



## Imperial College Union Board of Trustees

Date 01.05.19

<b>AGENDA ITEM NO.</b>	13
<b>TITLE</b>	Financial update
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<b>EXECUTIVE SUMMARY</b>	<p>Our current forecast is for a £337k deficit at end of year. The partial recovery is being driven by vacancies in the staff team as wet sales income continues to be below forecast.</p> <p>Task and Finish groups were established to consider existing services, new initiatives and College relationship and block grant. Other than immediate actions, their proposals are being taken for consideration in the 19/20 Business Planning.</p>
<b>PURPOSE</b>	To update Board on the current forecast and steps being taken to ensure a sustainable model for 19/20 and beyond.
<b>DECISION/ACTION REQUIRED</b>	None required.

## **Financial Update Paper**

This paper acts as an update for board on the different strands related to the current financial position. This includes:

- March results and current end of year forecast
- Mid Term planning and recovery

### **Current Forecast Position**

The results for March were better than the forecast by £30k mainly due to a number of staff vacancies (Advice Manager, Sales and Sponsorship Manager, Marketing Manager, Representation Coordinator, Well Being Coordinator along with a number of Commercial vacancies).

The Advice Manager, Sales and Sponsorship Manager and Marketing Manager posts have now been filled with new staff starting during the next two months. Recruitment for a few posts (Systems Manager, Well Being Coordinator) has been placed on hold pending further Leadership decisions.

Commercial income in Beit Bars has continued a downward trend in March beyond that was predicted in the forecast. The income for H Bar has experienced a significant downturn of £9,500 (31%) against forecast mainly due to the withdrawal of the College evening food offering.

Given the results of March, the yearend forecast is showing a minor improvement from the February projection of an adverse £367k from budget to an adverse £337k.

While it is expected that some staff cost savings will be repeated in April, wet sales income has continued to trend below budget by 35%.

### **Planning and Recovery**

Three task and finish groups have been established from the Leadership team to evaluate short, medium and long-term options for financial recovery. These are looking at existing services, new initiatives and the Union's relationship with College, including Block Grant.

The work of these groups is feeding back into the Leadership team and ultimately into the planning cycle for 19/20 and beyond. This therefore links into the work outlined in agenda item 15 – Business Plan 19/20.

The existing service group understandably generated some more immediate actions. Their approach consisted of discussions around areas to explore. This led to the following actions and outcomes:

<b>Topic</b>	<b>Action</b>	<b>Status</b>	<b>Owner</b>
Alumni and the Business School were identified as under-tapped consumer groups	These were flagged to the other T&F group as well as the Welcome Week planning team as areas for further exploration	Complete	Respective Teams

Analysis on factors that may have led to a decline in drink sales	Root cause analysis was carried out by the T&F Group. A few key areas such as speed of service, quality of offering and venue condition/environment were highlighted as areas to be improved.	Complete	T&F Group
Student Consultation (mainly with DepSoc, CU presidents, students in our venues) to shed light onto key areas such as a decline in footfall and events in the summer term	DPFS carried out the majority of the consultation.	Consultation complete	DPFS, DPE
	Actions from the consultation will be discussed	Pending	T&F Group
	Actions handed to the appropriate teams (Events, Marketing, Bars & Catering etc.).	Pending	HoCS & HoSV&C
Action in the Commercial Services Directorate	Many actions are being taken in the CS Directorate which aim to solve the systematic and foundational problems which will hopefully lead to an improvement in all aspects of existing services and hence improved value for our membership leading to more revenue.	In Progress	HoCS

We recognise that considerations of 19/20 planning and budgeting cannot happen in isolation of longer-term financial modelling. As such we have been developing a 10-year financial model though some of the current assumptions within that model are restricted to the status quo and therefore does not present a sustainable future model.

It is therefore essential that we build updated assumptions, based on the initiatives coming through from the three task and finish groups, in order to develop a more sustainable financial model including 19/20 and beyond.