

STUDENTS' UNION, **BATH SPA UNIVERSITY**

TO: Board of Governors
FROM: Students' Union President
DATE: 30th May 2006
SUBJECT: Students' Union Budget 2006/07

1. PURPOSE:

To agree the level of block grant payable to the Students' Union for 2006/07

2. BACKGROUND

- 2.1 The Students' Union is a free-standing organisation which has its own accounting structure, bank account, administrative staff and sabbatical officers. It derives some of its income from its commercial activities including 2 bars, and a shop. The balance of its income is paid as a block grant by the University. In 2005/06 this grant amounted to £188,586.
- 2.2 The Students' Union submits a budget proposal each year to the Board of Governors in support of their request for block grant funding.
- 2.3 Attached to this paper is the 2006/07 submission from the President of the Students' Union that incorporates:
 - financial data, including the Students' Union projected income and expenditure for 2005/06 and budget proposals for 2006/07

3. 2006/07 BUDGET AND BLOCK GRANT REQUEST

The submission has been discussed and approved with the Director of Finance and Resources.

The Board will note that:

- 3.1 The block grant request in support of the Students' Union activities in 2006/07 includes an allowance for inflation of 3% on salaries and 1% on all other items on the 2005/06 figure.
- 3.2 There were a number of criteria set by the Board of Governors in 2001/02. The Students' Union was expected to achieve a 26% minimum contribution towards running costs of the Union via its Commercial Services, as envisaged in the Unions 2002/05 business plan. For the year 2004/05 the Students' Union achieved 55% and is expected to achieve 71%, mainly due to

the investment in the new building. Combined contribution between 2004-06 was well above budgeted.

- 3.3 In 2004/06 the Students' Union invested some £534,989 + VAT in the new Union building, of which £361,750 was a direct contribution towards the building costs, the remainder being the cost of equipping the new building.

Building works - £361,750

Shop equipment - £15,643

Bar equipment - £93,403

Office equipment - £10,458

Entertainment equipment - £53,734

TOTAL £534,489

The Students' Union expects to spend a further £25,000 + vat in the 2006/07 financial year, on further bar equipment and minor building works.

- 3.4 The Students' Union is set to achieve 40% contribution for the year 2006/07. 5% of this figure is due to continued works on the new Students' Union and the purchase of further equipment.
- 3.5 Any surplus referred to in the budget is earmarked for the 5-year refurbishment/replacement cycle for Students' Union buildings and equipment.
- 3.6 Although the past two years have seen fluctuations in income from different areas, the Students' Union has always been able to deliver and improve its services in a prudently managed way that has always been within budget.

The Students' Union has achieved budgeted income in most areas, with the exception of the shop, that was some £8,000 under budget.

The Students' Union is confident that it will be able to continue to improve the services it offers to its members and will be able to achieve the predicted budget in 2006/07 if not improve on it.

4. RECOMMENDATION

That the Board of Governors approves a block grant of £194,335 to support the Students' Union activities for the Academic Year 2006/07

	NOTES	FINAL 04/05	BUDGET 05/06	EST 05/06	BUDGET 06/07
INCOME					
GRANT	1	144,696	188,586	188,586	193,535
BAR PROFITS	2	58,637	72,893	75,000	75,000
SHOP PROFITS	3	15,547	18,195	10,000	10,250
MARKETING	4				
FRESHERS' MARKETING		183	200	3,072	0
PUBLICITY & PROMOTIONS		2,353	2,412	3,490	3,577
BOARDS/FOYER ADVERTISING		3,982	1,500	1,141	1,170
COMMERCIAL FAIR		6,560	6,724	7,000	7,175
OFFICE SERVICES	5				
INVESTMENT		6,645	1,000	4,700	4,818
MISCELLANEOUS		1,769	1,942	356	100
BUS PASSES		17,771	23,609	17,000	17,425
GAMES/VENDING M/Cs		7,436	6,391	12,000	8,000
ENTERTAINMENTS	6				
EQUIPMENT MAINTENANCE & REPAIRS		-1,000	-2,000	-1,000	-3,000
FRESHERS/ENTERTAINMENT		4,765	4,697	5,140	4,000
SUMMER BALL		5,061	8,200	0	0
GENERAL ENTERTAINMENT		5,575	2,563	13,221	13,552
PERFORMING RIGHTS SOCIETY & PPL		-2,098	-2,150	-4,504	-4,617
PRINTING/PHOTOCOPY		-729	-2,500	-4,500	-4,500
TOTAL	7	265,579	323,452	330,702	0

