy development
- ii. Governance: it is likely that the outgoing Felix Editor, who is also an incoming student trustee for the organisation, will be interested in the role. Good governance demands we are transparent about the decision-making process and Trustees are satisfied with the nature of the appointment process.