

Minutes of the Imperial College Union  
Finance & Risk Committee  
25 February 2016  
Room 6, 16.30

**PRESENT:**

Lay Trustee	Jill Finney – Chair (JF)
Officer Trustee	Chris Kaye (CK)
President	Lucinda Sandon-Allum (LSA)
Council Chair	Richard Cameron (RC)
<b><u>Permanent Observers</u></b>	
Head of Finance And Resources	Malcolm Martin (MM)
Interim Managing Director	Alex McKee (AMK)
Head of Student Experience and Services	Paul Buckley (Left 16.45)
Governance & Administration Manager – Clerk	Rebecca Coxhead (RC)

**Apologies:** Student Trustee Zain Rizvi (ZR)

1. **CHAIR'S BUSINESS – none**
2. **DECLARATION OF CONFLICT – none**
3. **MINUTES OF LAST MEETING – 15 December 2015**

NOTED:

- a) The minutes were passed at the last meeting of Board.

**RESOLVED:**

- 1) **To pass the minutes of the last meeting as a true record.**

4. **MATTERS ARISING**

NOTED:

- a) MM and CK meet with Julia Cotton, the College Safety Auditor, to discuss working with College to fit in with their programme.
- b) The Health and Safety Policy is currently being redrafted and will come to this Committee for discussion before being presented to Board.

***The agenda was moved to discuss item 8 as the next item***

**8. H BAR UPDATE**

RECEIVED: The report was presented by PB

NOTED:

- a) The Committee has been aware of income challenges for H Bar for the past year.
  - i. Currently H Bar is performing well against budget.
- b) Efforts have been put in to greater customer engagement with feedback being taken and applied where practical.
- c) Discussions with College will be had in regards to consideration for the operation of the bar during the lunch time service.
- d) The profit share with College and the Union is complex.

- e) The long term usage of space during daytime and evening service is a discussion that will be had with College.
- f) The Committee noted the report and requested that an update be brought back to the next meeting.

## **5. MONTH FIVE AND SIX MANAGEMENT ACCOUNTS**

RECEIVED: The accounts were presented by MM

NOTED:

- a) Debtors continues to be an area where resources will be applied once there is a full staff team.
  - i. Some debt will be written off at year end.
- b) The Finance Manager role will assist in supporting the development of the current staff team and will allow the Head of Finance and Resources to focus on other areas such as risk and health and safety.
- c) The following points were raised in regards to month 5 accounts:
  - i. Function income for Charing Cross didn't eventuate due to the change in staffing within Beit Venues.
  - ii. The approved additional expenditure is starting to appear in the accounts.
  - iii. Catering continues to be performing above budget.
  - iv. CSP self generated income is matching last year's trajectory for income and expenditure.
  - v. A large portion of the debt is income from Green King which will eventuate.
  - vi. Decembers balance sheet shows a strong cash position.
- d) The following points were raised in regards to month 6 accounts:
  - i. It is currently being investigated in to the potential for diversifying pricing for low use days for mini vans however it is unlikely that the deficit will be recovered.
  - ii. College departments are becoming regular clients with Beit Venues which is very promising.
  - iii. SK bar is down on budget but is up on income.
  - iv. The Halls Amenities Fund is restricted funds that appears in the balance sheet however the Union is an administrator of these only in return for a management fee.
  - v. Profit share from H Bar will be an end of year adjustment.
- e) In regards to the commercial venues, the timing of the stock take influences the gross profit and this has been an area that staff have worked on to resolve inconsistencies in the reporting.
  - i. Gross profit is an area that could be challenged in regards to driving efficiencies - finding the optimum profit mix whilst not being in contradiction to the charitable aims.
  - ii. Board should be looking for assurance to be given in regards to whether the commercial outlets are working to the optimal profit mix. The budgeting round will allow managers to show that they are striving for this.
- f) There is a push for CSP's to spend their grant and to correct any miscoded expenditure by the end of the year. CK is leading on this communication.
- g) The Foundry 6 month review is due to come to the April meeting of the Committee.

**ACTION:**

- 1. MM to follow up the Foundry 6 month review.**

**RESOLVED:**

- 1) To recommend that the Board of Trustees pass the Management Accounts.**

## **6. EVENT BUDGET APPROVAL**

RECEIVED: The Report was presented by CJK

NOTED:

- a) The purpose of the report is to give assurance to the Committee that financial regulations are being followed and also to give an overview of events within the Union.
- b) SCC Finance spend per head is high and it was noted that a small number of members benefited from this event. CK was however assured that the application process was fair.
- c) It was explained that events sometimes are used to fundraise. In future reports, CK to highlight which events are for fundraising.

**ACTION:**

- 1. CK to highlight in future reports which are fundraising events.**

- d) The Committee noted the report.

## **7. SUMMER BALL UPDATE**

**RECEIVED: A verbal update was given by CK**

NOTED:

- a) Ticket sales are tracking to last year's sales.
- b) Headline act is still to be confirmed.
- c) Student groups are actively being involved in the execution of the event.
- d) The committee noted the update.

## **9. BUDGET TIMETABLE**

RECEIVED: The timetable was presented by MM

NOTED:

- a) It was highlighted that the turnaround between Finance and Risk Committee and Board is 'tight' however there will be regular communication with JF and MM during this time.
- b) The Committee noted the report.

***The agenda was moved to address agenda item 12 next***

## **12. 2016/17 BUDGET FRAMEWORK AND FREE RESERVES**

RECEIVED: The paper was presented by MM

NOTED:

- a) Huge thanks were given to Joe Cooper for finalising the funding from College before his departure.
- b) There is scope in the reserves to operate a deficit budget.
- c) Potential income may eventuate through various ventures however this will not be included in the budget unless confirmed at time of preparation.
- d) Concern was raised that there may be an increase in fixed cost with no guarantee of income to cover these.
- e) There is a choice that the Board will need to make in regards to what risk they are prepared to take on.
- f) MM to discuss with the Chair of the Board how to best present the options to Board.

**ACTION:**

1. **MM to discuss with the Chair of the Board how to best present the options to Board in relation to increase in expenditure.**

**10. MINIBUS DEPRECIATION PLAN**

RECEIVED: The paper was presented by MM

NOTED:

- a) It was reiterated that the paper was not seeking approval for the purchase of the additional buses as the capital plan for 15/16 has already been approved, but to give reassurance to Committee that given the significant value of the expenditure due diligence had been undertaken.
- b) The breadth of information in the paper was commended.
- c) The following was agreed:
  - i. The procurement and disposal phasing
  - ii. The supplier of new buses from Robins & Day
  - iii. The disposal of the mini buses by a third party
- d) The recommendation to have at least one accessible vehicle instigated a query in regards to due to the additional weight of the vehicle, should the driver need the higher D2 entitlement.

**11. RISK REGISTER**

RECEIVED: The register was presented by MM

NOTED:

- a) It was agreed to close of 'old' risks, (those which were on the Risk Register prior to the recent update) and present an updated Risk Register to the April meeting of the Committee.

**ACTION:**

1. **MM to bring an updated Risk Register to the April meeting of the Committee.**
- b) There is a body of work in regards to the strategic risks and it is anticipated that an updated Risk Register will be presented to the June meeting of Board.
- c) The Committee noted the register.

**13. ANY OTHER BUSINESS**

**13.1 COMMERCIAL RISK**

NOTED:

- a) JF requested a document be drafted highlighting the risks surrounding the running of the bars and how these are being considered and mitigated.
  - i. MM stated that he will take this on and bring back to the Committee.

Meeting closed 18.00