	NOTES	BUDGET 04/05	BUDGET 05/06	EST 05/06	BUDGET 06/07
EXPENDITURE					
CENTRAL SERVICES	8	135,807	145,319	139,173	176,925
REPRESENTATION/ WELFARE & CAMPAIGNS	9	15,527	20,479	20,723	25,966
STUDENT ACTIVITIES & DEVELOPMENT	10	44,419	48,983	44,024	50,457
BUILDINGS & EQUIPMENT	11	126,175	0	397,856	25,000
RENT & SERVICES	12	0	46,000	46,000	46,000
TOTAL	13	321,928	260,781	647,776	324,348
SURPLUS/DEFICIT	14	-56,349	62,671	317,074	-324,348
% SU CONTRIBUTION	15	55	28	71	40

	NOTES	BUDGET 04/05	BUDGET 05/06	EST 05/06	BUDGET 06/07
CENTRAL SERVICES					
STAFF SALARIES		82,194	87,031	86,096	119,206
SABBATICAL SALARIES		35,940	39,600	35,348	41,250
EQUIPMENT/COMPUTERS		0	2,500	10,458	2,000
INSURANCE		5,089	10,000	7,879	8,076
STAFF TRAINING / TRAVEL		1,965	4,000	0	4,000
TELEPHONE/FAX		1,803	1,197	2,500	2,563
PRINTING/STATIONERY/PHOTOCOPY		-4,436	-6,263	-9,000	-9,000
POSTAGE		2,357	1,259	1,250	1,281
AUDIT & ACCOUNTANCY FEES		3,652	3,500	2,143	3,500
GENERAL EXPENDITURE		5,626	1,000	500	2,000
BANK CHARGES		1,617	1,495	2,000	2,050
TOTAL	8	135,807	145,319	139,173	176,925
REPRESENTATION/ WELFARE & CAMPAIGNS					
NUS AFFILIATION		8,564	10,000	11,723	12,016
AMSU AFFILIATION		250	250	250	250
DEMOCRATIC TRAINING & EXPENSES		4,626	6,750	6,450	8,700
WELFARE & CAMPAIGNS MATERIALS		2,087	3,479	2,300	2,500
ACADEMIC REPRESENTATION		0	0	0	2,500
TOTAL	9	15,527	20,479	20,723	25,966
STUDENT ACTIVITIES & DEVELOPMENT					
ATHLETIC UNION / SOCIETY ADMINISTRATION & EXPENSES		26,981	34,381	30,000	30,750
VOLUNTEERING/ STUDENT COMMUNITY ACTION		-1,040	1,000	1,000	1,000
STUDENT DEVELOPMENT & GET SKILLED		200	1,000	0	4,500
STUDENT NEWSPAPER		10,723	6,461	9,000	9,000
MINIBUS		7,555	6,142	4,024	5,207
TOTAL	10	44,419	48,983	44,024	50,457
BUILDINGS & EQUIPMENT					
BUILDING WORKS		0	0	361,250	0
SHOP EQUIPMENT		14,659	0	984	0
BAR EQUIPMENT		84,745	0	8,658	25,000
ENTERTAINMENT EQUIPMENT		26,771	0	26,963	0
TOTAL	11	126,175	0	397,856	25,000
RENT & SERVICES					
RENT		0	40,000	40,000	40,000
SERVICES & MAINTENANCE		0	6,000	6,000	6,000
TOTAL	12	0	46,000	46,000	46,000

NOTES TO BUDGET/BLOCK GRANT REQUEST FOR 2006/07

1. The figure set for the Students' Union block grant request for 2006/07 is £194,335 This figure incorporates a 3 % increase for the salary costs and a 1% increase for all other costs in line with the University precedent on the initial 2005/06 budget figure.
2. The new Students' Union at Newton Park helped the bars to increase profits to £75,000 in 2005/06, a little higher than budgeted. It is hoped that this rate of profit can be maintained if not increased in the future.
3. The Students' Union shop performed well below budget, despite savings on bookkeeping and some staffing costs. The shop is expected to be approximately £8,000 below budgeted profits for 2005/06. It is hoped that this trend can be reversed in the future.
4. Revenue from outside marketing opportunities continued to perform well and was above budget in 2005/06. The main reason for the above budgeted income from marketing was due to higher profits from Freshers' week, mainly due to decisions not to produce a new Union Guide. It is expected that a Union Guide will be produced in 2006/07, reducing profits from marketing.
5. Income from Office Services was above expected, mainly due to income from a pay to use cash point.

Bus pass sales, vending and games machines, were slightly under budget.

Sales of phone cards etc via the Students' Union Offices have fallen dramatically by over £1,000; it is expected that income from this area will fall further in the future.

6. Income from entertainments was as budgeted, down on 2004/05 due to increasing costs associated with large events such as the Summer Ball.

Costs of servicing equipment, and the costs associated with large events are expected to increase further in 2006/07, further reducing profits from entertainments.

7. Overall income in 2005/06 from the block grant and Students' Union services was approximately £2,000 under budget at £330,702.

