



Date: Monday 30 November 2020
 Time: 17:30-19:30
 Venue: On MS Teams

Finance Committee Minutes

Chair: Ilyas Benmouna, Activities Officer

Members:	P	AP	AB
Aining Liang, Student Trustee (AL)	✓		
Alisha Dhume, Appointed by Union Executive (AD)	✓		
Ansh Raj, Appointed by Union Executive (AR)	✓		
Ayman Benmati, Education Officer	✓		
Carol Paige, Democracy, Operations and Community Officer	✓		
Eliza Lawless, Sustainability Officer	✓		
Ilyas Benmouna, Activities Officer, Chair	✓		
Ishar Kalsi, Appointed by Union Executive (IK)	✓		
Javier Bautista, Appointed by Union Executive (JB)	✓		
Shoora Shafeeq, Student Trustee (SS)	✓		
Yasmeen Daoud, Welfare and International Officer	✓		

In Attendance:
John Dubber, Chief Executive
Catherine Barrow, Interim Head of Finance
Katerina Alexandropoulou, Minutes

1. Welcome and Introductions

The Chair opened the meeting and everyone introduced themselves. Apologies were received from Clare Bracey, Deepan Banati and Deb Nichols.

NOTED

2. Terms of Reference & Membership

The Chair explained the nature and purpose of the committee as outlined in the terms of reference.

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3. Minutes and Matters Arising from the meeting on 19 November 2019 (FC1901)

The Committee approved the minutes of the meeting on 19 November 2019 as a true and accurate record.

APPROVED

4. 2019-20 Year End Accounts Update

The Interim Head of Finance gave an overview of Union's financial position at the end of 2019-20. They added that the 2019-20 Audit is due to start in week of 7 December. They then noted that work had taken place to rectify historical inaccuracies in the Union's accounts. They explained that the end of year deficit was lower than had been anticipated at the June Board meeting. This has been caused by a combination of tight controls on spending during the pandemic, higher

investment income than had been predicted, and a larger than anticipated reduction in the Union's pension deficit. Although it was noted that the pension deficit is likely to rise again next year. Work is still in progress to finalise end of year accounts and this will not be completed until the Audit is complete. They added that the general picture is positive for the protection of our reserves and the end of year financial position.

The Chair asked what are the main reasons for the better position in the end of year accounts.

The Interim Head of Finance noted that this was due to a few factors since the COVID-19 first lockdown: correct actions to reduce costs and quick reaction to furlough scheme for Union staff mitigated our losses; efforts to improve our commercial income and control our costs under the pandemic restrictions were the main reason for the better position we are at with the end of year accounts.

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5. Management Accounts (Quarter 1)

The Interim Head of Finance noted that Quarter 1 management accounts are showing that the Union's deficit is smaller than the planned level agreed in the budget. They explained that the budget was based on assumptions when it was set in June 2020 but lower than expected campus presence affected our commercial income. However, overall due to tight cost control, this has not meant an increase in deficit. They clarified that a bigger deficit was expected in the budget but this was reduced due to a few factors, for example, furlough rebate, commercial sales keeping more or less the same and savings lower UCL grant distribution to clubs and societies due to reduced activity (even though this will move to the next Quarter). They clarified then that Quarter 1 covers August, September and October, a period historically quiet as not many students are around until the end of September when Term 1 starts.

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6. Budget 2020-21 Forecast

The Interim Head of Finance clarified that even though June's budget was based on assumptions, the recent forecast gives a more accurate picture as we have better knowledge of the situation. The restrictions of tier 2 and the recent lockdown affected our commercial income and there is still uncertainty about what activities, for example, we'll be able to have after restrictions are lifted. News on vaccine may improve our activity levels later in the year, but we cannot be certain at this stage. The commercial budget is based on which outlets are kept open and which are closed due to low footfall. The Interim Head of Finance also explained that the Union will be closely monitoring changes in government guidelines and how these will impact on our operations. The Forecast shows that the predicted deficit for 2020-21 will likely be slightly higher than was expected in the original budget, but we have secured reassurance of UCL's financial support of up to £1m.

The Chief Executive thanked the Interim Head of Finance and the Democracy, Operations and Community Officer for their work on the forecast. They added that even though figures show a lower income than originally expected, the Union is in a better position than other Unions due to

our healthy reserves and the good relationship with UCL, who have agreed to support us.

The Democracy, Operations and Community Officer encouraged members of the Committee to share their feedback about the decisions the Union has made so far.

The Chair noted that it is positive that the budget is looked at regularly with forecasts as the situation changes continuously.

