



Date: Tuesday 1 March 2022
 Time: 18:00-20:00
 Venue: On MS Teams

Finance Committee

Notes

Chair: Yasmeen Daoud, Welfare & Community Officer

| Members: | P | AP | AB |
|---|---|----|----|
| Arifa Aminy, Equity Officer | ✓ | | |
| Ayman Benmati, Education Officer | | | ✓ |
| Beth Beasant, External Trustee (UCL Staff) | ✓ | | |
| Ilyas Benmouna, Activities & Engagement Officer | | | ✓ |
| Johara Meyer, Sustainability Officer | ✓ | | |
| Muhammad Chaudhary, Student Trustee | ✓ | | |
| Osman Teklies, Union Affairs Officer | ✓ | | |
| Paul Ho, Appointed by Union Executive (PH) | ✓ | | |
| Shivam Mulchandani, Appointed by Union Executive (SM) | | | ✓ |
| Sayf Abdeen, Appointed by Union Executive (SA) | | ✓ | |
| Syeda Fatima, Appointed by Union Executive (SF) | | | ✓ |
| Viktoria Makai, Postgraduate Officer | ✓ | | |
| Yasmeen Daoud, Welfare & Community Officer, Chair | ✓ | | |
| Zaheer Badat, Student Trustee | | ✓ | |

| In Attendance: |
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| Dorota Dominiczak, Director of Finance |
| Dan Hill-Roger, Commercial Development Manager |
| Deb Nichols, Director of Operations |
| Rebecca McLoughlin, Minutes |

1. Welcome and Introductions

The Chair opened the meeting and welcomed the External Trustee (UCL Staff) to their first Finance Committee meeting.

2. Minutes and Matters Arising from the meeting on 27 May 2021

The Committee approved the minutes of the meeting on 27 May 2021 as a true and accurate record.

APPROVED

3. Notes and Matters Arising from the meeting on 1 December 2021

The Committee received the notes of the meeting on 1 December 2021 as a true and accurate record.

RECEIVED

4. Management Accounts (Quarter 2)

The Director of Finance gave an overview of the Management Accounts for Quarter 2. They highlighted that at the end of Quarter 2 there was an operational surplus of £320k versus a forecast surplus of £56k.

Commercial operations delivered a forecast turnover of £1.44m with an operating position close to break even, as anticipated. Expenditure in student services departments continued to be lower than forecast 1, this is due to the delay in some activities starting, particularly in sports. The Director of Finance noted that they will be going through the underspend with departments to confirm whether this is due to delayed activity or underspend. They added that Forecast 2 will be presented to the Finance Committee on 28 April and thereon to the Board on 5 May.

The Committee discussed whether the underspend was genuine savings and the Director of Finance confirmed that they needed to look at this more deeply to see if it is delayed spending or actual savings. The Committee looked at what happened to any savings made. The Director of Finance noted that there are processes in place before any money can be repurposed. The Committee asked how departments spending is monitored. The Director of Finance replied that the monthly accounts are distributed to all departments and the finance team have discussions with each department budget holder and track performance against budget.

The Chair asked why there was such a difference between the operational surplus of £320k versus a forecast surplus of £56K. The Director of Finance replied that this was due to the lower level of activity especially in Clubs & Societies. They added that it is good to have a small cushion of reserves at this point in the year.

RECEIVED

5. Union's banking arrangements

The Chair confirmed that the sub-group has met 3 times and has made some progress but further investigation into potential banks needs to be completed. A recommendation is scheduled to be made to the next Finance Committee meeting. They noted that the initial review narrowed down the list to 5 potential banks but more in-depth research is required on both the ethical and financial side. A subscription to the Ethical Consumer will be purchased to provide additional information. The Chair went on to highlight that further information can be found in the link to the spreadsheet in the FC210202C paper.

The Committee discussed a new potential bank called 'Algebra' and noted that this would be included in the list of banks on the spreadsheet.

RECEIVED

6. Update on Capital spending and Designated reserves

The Director of Finance highlighted that the commercial investment that is currently on-going is the introduction of a "Grab 'n' Go" offering at the Lewis building/George Farha Café and the development of a convenience store in South Wing. Current capital spend on these two projects to date is £89k with an estimated further spend of £32k to completion. The Director of Finance noted that it is also proposed that the "Big Idea" designated investment fund be renamed as "Capital Investment" fund for clarity.

The Committee asked if changing the name of the Bid Ideas fund would mean changing the usage of the fund. The Director of Finance confirmed that it is just the name that they propose changing and usage of the fund would stay the same. The Chair noted that any use of designated funds had to be approved by the Finance Committee and the Board.

The Committee discussed how the Union decided upon opening the two new outlets. The Commercial Development Manager replied that a Commercial Strategy Group was set up which had conducted extensive research into this including student surveys, focus groups, competitor analysis, etc. They have also received research from an independent consultant.

The Committee asked what the time frame on the investment return was. The Commercial Development Manager responded that they had based it on a 5 year return. The Committee asked about the future spend mentioned in the paper and the Commercial Development Manager noted that this was due to an outstanding invoice that had not been paid as works had not been satisfactorily completed.

The Committee reviewed and approved the commercial investment plans.

The Committee agreed to the name change for the “Big Idea” fund to “Capital Investment” fund.

APPROVED

7. UCL East Commercial Plan

The Commercial Development Manager gave a brief overview of the UCL East Commercial Plan. The Student's Union has been given the opportunity to put together a proposal to operate a Café and a Convenience Store at the first phase of UCL East (Pool Street West). It was noted that the Student Union has engaged specialist consultants to undertake financial modelling for both opportunities to understand the investment, potential liability, and scope of the opportunities.

The Committee discussed which financial year the Union would prefer this to happen in. The Director of Finance suggested it would be better to happen in this year as we have a small surplus and also, we are still working on the 2022/23 budget.

The Committee discussed the need to possibly receive capital investment from UCL. The Commercial Development Manager noted that if needed, it would be better to get help from UCL when trading starts rather than at the initial investment stage. They added that it will be a prosperous area with a potentially high footfall once the development is completed and there are also 3rd party suppliers (CH&CO) who are also keen to run these commercial opportunities. It was noted that these outlets will also be able to provide employment opportunities for students based at UCL East.

The Committee discussed why the net surplus is so different for different trading hours. The Commercial Development Manager explained that this shows cost effective hours around when we think it will be busy and when we think it would be most cost effective to be open.


The Committee discussed the timelines and noted that currently we are waiting on UCL's decision, and this would need to be imminent to ensure we meet these timelines.

The Committee confirmed that they understand the investment needed and potential financial risk to the Union for each of the proposed commercial opportunities at UCL East.

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8. Update on Banking Authorities and Mandates**RECEIVED****9. Aged Debtors Report (Quarter 2)****RECEIVED****10. Treasury Report (Quarter 2)****RECEIVED****11. Any Other Business**

There was none.

| Minutes approved as a true and accurate record | |
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| Chair: | Yasmeen Daoud, Welfare & Community Officer |
| Signature: |  |
| Date: | 09/05/2022 |

Action List

| Actions | |
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