

Subject:	Budget to January 21
Produced by:	Tim Cave – Assistant Director, Finance.
To:	Trustee Board
Date:	8 September 2020
Action:	For approval
Paper:	
Purpose:	For Approval

### ***Strategic aims of the Union***

This paper informs the Board on its financial position, a key component of a sustainable Union. The Budget is a key tool in the financial management of the Union.

### ***Equality and Diversity Impact***

Projects relating to E&D activities have been allocated funding within relevant departments

### ***Risk Assessment***

The budget is consistent with the 'Going Concern' / solvency review conducted in June. Solvency remains a key risk.

The papers and associated supporting reports have been reviewed by the Finance Committee on 11 September.

### ***Financial Implications***

The report represents a transitional period and will provide a platform for a further review for the 2021 year.

### **Summary**

This paper outlines the proposed budget and updates on other issues impacting the 20/21 year

#### **1. Budget for the 6 months to January 2020**

The budget has been modelled for the 6 months to January 2021 as a transitional measure.

It treats the new funding arrangement with the UEA as being in effect from 1 August (this understanding was shared by Ian Callaghan although this may need confirmation) and therefore excludes retail, catering and planned TUPE staff.

The income side is still fairly speculative and reflects a reasonable expectation of a bar offering but no venue events. It assumes that Freshers activity is broadly self-funding. We have included £50k of Insurance pay-outs for Business interruption (minimum £4k, Maximum £100k) as this is now under review by loss adjusters.

Charity and central services are modelled on an 'as is' basis, assuming some general spending restraint.

No account is taken of an additional furlough 'bonus' of £1k per head which would be earned in the period but payable after January 2021. There is a high likelihood that a sum in excess of £40k will be received an unbudgeted expenditure (such as training costs) will be offset against this at SMT / Man Committee discretion

The resulting Net Loss of £(249)k compares to the Going Concern Plan of £(267)k and is therefore 'affordable' in that context.

A summary document is included in the Board papers and has been reviewed by the Finance Committee on 11 September 2020

The budget is recommended for approval.

## **Other matters – For Information**

### **a) Applications for Arts Council Funding**

The Arts Council has been appointed as the distributor of grants in support of the music / arts sector.

We have made two applications to the Recovery Fund – for the LCR (as Students Union Services Ltd) and the Waterfront. The stated aim of the Fund is to cover net costs for the period 1 October to 31 March and to leave venues in a sustainable position. This includes a limited amount of 'reflating of reserves' equivalent to 8 weeks revenue. The applications involve submission of cash flow and 'management accounts data' alongside historical audited accounts as well as narrative in support of the venues' meeting of grass roots / cultural value.

The values of the applications submitted are substantial – c. £850k for SUS (LCR) and £450k for the Waterfront, approximately half of which in each case relates to reflating reserves. Obviously, if successful these grants would make a material difference to our position and would remove the dependency on venues opening from April 2021 and /or rapidly remove the need to rebuild reserves within our future budgeting.

The application for the Waterfront was accepted at a reduced amount of £293,132 and the SUS (LCR) grant declined.