



Date: Thursday 8 February 2024
 Time: 18:00-20:00
 Venue: Hybrid/Room 2.07, 25 Gordon Street

Finance Committee Minutes

Chair: Shaban Chaudhary, Education Officer

Members:	P	AP	AB
Beth Beasant, External Trustee (UCL Staff)	✓		
Mary McHarg, Union Affairs Officer		✓	
Shaban Chaudhary, Education Officer, Chair	✓		
Mariya Kachwala, Student Trustee (MK)	✓		
Aria Shi, Activities & Engagement Officer	✓		
Serena Tedros, Student Trustee (ST)	✓		

In Attendance:
Deb Nichols, Director of Operations
Dorota Dominiczak, Director of Finance
James Nedyathu, Head of Commercial Services (item 6)
John Dubber, Chief Executive
Matthew Hodge (Buzzacott auditor, item 7)
Rebecca McLoughlin, Minutes
Seth Dowley, (Buzzacott auditor, item 7)

1. Welcome and Introductions

The Chair welcomed members to the second meeting of Finance Committee for this academic year.

2. Minutes and Matters Arising from the meeting on 28 November 2023

The Committee approved the minutes of the meeting on 28 November 2023 as a true and accurate record.

APPROVED

3. Management Accounts (December 2023)

The Director of Finance gave an overview of the Management Accounts up to December 2023. They noted that after five months of trading and activities, the Union remains financially stable. All commercial and non-commercial departments reported variances in income and expenditure. The overall position of the Union is the achieved cumulative surplus of £151k against a budgeted deficit of £27k. They noted that the main contributors to the financial position are good commercial performance, control over overhead expenditures, and underspending across a range of departments.

The Director of Finance went through the last 5 months actual sales and commercial contribution against budget. The Committee asked why the George Fahra Café was not performing very well. The Director of Finance stated that the pizza offer had not led to sufficient sales and so a new menu was launched in January focusing on Asian food, but it will

take some time for sales to build. The Union is introducing bubble tea from the end of February which will hopefully increase sales further. The Director of Operations added that a dedicated member of staff has been employed to just work on commercial marketing and this is starting to make a big difference. They also added that Mully's will be getting a refurbishment over the Easter break which will also hopefully increase useage of the bar and café.

The Committee asked how many months of full trading do we have left this year before footfall on campus starts to decrease. The Director of Operations responded that footfall usually starts to decline in the weeks approaching the Summer months. However, they are looking at ways to increase footfall such as opening at weekends. They added that they they are looking at different ways to increase income streams over the Summer such as renting out bar space and also ways to improve how we market the space.

RECEIVED

4. Forecast 1

The Director of Finance gave an overview of Forecast 1 and noted that it shows a surplus to the unrestricted funds of £3.5k, the same as the 2023/24 Budgeted position. This means we plan to deliver all our commercial services and student activities within the available resources. They highlighted the following:

- In Term 1 the Union incurred some unbudgeted expenditure which the contingency has covered. Our contingency has been reduced from £90k to £12k.
- Trading in cafes remains strong.
- Phineas, Mully's and the Huntley bars continue struggling due to lower students' spending and footfall. However, the Institute Bar is trading well.
- The Bloomsbury store and The Hanger report good trading results whilst the UCL East store continues to fall short on targets.
- Student services continue to support students in line with their allocated budgets.
- Sports Clubs and Societies enjoyed a high level of new membership and increased participation in a wide range of activities since the start of this academic year.

The Director of Finance gave a summary of the Union's financial contribution comparing forecast 1 against budget for each area. They added that the financial outlook looks good despite operational and financial challenges caused by the cost-of-living crisis and the current economic climate.

The Committee received the Forecast 1 and recommended it to the Board of Trustees for approval.

RESOLVED

5. Report on Financial Regulations & Procedures (including Delegation of Authority)

The Director of Finance outlined the proposed changes to the Delegation of Authority. They also highlighted changes to procedures in the following areas:

- Purchase Ordering
- Company Credit Cards
- Expenses Policy

The Committee approved the Delegation of Authority as updated in January 2024.

APPROVED

6. Retail Strategy Update

The Head of Commercial Services gave an overview of each of the retail outlets and highlighted the following:

Hanger Shop

- Hanger Online Shop will have a soft re-launch on 19 February with the official re-launch on 26 February
- Looking after the sale of merchandise for UCL including the graduations in May & Sept
- Discussion with UCL regarding taking over the merchandise ordering for faculties & departments
- Pop up shops around campus during various events

Bloomsbury Shop

- Improved meal deals & hot drinks
- Selling non-food items such as medical supplies and stationery
- Extensive sushi range
- Additional tills being installed

Pool Street

The Head of Commercial Services stated that the Pool Street Store is not performing well and other possibly usage for the space is being looked at. A recent survey suggested that students would like a gym in the space, so the Union is taking some proposals to UCL regarding this. The Committee asked if it would be possible to expand the current space. The Head of Commercial Services responded that this would not be possible, but a mini gym would fit into the current space.

