

Minutes

Subject:	Management Committee Minutes: 15 April 2020
Produced by:	Tony Moore
To:	Management Committee
Action:	To approve
Status	For Publication
Paper:	MC 19.20.24

Present: Ali Perez (ALP), (TCU), Callum Perry (CP)

Chair: Sophie Atherton (SA)

In attendance: Tony Moore (TM), Tim Cave (TCA), Claire Boothby Barnbrook (CBB), Caroline Wilson (CW)

Apologies: Wendy Storey (WS), Toby Cunningham (TCU), Martin Marko (MM), Amelia Trew (AT)

Action Points from meeting

Required	Assigned
ALP to circulate text of letter to the University on Union's finances	ALP
ALP to forward Manchester SU on student fees' refund to SA	ALP

MC 408 Minutes, Apologies, Matters Arising

Minutes of the meetings held on 7 April 20 were agreed.

MC 409 Recommendations from the Finance Committee

ALP reported that the Finance Committee had asked ALP to draft a letter to the University on the Union's cash crisis; ALP noted that the letter would be circulated to Finance Committee members and then to Management Committee members for comment before it was sent to the University. **AP**

ALP noted that they had mentioned to the VC, in the FTO catch-up meeting, that the Union would be sending a letter.

SA noted that they had personally made the VC aware that a negative response from the University would affect the VC's relationship with future FTOs.

CP noted that the VC had spoken about looking at how the Union's and the University's commercial operations fitted together and had intimated that the University might seek to take-over some of the Union's operations. CP had gained the impression that there would be less University money available.

ALP noted that Finance Committee had asked that the letter emphasise that to satisfy the Auditors the University would need to provide a clear, meaningful statement of support so that the Annual Accounts could be signed off in order to meet the statutory deadline which had been extended to the end of July. ALP noted that the letter would notify the University that the Union would need to use restricted funds to stave off insolvency.

TCA advised that the letter would need to be hard hitting and state clearly the existential threat posed to the Union.

TCA noted that Finance Committee had borne in mind the likelihood of classes taking place online for the autumn semester and had extended the period for the cashflow forecast until the end of December. TCA advised the letter should make clear that no strongly commercially leveraged SU could survive a loss of nine months' trading without support from its institution.

TCA noted Finance Committee had discussed the moral hazard in restricted funds but had concluded that if the Union did not survive the money would be lost in any case.

TCA advised the letter should reference the extent of the measures the Union had taken during the pandemic to cut costs and take advantage of government aid.

TCA noted that Finance Committee had discussed the need, if the Union were to become insolvent, for the Trustees to privilege the interests of external creditors over those of related parties, such as the University; TCA advised that this should be referred to in the letter.

TCA noted that Finance Committee had concluded, if the Union were to survive the crisis, that any ad hoc help from the University would merely buy time to meet the Union's liabilities: there would still be the need for a settlement to secure a sustainable financial model for the future.

SA asked as to the Finance Committee's discussion as to updating the Serious Incident Report for the Charity Commission.

TM reported that Finance Committee had concluded that the update should be deferred until after the University had decided whether it would provide a meaningful declaration of support. TM suggested that the need to satisfy the statutory reporting requirement to the Commission should be included in the letter.

ALP agreed and noted the reference would be included in the letter.

MC 410 AOB

Payroll

CW reported that the introduction of the new payroll software had been going smoothly and that staff would be able to access all future payslips via the new portal.

CW noted that student staff would receive their holiday pay by June.

Student Fees Refund Letter

ALP reported they had received an email from the Education Officer at Manchester Union asking UEASU to co-sign a letter to the government asking for a refund on fees due to the disruption caused to teaching by the pandemic.

SA believed that the campaign, referred to in the letter, concatenated disruption caused by the pandemic with that caused by the UCU strike. SA noted that the Union had policy in support of the UCU strike which would mean, if the strike was referenced, FTOs would not be able to sign the letter.

ALP noted they would forward the email to SA.

MC 411 Time, Date and Place of next meeting

2 pm, Tuesday 14 April, online.