

Minutes of the Imperial College Union  
Finance & Risk Committee  
26 June 2014  
Room 6, 18.00

**PRESENT:**

Lay Trustee	Colin Kerr – Chair (CK)
Officer Trustee – President	David Goldsmith (DG)
Officer Trustee – Deputy President (Finance & Services)	Kieron Creagh (KC)
Elected Student Trustee	Bukki Adedapo(BA)
Elected Student Trustee	Michael Foster (MF)
Appointed Student Trustee	John Winters (JW)
<b><u>Permanent Observers</u></b>	
Managing Director	Joseph Cooper (JC)
Head of Finance	Malcolm Martin (MM)
Governance & Administration Manager – Clerk	Rebecca Coxhead (RC)

**Apologies:** Lay Trustee George Palos (GP)

**1. CHAIRS BUSINESS**

**2. DECLARATION OF CONFLICT**

NOTED:

- a) JW stated that he is on the Concert Hall Redevelopment Group.

**3. MINUTES OF LAST MEETING – 30 APRIL 2014**

NOTED:

- a) It was stated that there is a typographical error in regards to the appointment of Knox Cropper as the external auditors.

**RESOLVED:**

- 1) To pass the presented minutes with the correction.

**4. MATTERS ARISING**

NOTED:

- a) The matters arising were being considered as part of the agenda items.

**5. HEALTH & SAFETY COMMITTEE MINUTES – 15 JUNE 2014**

NOTED:

- a) It was noted that this is a positive outcome and starting of a culture to have the minutes presented at this committee.

**RESOLVED:**

- 1) To accept the minutes of the Health & Safety Committee

## **6. APRIL & MAY 2014 MANAGEMENT ACCOUNTS**

RECEIVED: The documents were presented by MM

NOTED:

- a) The presentation of the accounts has changed in that 2 packs are now produced per month, 1 which is a narrative and 1 which contains the numbers.
- b) Overall the accounts are tracking a positive variance against budget.
- c) It has been agreed that the HBar profits from the bar will be split 50/50 with the Union and College.
  - i. This agreement will be reassessed in 2015.
  - ii. It was questioned as to how this will be reflected in the Management Accounts and it was stated that this will most likely be a once a year transaction with an adjustment being made in July each year.
- d) The income of the retail outlets have been fluctuating however the Postgraduate Graduation Day was extremely profitable for retail.
- e) The staff costs for SK Bar is skewed due to the increase of security staff which was not budgeted for.
  - i. The increase in security staff is due to ensuring client safety.
- f) It was assured that the savings in Membership Services are not at the detriment of the core student services that are being delivered.
- g) Reserves are currently in a positive place.
- h) There are capital outlays soon to feature which are purchase of new minivans, Concert Hall Redevelopment and the new Media Centre.
- i) The till shortages are not an area of risk at present

**RESOLVED:**

- 1) To recommend that the Trustee Board pass the April and May 2014 Accounts.**

## **7. INTERNAL AUDIT UPDATE**

RECEIVED: A verbal update was given by MM

NOTED:

- a) A draft report has been received from the Auditors of which the Union is in the process of responding to.
- b) The Union has moved to 'substantial assurance' which is extremely positive and thanks were noted to all those who were involved. The Auditors were very complimentary to the Union's involvement in making the process a smooth one.

## **8. SUMMER BALL UPDATE**

RECEIVED: A verbal update was given by JC

NOTED:

- a) Overall the event was deemed successful with ticket sales being around 1400 which extremely close to budgeted attendance.
- b) A survey is currently open to attendees.
- c) Overall, it looks as though a profit will be returned on the event.
- d) The Report and Plan will be an annual agenda item for the October meeting of Finance and Risk Committee.
- e) It was highlighted that the event needs to be a good value event for students whilst still being financially sustainable for the Union.
- f) The issues that arose last year weren't learnt from and as such mitigated this year.

## **9. CLUBS, SOCIETIES AND PROJECTS EVENT BUDGET APPROVAL**

RECEIVED: The paper was presented by KC and a budget was tabled for approval

NOTED:

- a) The meetings with Clubs, Societies and Projects to discuss their budgets are proving to be very positive and those involved are finding it a useful exercise.
- b) The process will be handed over to the Deputy President (Finance & Services) elect but there is a member of staff involved to ensure there is continuity.
- c) Time pressures sometimes arise due to clubs poor time planning.
- d) The Oil and Gas Forum Event budget was tabled and following discussion took place.
  - i. It is still being negotiated if the Imperial College name can be used in the forum's title.
  - ii. The plan presented is robust in the opinion of KC and it was highlighted that the confirmed speakers are very well known and high profile.
  - iii. The forum is targeting students however staff and the public are also invited to attend.
  - iv. It is hoped that the event will be an annual occurrence.
  - v. The sponsorship commitment is higher and the expenditure is lower than what the event organiser was anticipating.
  - vi. The liability sits with the Union but a contract to the venue will not be signed off until the sponsorship contract has been signed.
  - vii. There is a reputational risk in that if the event is run badly, however the venue that is being used is well known and should ensure that the event runs smoothly from a delivery perspective.
  - viii. The Union has public liability insurance.
  - ix. It was agreed to proceed with caution and KC will send an update to the committee in a month's time.

