Imperial College Union
Board of Trustees / 29 July 2026

Budget 2026/27

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

Purpose: To present a draft 2026/27 budget for approval

Action(s): To **approve**

1. Introduction

A budget has been prepared for 2026/27 which includes Union and Imperial Union Trading (IUT) components. Surpluses from the latter are planned to be gifted to the former, so therefore the collated budget is being presented for approval.

The budgets for have been reviewed by IUT Board (IUT only) and FAR (Charity and IUT) and recommended for approval.

2. Strategic Context

In line with the financial model and funding agreement, the budget is planned to cover recurring charitable activity (intended to break even) and a commercial contribution intended to contribute to the Strategic Investment Fund, the additional reserves available or future investment.

The budget does not include budgets for larger one-off projects which are intended to be funded by the Strategic Investment Fund or capital investment, which are subject to separate approval.

This budget covered Year 1 of a new two-year funding agreement with the University which was focused on allowing ICU to:

- Enable Imperial to deliver its strategic objectives, specifically the theme of *'Class of 2030'*
- Ensure that Union services are able to scale with planned University expansion.

An update on what the University has now agreed to fund is provided below:

#	Request	What Was Funded
A	Cost increases, including anticipated salary uplifts, insurance and in student activities.	£86k of requested £111k funded. £25k relating to Student Experience Fund taken out – to look at separate funding options.
B	Key priority areas, focused on two new roles in advice and multi-campus engagement.	Allowance given for an advice role but not a cross-campus representation role.
C	Other priority areas around belonging and events.	Not funded – to look at separate funding options.

3. Summary

The overall budget surplus proposed is **£36k**, of which "core" grant-funded charitable services are break-even on a cash basis (£0.7k before depreciation), which is consistent with the budget approach from recent years.

The IUT budget (which includes a £47k surplus) was reviewed by its Board and FAR, and recommended for approval to the Board.

The Union's budget includes a £3k contribution from Retail (remaining in Charity for now), meaning a £50k envisaged overall contribution from commercial.

A budget summary is provided below, with detailed narrative following. A summary of key changes is provided at Appendix A (from prior year budget). Detailed appendices showing full budget detail are also available separately.

Imperial College Union

Budget 2026/27

Union	**2026/27**			
	Imperial College Union		**Imperial Union Trading Ltd**	**Total**
	Core, Grant-Funded	**Commercial**		
Income				
Block Grant	3,522,089	-	-	3,522,089
Commercial Management Fee	175,000	-	-	175,000
Other Income	115,175	-	-	115,175
Partnerships	-	-	512,755	512,755
Temp Agency	-	-	416,412	416,412
Venues	-	-	2,501,222	2,501,222
Retail	-	1,491,950	-	1,491,950
Income Total	**3,812,264**	**1,491,950**	**3,430,389**	**8,734,603**
Cost of Sales				
Partnerships	-	-	(308,550)	(308,550)
Gross Profit	-	-	(350,359)	(350,359)
Venues	-	-	(731,161)	(731,161)
Retail	-	(824,935)	-	(824,935)
Gross Profit	**3,812,264**	**667,015**	**2,040,318**	**6,519,598**
Expenditure				
Core Expenditure Total	(3,877,480)	-	-	(3,877,480)
Vacancy savings assumption	65,940	-	-	65,940
Commercial Overheads	-	(212,874)	(205,615)	(418,489)

Partnerships	-	-	(113,280)	(113,280)
Temp Agency	-	-	(64,098)	(64,098)
Venues	-	-	(1,609,868)	(1,609,868)
Retail	-	(450,601)	-	(450,601)
Total Expenditure	**(3,811,540)**	**(663,475)**	**(1,992,860)**	**(6,467,875)**
Operating Surplus/(Deficit)	**725**	**3,540**	**47,458**	**51,723**
Depreciation of Core Assets	(15,201)	-	-	(15,201)
Total Surplus/(Deficit)	**(14,476)**	**3,540**	**47,458**	**36,522**

4. Key Assumptions

Key budget assumptions are as set out below:

- Current staff structure maintained, with additional roles to be introduced from FY26/27 where funded as part of the block grant request. The University agreed to support one of two roles (advice rather than multi-campus engagement).
- Cost of pay awards will separately be funded by University as previously (and also confirmed by them).
- Comparable vacancy rate assumption to prior year budget expected (c2.5%).
- Contingency of £15k as per prior year budget (not yet earmarked but Management expect this may be helpful for unforeseen legal and professional fees, which have not specifically been budgeted).
- Prudent assumption on bank interest income to be applied, based on an assumed average cash balance of £3.1m at 3.25%.
- Increases in budget where requested and funded, including:
    - License fees relating to general insurance of £40k (transferred from University policy to Union 2024/25)
    - £21k (5%) increase to student group budget allocations (which has remained at £425k since FY21/22 and now needs to cover unavoidable cost increases including insurances), and
    - £25k covering inflationary increases, primarily focused on membership activity including core union events e.g. awards, 2-day welcome fair.
- Unfunded amounts, including an additional £25k to fund the Student Experience Fund and requested £103k to support around belonging and events, to be bid for via separate funding routes where possible instead.