The Interim Head of Finance noted that the Committee's decision is required on plans to invest in the refurbishment of the new Union shop. They added that the Union negotiated to take over the running of the Shop at the South Junction and this has been agreed. This new commercial outlet in the centre of campus will generate a good stream of income and will deliver what students need from a campus shop. They explained that an investment of £72k is presented to the Committee for approval and recommendation to the Board of Trustees. They added that there is a prediction of a £60k surplus annually, which means that the investment will be paid back in less than two years.

The Democracy, Operations and Community Officer pointed out that discussions about the Union taking over the running of UCL Shop were still confidential and should not be repeated to anyone outside the Committee yet.

The Chief Executive noted that running another commercial outlet is part of the Union's strategy to increase income to then invest back to what our members need. They reassured that the figures for the shop refurbishment have been looked at by two external professional companies. They noted that this is part of a plan to improve the student experience and increase job opportunities for students. They summarised that the Finance Committee is asked to approve and recommend to the Board the release of £72k from our reserves to do the necessary work so that the shop can open in September 2021 or earlier if campus footfall increases.

The Sustainability Officer noted that they agreed it was a positive investment and a good way to improve student experience.

The Finance Committee agreed to support the budget forecast and recommend this to the Board. They also agreed to support the drawdown of £72k from the Union's capital reserve to fund the necessary investment for the shop and recommend this to the Board.

RESOLVED

7. Update on the development of the Union Commercial Strategy

The Chief Executive noted that the Union's Leadership Team have a long-term vision to improve commercial provision at the Union. The aims are to firstly, ensure that our current outlets are providing excellent service and good value for students, generating more funds to invest back into support for students, employing more student staff and modernising our the commercial provision. Secondly, the aim is to open more outlets as student numbers have increased but outlets have remained the same in recent years. They added that the Board has put forward a

Commercial Strategy Working Group tasked to bring a proposed strategy to the Finance Committee and the Board. The Group is chaired by the Democracy, Operations and Community Officer whilst the Head of Operations leads staff contributions and research in this area.

The Democracy, Operations and Community Officer noted that the Group is looking into the future, how to change our outlets and what our aspirations will be on how our outlets will look, how many there will be and how this strategy will improve the student experience in the future.

One member appointed by the Union Exec (JB) noted that planning for this Strategy was exciting and asked if there were any plans for more sports facilities and venues.

The Chief Executive agreed that there is great need to improve and expand our facilities. They explained that the Union is already working on the following areas: firstly, to improve current buildings with conversations held with UCL Estates for the Bloomsbury Building spaces and the Lewis Building spaces; in particular, improving the space on the basement and ground floor to generate more income and improving the student activities spaces in other areas of the Lewis building. Secondly, looking into better sports grounds owned by the Union, still confidential area of work. Then, discussing Union facilities at UCL East. Also, looking for a new home for the Union. For all these key is funding so a Commercial Strategy is needed to generate more income to then invest.

The Democracy, Operations and Community Officer added that the UCL East project was a very lengthy project aiming to introduce a campus feeling to enhance the student experience.

The Chair requested to be part of the Commercial Strategy Working Group.

RESOLVED

ACTION: The Activities Officer to be invited to the Commercial Strategy Working Group meetings.

8. Aged Debtors Report (Quarter 1)

The Interim Head of Finance explained that this report shows how we are doing in claiming back money owed to us, for example, sponsorship, invoices, etc. They added that historically there have been problems with managing our debtors but better controls put in place have now reduced debtors and old debt has been cleared out. They then added that more control is being put in place for debts older than 4 months.

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9. Treasury Report (Quarter 1)

The Interim Head of Finance explained that this report shows what cash we have so how capable we are to pay our creditors with a good cash flow. They then clarified that reserves include earmarked amounts which are not free reserves and cannot be used as cash. They added that the Scottish Widows and Virgin accounts the Union has are investment accounts. They added that the treasury report still shows a positive picture even though cash is lower than last year.

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10. Insurance Renewal Report

The Interim Head of Finance noted that Endsleigh are our insurers. Insurance cost is one of the biggest costs we have each year, a total of £93k this year. Combined Insurance policy covers commercial and student activities, and other areas of our operations. They added that at the end of the financial year we'll submit actual activity reports and may get a small some rebate due to Covid-related closures.

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The Chief Executive noted that there is a lot to take in but if anyone needed more training or discuss any areas presented at the meeting, they should let us know.

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Minutes approved as a true and accurate record	
Chair:	Ilyas Benmouna
Signature:	
Date:	10/03/2021

Action List

Actions	
The Activities Officer to be invited to the Commercial Strategy Working Group meetings.	LTEA