

# HUU Limited Extraordinary Board Meeting - Minutes

Thursday 4<sup>th</sup> June 2020, 9:30am

Meeting held on-line via Canvas

Present: Stuart Ferguson (Trustee, Chair, SF); Alan Bolchover (Trustee, AB); Sara Webb (Trustee, SW); Abigail Morris (President of Inclusivity & Diversity, PID); Simeon Orduen (President of Education, PE); Erin H. Pettit (President of Sport, PS); Ryan Ward (Student Trustee, RW); Anotidaishe Manjanja, Student Trustee, AM); Huseyin Arslan (Student Trustee, HA); David Brammer (HUUS Ltd Director, DB); Gaius Powell (Trustee, and HUUS Ltd Director GP);

Attending: Jane Stafford (Chief Executive, CEO); Andy King (Commercial Services Director, CSD); Kevin Pearson (Finance & Human Resources Director, FHRD); Jeremy C. Hartley (Director of Finance, University of Hull, JH); (James Schadla-Hall (Executive Support Co-Ordinator, ESC) - Minutes

## Welcome

Chair thanked members for attending this meeting at short notice.

### 1. Apologies Chair

No apologies received.

### 2. Conflicts of Interest Chair

No new Interests were declared.

### 3. 2020/21 Budget SMT

SMT introduced the item and FHRD presented the following papers to Board Members for questions and decisions:


- Report on 20/21 Budget (Strictly Confidential)
- Appendix 1 - HUU Services Ltd 20-21 Budget Summary 1
- Appendix 2 - HUU Services Ltd 20-21 Budget Summary 2
- Appendix 3 - HUU Ltd 20-21 Budget Summary
- Appendix 4 - Capital Budget Requests 2020-21
- Appendix 5 - Correspondence detailing the plans for furlough from 1st July 2020

NOTED that the papers presented were not a full budget for approval; but rather were a forecasting budget prepared in order to help address the current financial uncertainties.

The 2020/21 budget was presented based on the likeliest scenario at this point in time.

Error on table 8 and correction NOTED.

DISCUSSED current circumstances with regards to Covid-19 pandemic – this has created a high level of variation on HUSU's possible financial position, therefore this is not a straightforward budget approval process.



NOTED that staff have been asked to agree to 80% furlough work pattern – 100% agreement, with a further eight staff being furloughed this week.

DISCUSSED that this is a capital budget, but is not a commitment – the level of spending would be dependent on circumstances.

DISCUSSED risks around future subvention levels, dependent on circumstances.

NOTED that there would there would be an overall deficit budget of £525k based on the most likely scenario presented in this paper, if actions are not taken to mitigate the risk, including current and future furloughing.

NOTED that this budget will be flexed over the coming weeks and months as things become more certain on how campus will begin to open and how students will be attending courses.

NOTED that staff annual pay increments and cost of living increases are suspended until further notice.

NOTED that we will continue to make us of CJRS whilst HUSU remain eligible to protect jobs and avoid redundancies where possible.

DISCUSSED the changes to the CJRS scheme by the Government, enabling staff to be taken off furlough and brought back to work

NOTED that the moratorium on expenditure and approval via SMT continues until further notice.

DISCUSSED the expected reduced level of trading worked into a budget plan. There are no major events planned.

DISCUSSED the Capital Budget Requests 20/21 – the vast majority could be pushed back for a year.

DISCUSSED costs associated a return to the building under possible Covid-19 restrictions. CSD is looking at guidance and provided an update. Costs are expected to be relatively low, and tape signage and Perspex screening etc have been costed at around £3000, with ongoing costs of £100 a week for PPE anticipated.

Chair invited JH to speak about current University planning. UoH is in the process of submitting budgets, taking a similar approach to HUSU – a base budget produced, with scenarios run against it, part of this work is to understand what worst case scenarios for the University would look like.

JH commented that due to the high level of uncertainty flexibility in budget planning for the University is important.

Chair invited members to CONSIDER and COMMENT on the report.



DISCUSSED whether the University could help mitigate costs around PPE. CSD will hold conversations with the University to see what is possible.

DISCUSSED situation with regards to use of reserves across the sector. CEO has met with 30 other SUs, HUSU appears well placed, and there are vastly differing positions among other SUs. Some, for example have had a subvention increase.

DISCUSSED what coming through this situation successfully would look like. There is a need to be careful that undue damage is not done to the organisation as the situation is so uncertain. At the moment we should look to preserve the organisation as much as possible in order to bounce back and support the University to return if the situation improves.

DISCUSSED importance of looking ahead and continuing to work with and mutually support the University. There is a danger of cutting too much, making a return more difficult.

DISCUSSED January plan for reserves. FHRD reported that HUSU still has reserves above the agreed policy level of £1.2 million to be used to cover unforeseen circumstances such as the impact of Covid 19.

DISCUSSED areas of concern. While no commercial income could be weathered for a period of time, it is a significant risk, as HUSU would then be completely reliant on the subvention and how the organisation would function in that scenario would have to be considered.

DISCUSSED that considering extreme scenarios has helped the University understand what it would need its cash position was threatened. HUSU should investigate what channels would be available to provide assistance.

NOTED that a moratorium on certain spending was put in place in March but certain events have been able to be held online, with savings around areas such as catering and hire costs resulting.


DISCUSSED that the intention is to continue to engage with sports and look at alternative models – e.g. greater working with local and grassroots organising.

DISCUSSED variable costs – BUCS is an example of this where the level of spend depends on the level of activity. As the level of activity reduces in certain areas the associated costs will reduce.

DISCUSSED scenarios modelled and whether they should be more pessimistic.

NOTED that business support loans options are being investigated, though they may be difficult to obtain against a backdrop of reduced commercial income.

DISCUSSED that the deficits are not necessarily cash, but also include assets. Depreciating assets are part of the business as usual deficit. Cash was not in deficit last year and was improving before the pandemic.



DISCUSSED what the student body want. PID reported that a lot of clubs and societies are active and keen to continue. Supporting the student body and the charitable work of the Union is important.

All AGMs for Sports and Societies have taken place with the exception of one. The work of HUSU has continued against the background of the pandemic.

Presidents feel that Students are still have normal expectations at the moment, and are waiting to hear what September will look like.

DISCUSSED importance of scenario planning and what the Board would like to see for the meeting of 18<sup>th</sup> June. A spreadsheet with a narrative was felt to be a useful approach – with a range of mitigating actions identified for scenarios to aid decision making.

AGREED FHRD to present along these lines to the next Board Meeting. GP offered to help FHRD prepare the form of presentation.

The recommendations were reviewed and the Board APPROVED that the Chief Executive takes action to reduce the deficit including the actions identified for staff in the paper.

Legal advice had been sought regarding the second recommendation presented for approval and this has been withdrawn.

Chair concluded the meeting and on behalf of the Board thank SLT for their work.

**Next regular meeting of the Board: 18<sup>th</sup> June 2020, venue TBC.**