5. Trading Subsidiary Update

A **£47k** surplus is presented, which is £21k ahead of the FY25/26 IUT forecast (and £28k behind the prior year equivalent budget). Detailed comparatives are presented below by department below:

	2026/27	2025/26		2025/26	
	Budget	**Reforecast**	**Change**	**Budget**	**Change**

Trading Subsidiary					
IUT Management	(205,615)	(152,257)	(53,358)	(131,225)	(74,390)
Partnerships	90,925	69,870	21,056	73,773	17,153
Temp Agency	1,955	-	1,955	-	1,955
Beit Bars	139,315	103,631	35,684	140,871	(1,555)
Catering	133	13	120	-	133
Events	49,224	14,929	34,295	(8,514)	57,737
H Bar	-	130	(130)	-	-
Reynolds Bar	(28,479)	(9,791)	(18,688)	633	(29,112)
Summer Ball	-	(346)	346	-	-
	47,458	**26,179**	**21,279**	**75,538**	**(28,080)**
Total	**47,458**	**26,179**	**21,279**	**75,538**	**(28,080)**

Highlights from IUT to note from this are:

- New Catering and Temp Agency budgets included (with break-even targets in Year 1). If activities are expanded significantly (e.g. any decision to take on activities in the Dyson Building), Management will revert back for approval on this.
- The "IUT Management" figures are central costs including management charges of £167k (FY24/25 forecast: £146k), which shared costs borne by the Charity where a proportion is attributable to IUT as per the working at Appendix C) and a (new) £20k maintenance costs budget line.
- Partnerships: £21k increase on prior year reforecast, driven by anticipated increases in income, mainly external partnerships & activations.
- Beit Bars: £36k increase on prior year reforecast, mainly driven by an anticipated 9% increase in gross profit on wet sales.
- Events: £34k increase on prior year reforecast, driven by expected increases in income including room hires & events.
- H Bar: No budgeted activity assumed.
- Reynolds: £28k deficit currently shown – verbal update to be provided at the meeting on this around service provision (charitable) as well as commercial considerations, for IUT (and Charity) to consider.
- Summer Ball: assumed break-even (usual budgeting assumption).

6. Capital

The core depreciation budget of £15k relates mainly to existing assets and a new minibus (£7.5k depreciation relating to new £37.5k bus depreciated over 5 years).

Commercial deprecation costs are included within commercial overhead and relate mainly to existing assets (e.g. Beit fixtures and fittings). The proposed budget does not include any provision for any new EPOS system above and beyond existing maintenance costs.

Additional capital investment would require separate approval. A separate paper is presented for July Board on options for separate consideration.

7. Budget Risks / Opportunities

	Risk	Planned mitigations
1	Commercial loss incurred	Planned surplus provides an in-year contingency. Look to manage any losses through commercial operations in the first instance – e.g. review savings/ planned investments, income options, review appropriateness of continuation of activity where appropriate. Insurance option for any unforeseen external issues (e.g. stock damage). Review through Management Accounts/ Reforecast – e.g. support from Core underspend areas (on one-off basis), including unutilised element of contingency budget. Use of reserves to handle unplanned losses which cannot be managed in year, on one-off basis. College support as a final response – e.g. where cannot reasonably be managed or anything significant, subject to agreement.
2	Vacancy savings target not achieved – noting plan is not to rely on this and Union's intention is to try to fill roles	Some protection from planned (commercially driven) surplus and contingency. Review through Management Accounts / Reforecast as set out above.
3	Interest income assumption could vary due to: changes in rates; fluctuations in cash available (e.g. due to spending of restricted funds) and plans to open new accounts in future may involve reduced income.	Interest assumption (3.25%) is prudent compared with the current Bank of England base rate (3.75%). A 1% variance in rate could have a +/- c£25k annualised impact. The risk is perhaps more longer term (so if there are substantial reductions in rates, this income may need replacing through other sources e.g. block grant, cost reductions or commercial contributions requiring adjustments to the model). Review variances through Management Accounts/ Reforecast as set out above. Note: there is an implied assumption that the charity continues to benefit from unspent restricted (CSP) cash. This approach has been justified by the fact that the charity bears the cost of attributable overheads, such as finance, staffing and systems costs, which would more than offset any income allocation, if this approach were to change.
4	Inflation variance (1% on non-staff costs excluding CSP grants would = +/- £5k).	The expectation is that budget holders would need to work to their budgets.