Income is expected to fall by a further £3,500 in the year 2006/07 to £327,285

8. Total expenditure on Central Services was approximately £6,000 below budget in 2005/06, mainly due to under spend on sabbatical salaries, staff training, and increased income from photocopying.

Despite Central Services costing less than budgeted in 2005/06 and under spend in some areas, a number of areas were higher than budgeted, equipment up approximately £8,000 on budget due to unexpected costs associated with the new building at Newton Park; expenditure is expected to return to normal in 2006/07.

Telephone costs up approximately £1,400 due to increased activity and text messaging services. Costs associated with telephone use is expected to remain high.

Banking charges - costs associated with banking continue to increase year on year.

2006/07 Expenditure.

The overall budget for Central Services is expected to increase by approximately £37,000 to £176,925 in 2006/07, mainly due to increases in staff and sabbatical costs.

Staff salaries are expected to increase to £119,206 from £86,096 in 2005/06. The main reason for this increase is the intended recruitment of two new staff members. A part time office assistant to cover the Sion Hill Office and a Representation/Training & Development Co-ordinator to oversee the development of Get Skilled, Subject Reps, Outreach work, and assist with the development of SCA.

Sabbatical salaries are set to be increased in 2006/07 so that they are in line with Union pay scales. Increases in future are expected to be in line with cost of living increases of Union staff.

Staff training and travel costs are expected to return to normal in 2006/07 after a zero training year in 2005/06.

Costs of audit and accounting fees are expected to be higher in 2006/07 due to possible costs associated with the new Charity law.

9. Total expenditure on Representation/ Welfare & Campaigns was as budgeted, despite a higher than expected increase in NUS affiliation fees; this was offset by under spend in other areas.

2006/07 Expenditure.

The overall budget for Representation/ Welfare & Campaigns is expected to increase by approximately £5,000 to £25,966 in 2006/07, mainly due to increases in Democratic Training & Expenses as a result of a high number of new Executive Committee members.

The Union also intends to improve the Student Academic Representation System in 2006/07. A budget of £2,500 has been set aside for resources, training. etc.

The Union proposes to continue its affiliation to NUS (National Union of Students) at a cost of £12,016 and AMSU (Association of Managers of Students' Unions) at a cost of £250 in 2006/07

10. Total expenditure on Student Activities & Development was approximately £4,000 below budget in 2005/06, mainly due to under spend on Athletic Union/Society Administration & Expenses, and a zero spend on Student Development & Get Skilled.

Costs associated with Athletic Union/Society Administration & Expenses were below budget due to clubs/societies having increased revenue from door takings on society nights.

The cost of production of h20 Student newspaper was higher than expected due to increase print run and number of copies. This increased expenditure has contributed to the increased income for Central Services for photocopying. H20 is expected to remain in the current format for the 2006/07 academic year.

2006/07 Expenditure.

The overall budget for Student Activities & Development is expected to increase by approximately £6,000 to £50,457 in 2006/07, mainly due to increased activity in Student Development & Get Skilled.

The increased activity in Student Development & Get Skilled in 2006/07 is due to the Unions commitment to helping its membership improve their key skills and increase their employability.

11. Total expenditure on Buildings & Equipment was approximately as budgeted across the financial period 2004/06 with a total expenditure of £534,489 + VAT, £361,750 was a direct contribution towards the building costs of the new Union, the remainder being the cost of equipping the new building.

Figures for 2005/06 were higher than budgeted, due to costs being spread over two accounting years.

2006/07 Expenditure.

The Union expects further costs associated with the new Union in 2006/07 and it is expected that a minimum of £25,000 will be required to finish improvements.

12. Total expenditure on Rent & Services was as budgeted in 2005/06 and is expected to remain constant in future years.

13. Overall expenditure in 2005/06 was £647,776 this was over budget due to costs of the new Union being distributed over two financial years instead of just one.

Expenditure is expected to increase to £324,348 in 2006/07. This is an increase of £63,567 on the budgeted 2005/06 figure.

Expenditure remains lower than income, and if it was not for continued improvement to the new Union building the 2006/07 expenditure figure would be £25,000 lower.

14. In 2004/05 the Union was required to use £44,775 from its reserves and then in 2005/06 a further £317,074 was used from reserves.

In 2006/07 it is hoped that reserves can start to be replenished with £2,937 expected surplus. If it was not for continued improvements to the new Union building the surplus for 2006/07 would have been in the region of £27,937.

15. The Students' Union achieved 55 % contribution towards Union costs in 2004/05 and achieved 71% in 2005/06. This was well above the 26% target set by The Board of Governors. The main reason for the higher than targeted contribution is as a result of costs associated with the new Union Building.
The Union is expected to remain above the 26% target in 2006/07, with an estimated contribution of 40%.