

**Imperial College Union  
Board of Trustees / 18 November 2020**

**Staff Furlough Update [November 2020 – March 2021]**

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Purpose: To update Trustees on the case we have made to the College on why ICU plan to continue accessing the coronavirus job retention scheme on both a full and part time basis.

To update Trustees that the College have confirmed we will be able to access the scheme for permanent staff members.

To update Trustees that the College have asked for 'further information regarding our commitment to casual staff' in order to place these roles on to the scheme.

### **1. Current Context**

The government has announced a medium-term extension (until 31 March 2021) of the Coronavirus Job Retention Scheme, in light of the continued and sustained impact of the pandemic. This is in response to *both* full-scale lockdowns (including the current situation), but also the negative impact of restrictions short of this – for example the implementation of the rule of 6 with table service within the hospitality sector.

ICU has made significant use of the scheme (including the use of part time furlough) since its inception – for both permanent and casual roles. This has helped mitigate some (but not all) the financial impact of the pandemic and ensure that the organisation remains financially solvent.

The most recent full-scale lockdown and other measures leading up to this means that ICU will be required to make use of the scheme for the foreseeable future – using both full time and part-time furlough where required.

### **2. Business Case**

The rationale for ICU to continue to access the scheme is based on two principal arguments, which clearly show the 'very exceptional circumstances' threshold is met:

- I. Direct: where the pandemic has required us to close services, and therefore the work usually undertaken by these staff is no longer possible, either wholly or partially.
- II. Indirect: where the pandemic has required us to close income generating services (e.g. bars or shops), leading to a loss of funding for our charitable services. This requires us to make savings within our staff team to offset this and remain financially solvent.

### Specific Impact of Lockdown

To summarise, the full lockdown has impacted on the Union in the following ways:

- i. The closure of our entire retail function. This was budgeted to generate c£700k of revenue this year – paying for the costs of the staff working within it, as well as generating a substantial surplus (c£100k annually) that would fund a portion of our charitable activities.
- ii. The closure of our bars (particularly 568). This was budgeted to generate c£157k of revenue each term (c£470k annually) – paying for the costs of staff working within it, as well as contributing a small surplus (c£60k annually) that part funds our charitable activities.
- iii. The closure of our main building and cessation of physical activities with clubs, societies and projects. This reduces the work required by many of our teams for the foreseeable future. Examples of this include reduced marketing requirements and the closure of our physical helpdesk.

### Other Social Distancing Measures

It is important to note that even before the lockdown was announced, the measures included within both Tier 2 and Tier 3 restrictions were having a significant impact on our commercial activities – leading to substantial indirect financial consequences. These include:

- i. A reduced footfall within the Union Shop, leading to an 70% drop in sales year on year, and well below the budgeted income. This trend is mirrored with the College's own campus services.
- ii. A reduced capacity within our venues, leading to a reduction in sales and *significantly* higher costs as we responded with more security to enforce social distancing, and more staff to enable table service.

By continuing to access the scheme, the Union will be able to partially offset some of the major financial implications of our closures. This would be c£15k per month – a significant step to ensuring our financial viability this year.

### **3. Casual Staff**

It is also important that the organisation also continued to access the scheme for casual staff (passing on the government funding only), as many of these individuals rely on the income they receive from their part time work to fund essential living costs such as food and rent.

Not being able to take part in the furlough scheme will directly and negatively impact Imperial students as they make up the majority of the Union's casual staff.