

Meeting:	Finance & Audit Committee
Location:	Microsoft Teams Meeting
Date & Time:	Monday 14 March 2022 at 9am

Present:

Elizabeth Stacey	Sport Officer (<i>Chair</i>)
Kate Aldridge	Independent Trustee (<i>Present for items</i>)
Barry Hughes	Independent Trustee
Annie Willingham	President

In attendance:

Amy Young	Insight and Engagement Manager (<i>Secretary</i>)
Helen McHenry	Head of Finance
Mandy Wilson-Garner	Deputy Chief Exec
Emily Burstow	Finance Manager

Item			
1.	Apologies for absence		
	Name	Reason	Accepted
	Jordan Kenny	Holiday	Yes
	Nicky Passmore	Sick	Yes
	Valerie Copenhagen		Yes
2.	Notice of any other business		
	The Head of Finance will give an update on the University Finance Committee attended by Deputy Chief Exec and Head of Finance.		
3.	Declaration of conflict of interest		
	No one had any conflicts of interests to declare in any items on the agenda.		
4.	Minutes of the previous meeting and matters arising		
	The Committee approved the previous minutes and noted the matters arising.		
	A Trustee (KA) advised that she needed to leave the meeting at 09.30, therefore the Committee agreed to take the remaining items out of order to allow for the Trustee to be present for Budget FY2022/23 discussion.		
	The President and Deputy Chief Exec gave a verbal update on the Chief Exec's absence and plans.		
6.	Budget FY2022/23		
	The Committee received copies of the report on budget planning and budget for FY2022/23 (<i>see R2 of the Committee reports</i>).		
	The Head of Finance updated the Committee on the process of budget planning for FY2022/23, highlighting that whilst area Managers had put together sensible budget requests this had been difficult when putting it against the expected grant from the University.		

The Head of Finance had attended a briefing by the University to outline the position for the University's planning process. The University has several external factors which are causing concern for its financial position including, the recent Auger Review announcement which will see student number controls implemented, another freeze on the tuition fee and increased utilities costs. The University managed to protect its cash position through Covid by putting capital projects on hold and saving costs. Moving forward it will still aim to make a 3% surplus each year to replenish reserves however with investment being prioritised in people rather than buildings, aiming to use finance and space more effectively.

The University have implemented the voluntary living wage for grades 2 – 4 effective from 1 April 22. This will impact a few SU staff including SU Officers and a small number of staff on grade 4 which will see an increase in SU salary costs of an additional £13,000 for FY22/23.

The Head of Finance had submitted a request to the University's Director of Finance outlining the SU's position and requesting confirmation of the block grant sum. A response had been received on 11 March 2022 to confirm that the £1.975 million grant had been approved. This included a reverse on the £25,000 cut, the £13,000 voluntary living wage increase, and cost of living increases on salaries. This equated to a £60,000 increase on the SU's block grant.

The Head of Finance was confident that this should see the SU solidly through the next year with base costs covered. However, they highlighted concerns with inflation rising sharply that supply costs could be impacted and the commercial areas and sports could see impacts of this.

A Trustee thanked the Head of Finance for their work on this and asked that for the upcoming Board of Trustees meeting that more information regarding inflation, supply costs etc was provided with the report.

ACTION: Head of Finance to update papers for Board of Trustees and for the updated budget (including salary increases) to be approved by the Board.

Question: A Trustee asked if there was the expectation for the commercial income to flatline or decrease.

Answer: The Head of Finance updated that the first semester had seen good figures of income, January had seen lower than normal income due to online exams and students not being on campus, and February had seen a further drop off which was unexpected. The club nights have seen large drops of attendance with a widespread lack of engagement from students across the SU, problems with the bus service and competition from local venues being cited as key reasons. Non-club night events in the bar are still seeing steady income and engagement but the SU relies on the twice weekly club nights for income.

A Trustee added that they are looking at the club events and diversifying events with the Head of Commercial – Venues and Events and Marketing Manager.

A Trustee suggested that the trend amongst students moving away from going out and spending lots of money on alcohol needs discussion at the Board of Trustees with the view to looking at alternative income streams.

The Deputy Chief Exec added that this will form part of a conversation with the University as well. The SU cannot compete with venues in Bath who are offering free or cheap alcohol and as part of the SU's social and corporate responsibility this is not necessarily something it (or the University) would want to do. It should be noted that the University is also struggling with its catering income on campus too.

	<p>The Committee noted the budget report R2.</p> <p><i>(Kate Aldridge left the meeting at this point) 9.30am</i></p>
<p>5.</p>	<p>Finance & Audit</p> <p>The Committee received a report on finance matters (<i>see R1 of the Committee reports</i>).</p> <p><i>SU Financial Position</i></p> <p>The Head of Finance reported that as above Semester 1 had seen good income, but the start of Semester 2 had seen a decrease. This was not showing up in management accounts yet but was expected to be seen in the next few months.</p> <p>The Finance Manager is meeting with area Managers regularly to review monthly forecasting of budgets. The Head of Finance is predicting, from the forecasting, that the SU will finish the year well within the £24,000 budgeted deficit. The impact of loss of income from the club nights will need to be considered, however there are several key events coming up which should help.</p> <p><i>SU reserves and restricted funds</i></p> <p>The Head of Finance updated that there is not much movement with the reserves statement. There are no further expected large purchases to be made this year.</p> <p>Restricted funds are still high, but activities expected in Semester 2 which will impact on the restricted funds, mainly in the sports area.</p> <p><i>Audit recommendations</i></p> <p>Segregation of duties:</p> <p>The Head of Finance updated that the segregation of duties had seen key steps completed with the new Finance Manager in post and Chief Exec duties delegated to the Deputy Chief Exec in the interim. Additional steps have been put in place for journal processing.</p> <p>SU Finance Policy:</p> <p>The SU Finance Policy work has been delayed and is now due by the end of April.</p> <p>Income stream review:</p> <p>A quote has been requested from Crowe's tax team to provide advice regarding VAT and Corporation tax threshold.</p> <p>Rent in Kind documentation:</p> <p>Currently there is no written agreement in relation to the Rent in Kind for facilities and space use by the SU of University space. The University Finance team have been asked to action this to be in place for the end of year. They will use TRAC to compute a meaningful valuation of the space. This is a notional charge only and doesn't impact the bottom line.</p> <p>Documentation on agreements with the University:</p> <p>This piece of work, looking at block grant, multi-year funding etc was to be led by the Chief Exec and has therefore been put temporarily on hold. This will need to be considered at the Board of Trustees regarding next steps in the Chief Exec's absence.</p>
<p>7.</p>	<p>Any other business</p> <p>The Head of Finance updated that the Deputy Chief Exec and herself had attended the University's Finance Committee in February to present the SU accounts and audit for 2020/21</p>

	<p>for them to approve. The meeting had gone well with the University asking questions about engagement and trends in student behaviours and considerations of the SU into alternative commercial incomes.</p> <p>The Deputy Chief Exec highlighted the work that the Head of Finance had done and that the University were very pleased with the work that had been carried out by the Head of Finance and the SU.</p>
	<p>To set the date and time of future meetings</p> <p>The Committee agreed the following dates and times for future committee meetings:</p> <ul style="list-style-type: none"> • Thursday 19th May 2022 9-11am

The meeting ended at 10.30

Item	Action	Action Owner	Exp Finish
6	Head of Finance to update papers for Board of Trustees and for the updated budget (including salary increases) to be approved by the Board.	Head of Finance	30/03/2022