

**Imperial College Union
Board of Trustees / 23 July 2025**

Capital Expenditure Budget

Author(s): Peter Greaney (External Finance Director)

Purpose: To request authorisation for capital expenditure in FY25/26

Decision(s): To **approve** the request

1. Introduction

This paper includes a request for capital expenditure relating to summer works.

The budget paper (presented separately) covers normal running costs only: the Charity budget does not include provision for new assets, whilst the Trading Subsidiary budget includes small purchases (the impact of which is funded in year).

This request arose from a recent review of summer works requirements, and has not been considered by FAR.

2. Summary

Additional capital investments of £102k for Summer Works are proposed as a separate strategic investment in FY25/26, as itemised below:

In Charity Maintenance/ Student Experience	Cost (£)
Interior Walls, Ceilings, Woodwork and Windows (Decorative)	14,100
MR1/3 Decorations (Pending MR3 fire officer approval)	15,000
Furniture and Décor- Provide new furniture and revised décor scheme for the bar.	40,000
Lighting - improved 'house lighting'	30,000
Feature Wall Mural	3,000
Total	102,100

The summer works will enable the Union to maintain its building, for works which are considered necessary where there is no separate funding available (e.g. from the Presidents' Fund).

These are considered Union costs relating to building maintenance which will support the student experience, rather than commercially driven costs which would generate a return, which might otherwise be treated as Trading Subsidiary costs.

As a capital investment, there would be an initial impact on free reserves, as fixed assets are technically designated. This is because "free reserves" are typically calculated based on Unrestricted Funds less fixed assets' net book value.

As such, they can be considered as a strategic investment, which will require Trustee authorisation.

3. Impact

As set out below, the initial £102k capital cost would be covered by the £411k projected to be available at year-end:

Strategic Investment Fund: Current Position

	£k	£k Total
<i>Fig at 1/8/24 - Per Nov '24 Reserves Paper:</i>		
General Funds at 1/8/24	993	
Free Reserves Target (reviewed each November)	(620)	
Planned Capex in FY24/25	(102)	
Available for Strategic Investment at 1/8/24		271
Add back: FY24/25 Depreciation (financed from Designated Funds)		26
Estimated available for strategic investment at 31/7/25		411
Planned Capex in FY25/26 (subject to Trustee Board approval)		(102)
Estimated available for strategic investment at 1/8/25		309

Note: the £309k would be sufficient to cover the potential year-end catering-related provisions which are currently being reviewed.

There would be an additional depreciation impact on Core of £20.4k pa (assuming over 5 years).

4. Conclusion

Trustees are asked to authorise the capital expenditure request.