

Minutes

Subject:	Finance Committee Minutes: 28 April 2020
Produced by:	Tony Moore
To:	Finance Committee
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Action:	For information and approval
Paper:	FC 177 a

Present online: Martin Jopp, External Trustee (MJ), Phoebe Gathuku, Union Councillor (PGA), Tim Barker (PG Student Trustee), (TB)

In attendance online: T Cave, Director of Finance, (TCA), Tony Moore (Clerk), T Cunningham (CEO)

Chair: Alicia Perez (FTO), (ALP)

Key Discussions/Decisions

- *Request for emergency funding from the University discussed*
- *Furloughing Scheme discussed*

Action Points

- TCA to make any technical changes needed to letter to the University: Chair to send to University
- TCA to circulate the new balance sheet going forward format

FC176 Chair Statements

Chair noted that the letter to the University was in its final draft and would incorporate some comments from Jeremy Clayton, an External Trustee.

FC177a Minutes from the meeting held on 31 March 20

Minutes approved.

FC177b Minutes from the meeting held on 15 April 20

Minutes approved.

FC178 Matters arising/report on action points

Chair noted the completed action points.

FC179 University financial support in the pandemic

Chair noted the additions from Jeremy Clayton to the letter to the University included: the benefits to the University from Union, the need to use restricted funds after July and the possibility of wrongful trading if advanced ticket sales money was used to avoid insolvency.

TCA advised that management was excluding advanced ticket sale monies from the forecasting on cashflow and noted the importance of recognising responsibilities to an undischarged debtor.

Chair asked TCA to make any technical changes that were needed to the letter. Chair noted the letter would be sent later in the day. **AP**

TCA advised there was a schedule in place for balance sheets month by month until July so the Committee would be able to see the Union's situation with regard to insolvency.

MJ commented that the University's cash pressures were not acute as the Union's as it had access to credit lines; MJ believed that the letter would hopefully convince the University that it had one acute issue: the Union's cash crisis.

TCA advised that there would need to be two parallel discussions with the University: one on resolution of the current cash crisis and one on the transition to a new model union.

TCU advised that the current thinking was to plan a new model union for 20-21 to be agreed with the University and then request funding to put the model in place. TCU advised that the new model would involve significant redundancies in the Charity.

FC180 Furloughing Plans

TCA reported the government scheme had been extended until the end of July.

TB wondered whether the intention would be to close down the subsidiary companies.

Chair thought this would only become a possibility if the University failed to provide funding.

TCA advised that closure would depend on whether the government brought an abrupt end to the furloughing scheme with no ongoing support for the entertainments industry.

TB wondered as to any estimates for the cost of redundancies resulting from the transition to the new model.

TCA advised that the scale of the costs would depend on how long ENTs was unable to operate due to the pandemic and a lot of details as to the redundancies and cost savings would need to be finalised.

MJ asked that the Director of HR be included in any discussion as to mapping the detailed costs of the redundancies and any employment law issues.

Chair noted that there were ongoing discussions as to voluntary salary reductions and reduction of hours to cut staff costs.

TCU noted that the worst case scenario for the end to the furloughing scheme would be that the government would allow Charity staff to return to work but now allow ENTs staff back to work whilst making no provision for further financial support.

TCU reported that HR had successfully obtained furloughing payments to 670 student and casual staff.

TCA reported the forecast as to savings to the Union from the furloughing scheme had been reasonably accurate: the effect on the April pay bill had been forecast at £128K and had come in at £134K.

There were no further comments.

FC181 March Management Accounts

TCA advised the accounts represented half pre-pandemic and half pandemic operations and a clearer picture would only emerge with the April numbers but, for the record, March showed a loss of £80K with contributions falling below staff costs.

TCA noted they would circulate to the Committee the new balance sheet going forward format. **AP**

There were no comments.

FC182 AOB

SUSS Pension Liabilities

TCA reported that the SUSS scheme administrators had yet to put in place a process for contributing SU's to defer payments even though deferment had been advocated by the national pension regulator. TCA noted, that without, deferment, £15K in cash would be leaving the Union. TCA noted that management were minded to stop the payments and seek approval after the fact.

NUS Affiliation

TCA reported that, depending on which category of membership sought, this would cost between £12K and £18K. TCA advised that the incoming FTO team would need to decide whether this represented a value for money outlay.

Insurance Renewal

TCA reported that the Union's insurers had offered a payment scheme staggered over ten months rather than an upfront payment but had offered no cuts to the premium even though premises were closed. TCA advised that the renewal was due in April and there was a decision to be made at some point concerning the Waterfront as to whether the policy should be renewed.

TCU reported that the proposed cash and carry sale of redundant drinks stock at the Waterfront had been approved by the licensing authorities.

There were no comments.

FC183 TDP of Next Meeting

11 30am Tuesday 12 May online.