

HOTV Management Committee meeting minutes

The Village Hall, 7 June 2022, 7:00pm

Present: Graham Gleed (Chair), Mike Blair, Jon Cochrane, Simon Dauncey, Paul Fielding and Nick Sloan [Apologies from John Davison and Ann Woods]

Preliminaries

- 1.1 The minutes of the 10th May meeting were agreed to be accurate.

Financial matters

- 2.1 GG has circulated [tables](#) showing recent performance of the shop and pub. These suggest that the shop is recovering from its dip during April and sales are now heading upwards. To a lesser degree the pub is doing the same. JC comments that the retail outlook generally is very uncertain and that most retailers have reported a drop in sales recently. Food however is something that everyone has to buy, so provided that we are careful, we should be able to ride the storm.
GG says that our cash balance is lower than we would like but has held up well over the last few weeks. We have some large bills to pay in July and maintaining a cash balance is essential, but provided we can hold or preferably improve on current trading, he is more confident than he has been.
- 2.2 GG has also circulated a spreadsheet showing a business forecast to end 2023 based on historical data and assumptions about inflation (8%) and sales growth (3%). Only overheads (excluding salaries) are markedly higher than our original forecasts. This would indicate that we are close to breakeven in the medium term, so we need both to increase revenue and to reduce overheads in order to protect our cash balance.
- 2.3 GG runs through the status of our three loans. JC requests that he is apprised of all the data behind GG's spreadsheet so that as Treasurer he can take responsibility for the financial overview. **GG to provide necessary data to JC.**
- 2.4 Since the last meeting, GG has had discussions with the shop managers about splitting their responsibilities, Jo being primarily responsible for purchasing and stock control and Carolyn for marketing and presentation, with performance being judged on weekly margins and number of PayPoint transactions respectively. We are currently holding too much stock. We aim to reduce the value to 11K as soon as possible. **It is agreed to commission a stock-take at the end of June and quarterly thereafter in order to keep tabs on this.**
- 2.5 GG has also had discussions about the performance of the pub. The objective is to make at least 3K a week in nett sales, and preferably more. There is an acceptance that marketing has to improve and also that in some respects the food offering may need to be better matched to demand. SD feels that Jason should be acting on better feedback on what works and what does not so that the kitchen can develop a good reputation and attract more return custom. It is agreed that Phil is in the best position to provide the necessary support and overview. It is suggested that the menu needs to change more often and that it would be good to develop some signature dishes that the Oak becomes known for. Everyone agrees that the quality of the food is crucial to the overall success of the pub. **SD to discuss with Phil and Jason.**

- 2.6 GG asks whether we should be publishing the detailed financial forecasts. JC feels that short term cash management is more important than trying to predict further into the future, and that we should concentrate on agreeing realistic short-term targets that the managers can work towards. In the mean time we will gather data to inform an updated business plan which will be released as necessary.
- 2.7 GG asks if we want to explore plans for paying off our most expensive loan, which is from the Somerset Social Enterprise Foundation. This is now £55K and costs us £1,288 a month, of which currently £994 is repayment of capital and £294 is interest at 6%. One suggestion is to have a new HOTV share offer, but while it is agreed that fresh investment is to be encouraged, it was felt that this was not the right time or reason to have a major drive for investment. **JC will research options for obtaining a cheaper loan.** PF suggests that we might be able to raise private loans at a low interest rate from Members or others. JC agrees that this would be worth considering provided the loans were large enough and the number of lenders low enough to be manageable.
- 2.8 JC had suggested that we change our accounting units from 12 months a year to 13 four week periods in order to make period to period comparisons cleaner and more meaningful. **All agreed.**

Operations

- 3.1 GG: the pub Jubilee quiz and the Saturday afternoon barbecue were both a big success. It was noticeable how many young people attended the latter. We should be organising more events like this and making more use of our garden. We should in particular be catering better for young people.
- 3.2 GG: a new shop selling artisanal bakery is opening on the A361 near Burrowbridge and the Far Canal is reopening in Wrantage. SD says that we need to be aware of local competition and up our game accordingly.
- 3.3 GG: we could still use more volunteers. It is suggested that there should be an appeal for volunteers on the shop website, and that training customer-facing volunteers, especially in the use of the espresso machine, should be a part of Carolyn's role. **MB to discuss with Shop Group.**
- 3.4 GG: in our drive to improve publicity, flyers to advertise the shop and pub have been circulated throughout the village and SD has published a website (royaloakssg.co.uk) for the pub; another linked website for the shop (villageshopssg.co.uk) will follow this week. Both sites will also be linked to relevant Facebook pages. Nobody has volunteered to take on the role of publicity volunteer. **NS to approach a neighbour.**

Insurance

- 4.1 MB is still waiting for a reply from the insurance broker concerning the annual renewal with Retail Mutual in July. **MB to pursue this.**

Pension contributions

- 5.1 GG: in the early days of HOTV it was decided to pay the full 8% of employee pension contributions on the first salary. This was then propagated to subsequent salaries. JC has pointed out that this is unusually generous, the normal employer/employee split being 3/5%. As such it represents a significant extra overhead. **It is agreed that we cannot now withdraw our contribution, but we should minute the fact that it is an anomaly which should be taken into account whenever we are in a position to consider raising salary levels.**

Other

- 6.1 GG: Roger Brown has designed a shelter for the side of the café which he has generously offered to build for the cost of materials. **It is decided to defer any decision on this for now, partly to avoid spending any more cash and partly because of reservations about the need, details of drainage and the appearance.**
- 6.2 JC outlines his policy on prioritising cashflow over profit, with implications for the stability of HOTV over the coming months. "I am prepared to do anything and everything, however many people I upset, to make sure that we do not run out of cash". This approach needs to colour all our spending decisions.
JC to circulate the MC with more on this.

Meeting closes at 8:55 pm

The next meeting is an open meeting, at 7pm on Tuesday 5th July in the Royal Oak.

The Annual Members' Meeting is provisionally scheduled for Wednesday 7th September, in the function room of the Royal Oak.