

## **HOTV Management Committee meeting minutes**

The Village Hall, Tuesday 18 October 2022, 7:00pm

Present: Mike Blair (chair), Jon Cochrane, Simon Dauncey, John Davison, Paul Fielding, Martin Keswick, Nick Sloan. [Apologies from Ann Woods]

### **Preliminaries**

- 1.1 MB welcomes Martin Keswick as a new member.  
MB reminds us that all new (and recent) members need to sign the Code of Conduct.  
**MB to circulate form for recent members to sign and submit.**
- 1.2 The minutes of the 4 October MC meeting are agreed to be accurate.

### **Health & Safety**

- 2.1 JD thanks MK for doing a great job of rebuilding and painting the fire escape.  
Thanks also to Bradley Harris for very generously donating the steps.
- 2.2 MK raises the question of the flat roof which is fully accessible from the flat and has no handrails. The tenants have a plan to build a deck with integrated handrails, but JD and others prefer a balcony which would limit access to a small area close to the door.  
**JD to discuss with tenants and MK.**

### **Matters arising**

- 3.1 A Remembrance Day lunch cooked by Sue and Robert Smyth and friends is proposed.  
SD says there are many hygiene regulations etc to consider.  
**SD to research and report back before a definite plan is announced.**

### **Financial report**

- 4.1 MB: position basically unchanged from last week.  
JC apologises for appearing to suggest staff redundancies at the AMM. It was never his intention to propose reducing staff, as opposed to reducing hours.  
JC circulates a document *HOTV Cash Recovery Plan* detailing measures he considers necessary to reverse the decline of our cash balance. In financial year to March 22 our cash declined from £73K to £30K. It has continued to fall despite some positive weeks. The situation is entirely recoverable provided we take action. We need to turn it around by December.
- 4.2 Some form of pub food is essential to our recovery but we cannot afford a full-time chef.  
Suspending capital repayments is an important element in cutting overheads in the short term. Negotiations with lenders to continue.  
Maintenance costs should be tightened and new capital expenditure halted, except where safety might be compromised.  
We should seek a 5% improvement in shop purchasing.  
We will be seeking a re-evaluation of the flat with a view to a potential rent increase.
- 4.3 Some of these figures, or the interpretation of them, is disputed by JD who is very confident that he can find significant cost savings and revenue increases over the next few weeks.

MK asks if we know what our break-even point is for the shop. JC replies that we are £30–40K short across the business per year, and that this deficit has to be made good from any combination of improvements.

- 4.4 JC warns of huge increases in energy costs next February. JD says that according to David Crabbe our prices are fixed at 22p/kWh until October 2024. JD also relays David Crabbe's concerns that we may not be getting the full benefit of the solar panels. MK is also keen to know more about this. NS gives a brief run-down of the distribution of phases in the building and agrees to send MK more information. An enormous amount of energy is consumed by freezers and chillers which are run permanently. MK suggests that an energy audit would be worthwhile.

**MK to follow up the details of the solar installation with David Crabbe.**

- 4.5 SD says that there is plenty of space in the cellar which could be used as cool storage for the shop.

- 4.6 MK thinks that we could increase the price of beer by 5% without impacting customers. SD agrees: we have had only one price increase in 18 months and are still cheap. **SD to discuss with Phil.**

### **Operations**

- 5.1 MB: forthcoming events include a Halloween pumpkin competition, a Christmas fair on 5 December and Christmas wreath workshop on 6 December.

- 5.2 MK asks if the food operation under our recent chef lost money. JC confirms that except for a few weeks it was losing us about £600 a week. JD suggests that this was partly due to very poor buying, but also to lack of proper management of the chef.

- 5.3 JD agrees with JC that the business decline needs to be turned around urgently, but feels that there is scope for increasing revenue as well as cutting costs. JC feels that sales are likely to be impacted by rising inflation.

- 5.4 JD has been having a series of meetings with both managers and MC members, and feels that significant improvements could be made in the three main areas of volunteers, stock control and getting pub food going.

- 5.5 Carolyn is drafting a letter to encourage volunteers. JD will deliver this around the village and talk to people to explain what is required. All volunteering offers, old and new, will be followed up. PF likes the idea of making it more of a community shop by increasing volunteering, but asks how this will translate into more money? JD is not thinking in terms of cutting paid hours, but of providing more support to managers and improving services.

- 5.6 JD is confident that revenue can be increased within a few months. He needs two or three weeks to understand the business and formulate a plan before he can predict just how long this might take. JC reminds him that we do not have much time.

- 5.7 MK asks how staff are paid. Shop managers are paid on an hourly rate whereas Phil is paid a fixed salary. It is agreed that without a substantial increase in revenue, current monthly shop staff costs are unsustainable. JC reiterates his concerns about referring to "profit" when we are making an overall loss. Labour accounts for 2/3 of our costs and is something we simply have to manage.

