

## **General Manager's Report A Note by Peter Haldane**

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### **Staffing**

The Union finance function is now being provided by the College Finance department with the Union Head of Finance, Ms Kaya-Forster reporting to the Union President on financial matters and to the College Head of Financial management on professional accounting matters.

College have proposed an initial fee of £225k p.a. for this service and a Service Level Agreement is now being considered for conclusion.

### **Trading**

Trading got off to a slow start this year. However, bar business picked up well in the run up to Christmas. Catering turnover is also well up on last year. However, although better than last year, staffing costs remain a concern.

Retail (shop and newsagent) turned just under £1m for 2007-08. Margins are holding up well, although turnover is a little down on the year to date, and a comfortable net profit for the year is forecast if current trading conditions are maintained.

Bar, and Catering margins are holding up reasonably well. Management Accounts as at 30<sup>th</sup> November 2008 indicate that the Union continues overall in a healthy financial position with a £63k surplus for the year to date.

No further proposal for acquisition of the Union's retail assets by College Commercial Services has appeared. However, the Blackwells bookshop now established in the former travel agents is only paying College a minimal rent for two terms until Easter 2009. Should they not renew this agreement, College will offer the space to the Union as additional retail space, which we could profitably use.

### **Master Plan Building Project**

The project has lost 6 weeks due to the necessity to carry out considerably more tracing and isolation of old electrical circuits than was originally anticipated; this includes work not satisfactorily completed by the contractor who carried out Phase 1. Completion of Phase 2 is now anticipated by the end of July 2009.

The anticipated under spend on this phase (announced at the last Trustee Board) of some £600k has led to an application to the College project board to extend the scope of the project to allow for completion of the new office suite on the second floor west (old Gym). The current office suite could then be evacuated generating an additional large activity space. This has been agreed to by College but on the condition that the Union increases its contribution to this phase of the project from £123 to £263. The feasibility of this is now being assessed.