		Where this cannot be managed, review through Management Accounts/ Reforecast as set out above. Risk considered low in the context of current inflation levels.
5	Unanticipated costs, e.g. impact of pay review (potentially in the region of £5k, if successful), a legal claim, compliance costs, debt write-off.	Contingency of £15k. Review through Management Accounts/ Reforecast as set out above. Free reserves also available on one-off basis. College support as a final response – e.g. where cannot reasonably be managed or anything significant, subject to agreement.
6	Unexpected positive variances (e.g. from additional vacancies commercial contribution) resulting in additional funds being available for repurposing.	Pick up through main reforecasting process (January) as in prior year. Continue to monitor variances through management accounts.
7	Potential variances in relation to trading may impact on the surplus.	Budgeting approach considered fairly prudent. IUT Board to monitor commercial performance. Cashflow forecasting indicates minimal cash risk. Any significant changes in activity (e.g. new catering operations) would need to come back to IUT and FAR/Trustee Board.

8. Recommendation

The Board is asked to approve the budgets for the Union and Trading Subsidiary, subject to any comments or queries.

Appendix A: Key Changes from Prior Year Budget

	2026/27 Budget	2025/26 Budget	Change	Permanent Staff Change	Other Change
Core Activity Income					
Block Grant	3,522,089	3,264,497	257,592		
IUT Management Fee	175,000	170,000	5,000		
Other	115,175	139,523	(24,348)		
	3,812,264	**3,574,020**	**238,244**		
Core Activity Expenditure					
Advice & Support	(214,620)	(192,932)	(21,688)	(17,415)	(4,273)
Facilities, Health & Safety	(270,762)	(181,293)	(89,469)	(2,515)	(86,954)
Finance	(351,044)	(377,503)	26,460	(1,750)	28,210
Leadership & Governance	(832,552)	(798,779)	(33,772)	(15,103)	(18,670)
Marketing	(366,234)	(353,058)	(13,176)	(17,636)	4,460
Minibus Service	-	-	-	-	-
People & Culture	(150,127)	(145,886)	(4,241)	(3,474)	(767)
Representation	(327,307)	(252,933)	(74,374)	(60,711)	(13,663)
Student Activities	(1,092,894)	(1,110,273)	17,379	(16,948)	(40,788)
Helpdesk	-		-	*49,615*	*25,500*
Systems	(271,940)	(220,854)	(51,086)	(7,701)	(43,385)
Vacancy Savings	65,940	60,000	5,940	5,940	-
	(3,811,540)	**(3,573,512)**	**(238,028)**	**(87,699)**	**(150,329)**
Core Activity Depreciation	(15,201)	(25,425)	10,225		

Commercial Activity					
Commercial	(212,874)	(256,078)	43,204		
Retail	216,414	233,966	(17,552)		
	3,540	**(22,112)**	**25,652**		
Trading Subsidiary					
Trading Subsidiary	(205,615)	(131,225)	(74,390)		
Partnerships	90,925	73,773	17,153		
Temp Agency	1,955	-	1,955		
Beit Bars	139,315	140,871	(1,555)		
Catering	133	-	133		
Events	49,224	(8,514)	57,737		
H Bar	-	-	-		
Reynolds Bar	(28,479)	633	(29,112)		
Summer Ball	-	-	-		
	47,458	**75,538**	**(28,080)**		
Total	**36,522**	**28,509**	**8,013**	**(87,699)**	**(150,329)**

Appendix C

Management Charges Calculation

	Total Cost	Proportion %	IUT Charge
Facilities, Health & Safety			
Commercial costs charged directly	-	0.00%	-
Finance			
Finance Team	(314,478)	5.49%	(17,256)
Leadership			
Director of Commercial Services	(104,603)	40.00%	(41,841)
Head of Commercial Services	(86,311)	50.00%	(43,156)
Managing Director	(126,053)	10.00%	(12,605)
Insurance	(43,304)	10.00%	(4,330)
Marketing			
Marketing Staff	(295,764)	10.00%	(29,576)
Publicity (Commercial)	(5,000)	50.00%	(2,500)
People			
Staff Team Related Expenses	(67,000)	19.35%	(12,968)
Systems			
Equipment Purchase	(14,502)	19.35%	(2,807)
			(167,040)
		Rounded per year	(167,040)
		Rounded per month	(13,920)

Finance basis: Journal lines on commercial centre out of all journal lines (01/08/24 - 30/04/26)

People basis: Commercial staff out of all staff (as at 14/05/25)

Managing Director: Time split between 5 areas: Commercial, Strategic, Financial, Membership Services and Support Services