- 5.8 JD believes that there are possible savings to be made in streamlining stock and improving stock control. If possible the range needs to be reduced, especially slow-

moving lines. The automation potential of EPOS could be better exploited. We should explore checking stock into EPOS on arrival and automatic stock replenishment.

- 5.9 JD is working with Phil to provide hot snacks in the pub from next week. These are to take the form of sausage rolls, pies, pasties, oven chips and similar, served from 6 to 8pm. Also ham and cheese rolls. SD is planning to provide chilli on Thursdays. A limited amount of volunteer help will be needed. The aim is to substantially increase revenue with very little increase in costs.
- 5.10 JD: There are further ideas for expanding food in the longer term, perhaps in association with catering students from Bridgwater & Taunton College. Danny's guest week demonstrated that the kitchen can produce good food and customers will come for it. MK asks about an alternative model such as renting out the kitchen to a tenant chef. This would involve a sure income at low risk but SD points out disadvantages, such as loss of control and a relatively low level of return. If we received an offer however, it would certainly be considered.
- 5.11 JD says that he has received a valuation of the Royal Oak building of £550+K. The rental value of the flat would be over £1K if it was not above a pub, £750-£800 taking into account nuisance and access.

### **Promotion and communication**

- 6.1 MB commends the new blackboards. JD says that Carolyn is good at promotional material for the shop. We are planning two new banners, one to celebrate our awards and one to promote the pub and snacks. There need to be more regular posts about pub events on Facebook and elsewhere.
- 6.2 JC asks about staff appraisal meetings. SD suggests holding these in a month's time after JD has had a while to work with the managers and they have had a chance to make changes.
- 6.3 MB says that we need to improve communications between the MC and managers to avoid clashes of dates etc. JD suggests that for the time being all arrangements should pass through him as Operations Co-ordinator.
- 6.4 MK asks if we are doing enough to promote our services to groups. The function room could be very attractive to clubs. **MK agrees to explore possibilities with Phil.**

### **Realignment of roles**

- 7.1 MB has spent some time with Graham discussing the tasks he undertakes and how to transfer these to other members of the MC. Graham is happy to continue with many of the week-to-week tasks such as taking the money to the bank and preparing statistics. At present Graham is the only one authorised by the bank to make payments. It is agreed by all that JC as Treasurer should take over the management of the bank accounts and handle ongoing negotiations with the lenders as soon as possible. JC also plans to keep a much closer scrutiny on payments. We will ensure that we have at least one, and preferably more, backup signatories.  
**JC to talk to Graham and arrange for the transfer of authority.**
- 7.2 MB says that while Graham is happy to continue preparing graphs showing business trends, he feels that these are management reports and should be being generated by the managers. JC feels that over-reporting is counter-productive and that the main emphasis should be on cash. **JC to discuss with Graham.**

7.3 JC suggests that if paying-in of cash can be done at the Thursday visiting Post Office, this task should be reallocated to Jo, who did it when Graham was away.

**JC to discuss with Graham.**

7.4 MB has discussed with Graham the need to take over the maintenance of the Members' list. Email credentials for the HOTV emails should be passed on to the relevant MC members. There are a lot of business accounts and contacts on which only Graham is recorded.

**MB to arrange the necessary updating of contact details with Graham.**

7.5 PF asks if there is any information on the financial side of the business to which JC does not have access. JC says that if has any questions he can generally receive answers from Sally, as can anyone else.

7.6 NS says that as a new MC we need to formalise the allocation of mandatory roles. NS proposes MB as Chair, seconded by JD and agreed by all. NS proposes PF as Vice-Chair, agreed. All agreed to JC remaining as Treasurer and NS as Secretary.

### **Warm hub**

8.1 NS, who along with Graham and PF recently attended the first meeting of the Warm Hub Group, says that it is very unclear what being a warm hub location will really involve. There is to be a soup and roll lunch at the pub on 7 November to which anyone with an interest is invited. It is hoped that may clarify the scopes of need and response. It is agreed that in principle the MC supports the idea of providing a warm hub service though some reservations have been raised, around security, insurance and any extra work involved. Extra heating costs are a particular issue, and although there is a potential grant, it does not look as though we would qualify since this requires an *extra* five hours of opening time. It is felt that the café, which is always open, would be a better candidate for a permanent warm space than the pub, though when the pub is open people are welcome whether or not they are paying.

**NS to relay discussion back to Warm Hub Group.**

### **Community Resilience Award**

MB asks what we should do with the hamper that came with this award. SD says that it is already being raffled from the shop.

### **Management liability insurance**

NS feels that we still have insufficient data to make an informed decision as to whether we need to spend scarce money on this. **NS to research and report back.**

*Meeting closes at 9:20 pm*

**The next MC meeting will be at 7pm on Tuesday 1st November in the Village Hall.**