**RESOLVED:**

- 1) **To approve the Oil and Gas Forum event budget.**

**ACTION:**

1. **KC to send an update on the event in a month's time.**

## **10. FINANCE AND RISK COMMITTEE WORK PLAN**

RECEIVED: The paper was presented by RC

NOTED:

- a) The Reserves Policy will be considered in October and not April as stated on the tabled version.
- b) It was suggested to add Health & Safety Committee minutes to the regular items.

## **11. BUDGET 2014-15**

RECEIVED: The paper was presented by MM & JC

NOTED:

- a) There has been a lot of preparatory work undertaken by budget holders in line with the approach to budgeting outlined in the Financial Procedure. The committee were invited to question and challenge the presented version.
- b) The budget holders presented to JC, MM, KC and DG and every line was critiqued and asked to be justified by the budget holders.
  - i. The approach was zero based with a 10 +2 forecast assumption.
  - ii. If any changes are made between version 5 and version 6, the version that will be presented to the Board, the bottom line figures will not change, there will only be movements between areas.

- c) The auditors commented that they were pleased to see the 12 budget holders as they see this as an appropriate delegation and brings ownership of the budgets to the staff.
- d) Synergies across departments were investigated to see where cost savings could be made – expenditure and activity that was similar.
- e) In regards to Beit Office, the following was discussed:
  - i. This is year 2 of the block grant given by College and this year bought a 2.5% increase which was anticipated.
  - ii. The planning for the next subvention bid needs to happen shortly.
  - iii. Income for administering the amenities fund will sit here.
  - iv. There is the assumption of income from minibus disposable.
  - v. The income from consultancy to City University will sit here.
  - vi. Expenditure for staff development and training will sit here. Trustee training and Board development will sit under the Governance and Administration budget
- f) In regards to Central Services, the following was discussed:
  - i. Cleaning is a big expenditure that is being successfully managed this year.
- g) In regards to Governance Administration, the following was discussed:
  - i. There is a change to the Union Awards in that there is an initiative to develop recognition across the organisation.
- h) In regards to Marketing, the following was discussed:
  - i. There is an assumption that Careers Fair income would be under pressure due to College departments holding area specific fairs which are in competition to the Union.
  - ii. The income and expenditure for Felix balances to 0.
- i) In regards to CX bar, the following was discussed:
  - i. There is a licensing requirement for having a manager on site. The impact is the staffing costs have increased. The post will spend 2/3 time at CX and 1/3 at SK and the cost will be apportioned between those centres.
  - ii. There are assumptions for income coming in during the summer months which is why there are increased staffing costs during these months.
  - iii. It is being considered how not to sustain a loss in this area which is where the budget is moving towards.
- j) In regards to HBar, it was stated that the expenditure for legal and professional is for the licencing of the premise.
- k) In regards to SK Bar, the following was discussed:
  - i. There will be a £23k capital investment in 14-15 in this area.
  - ii. Increase in staffing costs are due to increasing the amount of security and reflects what has happened this year.
- l) In regards to Conferences, there are challenges around the income profile as the nature of the activity is volatile. Assumptions have been made on contracted income but the income budget is very aspirational.
- m) Capital expenditure will occur in the areas of Catering and Ents to purchase replacement equipment.
- n) In regards to Clubs, Societies and Projects (CSP) funding, the following was discussed:
  - i. The budget for the Activities Development Fund (ADF), administered by the Activities Development Committee (ADC), is at the lower of the range which was agreed. KC suggested that this should be increased to the upper level. As this is a new initiative, it is unknown as to how this will be utilised. There is no evidence that participation is linked to club funding nor is there evidence of CSP's needing extra resources. Clubs can apply to the ADF for contingency however the new Contingency Policy will ensure that contingency claims will be scrutinised differently than previous policies. The rest of the Union has made cost savings so CSP's should also demonstrate prudence. The ADC will need to be disciplined when allocating funding. It was agreed that the funding to ADF remains as it is and an update as to how the fund is doing come to the December meeting of this committee.

**ACTION:**

**1. The Deputy President (Finance & Services) to bring an update on how the Activities Development Fund is doing to the December meeting of Finance and Risk Committee.**

- o) In regards to Membership Services, the August and January income is based on associate membership purchases. Life Membership costs has risen to £60 as a one off fee.
- p) In regards to Student Activities, expenditure is on First Aid courses for officers, which has been subsidised with some external funding. Staff resources have been increased in this area.
- q) In regards to Student Development, there is 2 payment instalments for the cost of the Diploma in Volunteer Management.
- r) In regards to Retail, the margins are similar to this year.
  - i. There is risk with the new venue which has been considered however there is room for growth in the new shop/newsagent.
- s) The Committee moved to a vote on recommending the Budget to be approved by the Board of Trustees and it was passed unanimously.

**RESOLVED:**

- 1) To recommend the Board of Trustees pass the 2014-15 Budget.**

**12. CAPITAL BUDGET**

RECEIVED: The paper was tabled by MM

NOTED:

- a) In Membership Services, the phasing of Minivans features under this budget.
- b) The Retail budget includes the remodelling of the Union Shop.
- c) The Epos systems need replacing across all retail outlets.
- d) The Board will be asked to approve year 1 capital expenditure.
- e) The Committee were asked to recommend creating a designed fund for 3 items for expenditure which will come out of the free reserves, which makes the accounts more reflective of reality. These items are Minivans, Media Centre and Concert Hall.
  - i. The committee agreed to these commitments.

**RESOLVED:**

- 1) To recommend to Board to approve the Capital Budget plan**

**13. ANY OTHER BUSINESS – None**

**Meeting closed 20.30**