

 **Imperial College Union**

**Finance and Risk Committee**

**Wednesday 16 October**

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| **AGENDA ITEM NO.** | **Item 07**  |
| **TITLE** | **Overview of Key Financial Deliverables** |
| **AUTHOR** | **Malcolm Martin**  |
| **EXECUTIVE SUMMARY** | As the activities and events of the current financial year unfold, attention is drawn to 4 key financial deliverables which if successfully delivered the Union will be significantly on the way to achieving its financial objective for 2019/2020. This paper is not a commentary on the business plan objectives nor a reforecast exercise but seeks to provide an earlier indication of progress.  |
| **PURPOSE** | To highlight the significant financial risks.  |
| **DECISION/ACTION REQUIRED** | For Decision  |

Introduction

As the activities and events of the current financial year unfold, attention is drawn to 4 key financial deliverables which if successfully delivered the Union will be significantly on the way to achieving its financial objective for 2019/2020.

These 4 deliverables are part of the business plan and are encapsulated within the objective of achieving budget.

This paper is therefore not a commentary on the business plan objectives, but an opportunity to highlight the 4 significant objectives underpinning the financial performance giving a proactive steer to the Trustees.

This paper does not constitute a reforecast exercise as this will be undertaken in January 2020.

Four Key Deliverables

The four key deliverables for the Trustees to track are:

1. The gross profit contribution of the Commercial outlets
2. The Sales and Sponsorship pipeline and performance
3. The new food line in H Bar
4. Recruitment and Retention

Gross Profit Contribution From Commercial Outlets

The table below in appendix 1 gives a brief summary.

Sales and Sponsorship Pipeline

Sales & Sponsorship has employed a quarterly approach to targets to allow more room to develop a pipeline. We have also prioritised annual relationships that benefit the student experience so there is less pressure on the singular sales person to realise the annual target through the vagaries of day-to-day sales.

With the new untested approach and a full-time person in post for the first time in years at the managerial level, the main priority is testing the market and experimenting with new activities to see what normal levels of activity should be expected for each period.

That means more emphasis on the annual figure, rather than the ebbs and flows of daily sales, whilst also being mindful of our progress.

The target for Q1, ending October, is £78, 550 against an annual budget of £139, 550.

So far, receipts total £72, 701 with a few weeks remaining this quarter. This figure represents four exclusive long-term relationships and a combination of Fair receipts from 62 stalls, along with ad hoc sales.

This is a positive start to the year with great feedback from partners during the period, which bodes well for future activities. There are plans to raise the fees in 20/21 in keeping with the size of the fair as well as the London market.

For the rest of the year, we will prioritise large scale activity with a “Refresher’s Fair” being planned for February to capitalise on the success of fair (projected £15, 300), as well as new activity such as advertising screens in bars and an accommodation email.

We have also negotiated a long term relationship with a new transportation provider who was recently licenced in the London market valued at 15K. That should be realised if the launch date goes ahead as planned in November.

We continue to see new sources of revenue in keeping with our objectives to maximise the use of spaces and channels.

We also continue to prioritise longer term relationships in keeping with our objective of having sustainable income streams.

We will continue to closely watch inflows and grow our pipeline.

The new food line in H Bar

Due to staffing pressures and resource allocation the new food service in H Bar has not been launched. It is highly unlikely that services will be started during 1st term leading to a potential loss of contribution in the region of £31k. This could increase as wet sales will be impacted.

Recruitment and Retention

At present (Monday 14 October) we have the following list of staff vacant posts some of which are being covered with temporary resource:

1. Union Receptionist - Due to go out to advert wk commencing 14th October
2. Student Development Coordinator - Filled (Joanna Page - start date 18/10/19)
3. Student Activities Coordinator (Operations & Resources) - Due to go out to advert wk commencing 14th October
4. Student Activities Coordinator (Governance & Framework) - Due to go out to advert wk commencing 14th October
5. Student Activities Coordinator (Development & Events) - Due to go out to advert wk commencing 14th October
6. Training & Development Manager - Open Vacancy (STC cover)
 Representation Manager - Open Vacancy (STC cover)
7. Representation Coordinator (Wellbeing) - Currently recruiting
8. Advice Centre Manager - Open Vacancy
9. Governance Officer - Currently recruiting
10. Systems Manager - Currently recruiting
11. Events and Conferences Manager - Currently recruiting
12. Deputy Venues Manager - Currently with Recruitment Agency (Berkeley Scott)
13. Operations Manager - Filled via Recruitment Agency (Kay Counter - start date 04/11/19)
14. Retail Assistant (Paternity Cover) - started on 14/10/19 awaiting references & contract

Appendix 1

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| Overview of Commercial Gross Profit |
| September 2019 (Year to Date)  |
|  | Actual  | Budget | Last Year | Var | % Var | Comment | Risk / Opportunities |
|  | £ | £ | £ | £ | % |  |  |
| 568 & Union Bar |
| Wet | 140 | 109 | 127 | 31 | 28.4% | Up against budget, margins on par | Maintaining foot fall |
| Dry | 30 | 46 | 31 | (16) | -34.8% | Below budget, margins below expectations | Food standards, staffing  |
| Other |  |  | 22 |  |  |  |  |
|  |
| Metric |
| Wet | 4 | 2 | 2 | 2 | 100.0% | Up against budget, margins on par | Maintaining foot fall |
| Tickets | 8 | 1 | 3 | 7 | 700.0% |  |  |
|  |  |  |  |  |  |  |  |
| Union Dining Hall |
| Dry | 1 | 2 | 0 | (1) | -50.0% |  |  |
|  |  |  |  |  |  |  |  |
| H Bar |  |  |  |  |  |  |  |
| Wet | 15 | 20 | 20 | (5) | -25.0% | Below budget, margins (records) not accurate | Engagement with no food offering |
| Dry | 0 | 9 | 0 | (9) | -100.0% | Service not started | £31k for first term (£70k full year)  |
|  |  |  |  |  |  |  |  |
| Reynolds |
| Wet | 3 | 5 | 5 | (2) | -40.0% |  |  |
| Dry | 0 | 0 | 0 | 0 | #DIV/0! | (figures too small) |  |
|  | 201 | 194 | 210 | 7 | 3.6% |  |  |
|  |  |  |  |  |  |  |  |
| Beit Venues  | 55 | 59 | 63 | (4) | -6.8% | Below budget | Customer growth & retention, staffing  |
| Retail | 95 | 92 | 86 | 3 | 3.3% | Pressure on margins in Shop; ShopEx income up 13%  | Opportunities for development (delay) |
| TOTAL  | 351 | 345 | 359 | 6 | 1.7% |  |  |