The Committee discussed the possibility of arranging merchandise for the Faculties and Departments. The Director of Operations noted that this is the intention but currently we are concentrating on organising the merchandise for the Graduations and then we will look at expanding to Faculties and Departments.

The Committee asked if there had been any progress on finding storage space for our merchandise. The Head of Commercial Services replied that they are currently looking at switching to a supplier who will be able to store the merchandise for us and deliver directly to wherever we need.

The Committee asked what we are doing to minimise the loss from the Pool Street Store. The Head of Commercial Services responded that the store is open with minimal staff, and we have significantly reduced our stock of perishable goods.

Committee members suggested that the Hanger could provide a merch ordering service for Clubs and Societies. The Head of Commercial Services agreed to look into this.

ACTION: The Head of Commercial Services to look at the possibility of providing a merch ordering service for Clubs and Societies.

RECEIVED

7. Treasury Report (Quarter 1)

Matthew Hodge and Seth Dowley, the auditors from Buzzacott, joined the meeting to go through the Treasury Report. They gave an overview of the report and highlighted that they took into consideration the following when looking at cash management options for the Union:

- The rate of return
- Credit/counterparty risk and protection
- Liquidity needs
- Ethical/sustainable considerations
- Reputational risk
- Initial and ongoing administration

The report considered and analysed several options potentially available to the Union, which included, directly held cash deposit accounts, saving platforms and cash management solutions.

The sustainability rating of all financial institutions were assessed using the Ethical Consumer rating and Moody's ESG (Ethical, Social, Governance) rating. Credit rating has been assessed using Moody's, S&P and Fitch. The recommended deposit accounts and interest rates were obtained on 18 January and are subject to change.

The summary of the auditors recommendations is as follows:

- To maintain the existing account with Scottish Widows and deposit a further £1m, increasing the total holding to £2m
- To open a Nationwide 1-year Fixed Business Savings account and deposit £1.5m
- To open a Nationwide 35-day Notice Business account and transfer the remaining funds, giving flexibility to draw from this account to maintain liquidity.

The Committee discussed the speculation around Metro Bank and their current credit rating. The auditors advised moving funds away from Metro Bank and suggested using a less high risk institution. The auditors noted that we currently have a Scottish Widows account which comes under Lloyds which has stronger ethical business practices and less investment in fossil fuels than other High Street banks.

The Chief Executive noted that we currently use Metro Bank for our operational banking and asked the auditors for suggestions on other preferred institutions. The auditors responded that this would really depend on the day to day balance of our account but suggested moving to a main high street bank such as Barclays or Lloyds. They noted that at that time, Lloyds would be the most ethical out of the larger high street banks.

The Committee asked the auditors if the Union should have their money with just one financial institution or split across multiple institutions. The auditors responded that this would depend on the day to day operations of the Union. It was noted that you would have greater protection using multiple banks but this would mean less favourable interest rates and would be less efficient to manage. The auditors added that by using one of the larger more stable banks, there would be no need to split your money across multiple institutions. The Finance Committee noted that Nationwide are no longer taking on new current accounts for charities.

The Director of Finance confirmed that they are increasingly worried about having money in Metro Bank and it has taken 18 months to try and move the Union's accounts over and it is still

not yet complete. They suggested that the Union could consider using Barclays again for our current account whilst looking at other possible institutions for our current account. The auditors suggested that they could look in depth at which current accounts would be the best option for the Union whilst also taking into consideration the sustainability and credit ratings of the banks.

The Finance Committee discussed the importance of looking after the Union’s financial sustainability first and then looking at the ethical sustainability of the providers.

The Director of Finance confirmed that they would be able to move more money from Metro Bank once our fixed term rate comes to an end. They suggested that the move to Barclays would be for functionality only and just minimum funds could be moved here. The Finance Committee noted the importance of being clear that this is an emergency interim measure. The Committee asked how members would be notified of the move and the Chair confirmed that the minutes of all meetings are shared on the Union website.

The Committee approved the following recommendations:

- To maintain the existing account with Scottish Widows and deposit a further £1m, increasing the total holding to £2m
- To open a Nationwide 1-year Fixed Business Savings account and deposit £1.5m
- To open a Nationwide 35-day Notice Business account and transfer the remaining funds, giving flexibility to draw from this account to maintain liquidity.

The Committee suggested that the Union look into moving its day to day functionality back to Barclays whilst the auditors explore other options.

ACTION: The Director of Finance to look into using Barclays for our day-to-day business whilst Buzzacott investigate other provisions for our current account.

RESOLVED

8. Procurement project – progress report

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9. Any Other Business

There was none.

Minutes approved as a true and accurate record	
Chair:	MUHAMMAD SHABAN CHAUDHARY
Signature:	Shaban.
Date:	04/07/24.

Action List

Actions	
The Head of Commercial Services to look at the possibility of providing a merch ordering service for Clubs and Societies.	Head of Commercial Services
The Director of Finance to look into using Barclays for our day-to-day business whilst Buzzacott investigate other provisions for our current account.	Director of Finance