

### FINANCE AND RISK COMMITTEE

The third ordinary meeting of the Finance and Risk Committee for the 2016/17 session, was held on Wednesday 25 January 2017 in Meeting Room 6, Beit Quad at 2:30pm.

## Unconfirmed minutes

| Present:       | Jill Finney Nas Andriopoulos Rachel Blythe James Cox | Finance and Risk Chair Union President Deputy President (Finance and Services) Deputy President (Clubs and Societies) |
|----------------|--|---|
| In Attendance: | Jarlath O'Hara<br>Malcolm Martin<br>John Dinnewell   | Managing Director Head of Finance and Resources Administration Support Manager  |
| Apologies:     | Toni Semmence<br>Abi de Bruin                        | Student Trustee<br>Council Chair  |

| Item 1 – Welcome  1. The chairperson welcomed the Group to the third meeting of the 2016/2017 year.  | Action                                     |
|--|--|
| Item 2 – Declaration of Interest  1. None noted.   |  |
| Item 3 – Apologies  1. Toni Semmence and Abi de Bruin  |  |
| <ol> <li>Item 4 – Minutes from 12 October 2016</li> <li>(Item 4.2) RB has completed her work on transparency around pricing in bars and can email to JF</li> <li>(Item 4.5) Work on the West Basement is ongoing and due to be completed this term, with monies from the Harlington Trust still due to come in.</li> </ol> | Deputy President,<br>Finance &<br>Services |
| (Item 12.2) MM to send JF details of Summer Ball expenditure   | Head of Finance & Resources                |
| Item 5 – Action Tracker  |  |
| <ol> <li>The Strategic Risk Register contains the work with the rifle<br/>club.</li> </ol>   |  |
| <ol><li>Work on the Social Enterprise Strategy is ongoing.</li></ol>   |  |
| West Basement action point now closed.   | Administration                             |
| 4. RB's commitments to transparency are underway and should be added to the action tracker.  | Support Manager                            |
| 5. Details of the Operational Risk Register will be brought to the next meeting.   | Head of Finance & Resources                |

6. The Reserves paper (for a non-financial audience) will be brought to the next meeting in May.

# Head of Finance & Resources

### Item 6 – Management Accounts

- 1. Income for September was good, with additional income from bars and catering thanks to promotions.
- 2. Some expenditure delays are effecting year to date figures.
- 3. There was a slow start to retail and h Bar, and year to date figures are expected to contract as expenditure comes through. There is the opportunity for retail figures to recover over the year.
- The BBC have indicated that they will be again booking the use of Beit Venues this year, although contract is yet to be signed.
- 5. October is traditionally the biggest month for income for the Union but was below budget in some areas with delayed income into November for some events. Minibus income was down due to issues with capacity, with an unusually high volume of minibuses off the road in MOT, which could have been avoided. Conversations are happening to look into how to manage this better and noted that there has been a staffing turnover in the Student Activities department also. The recruitment process for the new Student Activities Manager included making better use of the summer period and learning needs to take place to avoid this in future. New Student Activities Manager to report back on minibus management and summer usage at next F&R meeting in May
- 6. The careers fair has underperformed and is no longer delivering what we wanted to achieve due to competition from the College careers fair. NA is working with the Marketing team to examine the service offer and will work more closely with the College fair if the Union fair is not included in the next budgeting round.
- 7. November is the second biggest month for income, and time differences have again been observed in income coming in, with money coming in from the previous month.
- 8. Risks to income from functions for December are highlighted in the November accounts.
- 9. There were increased agency staff costs in catering as one Catering Assistant post was not recruited to due to insufficient references. This has been re-advertised.
- 10. Underperformance in Marketing was also a theme this year and there is a noted staffing concern in the team, which is being performance-managed with assistance from HR.
- 11. Monthly one to one's are being held with all budget holders in addition to the monthly Budget Holder's Meeting, where issues are highlighted and addressed.
- A sponsorship working group is due to meet to discuss sponsorship strategy and NA to bring report to next F&R meeting. (NA)
- 13. Staff turnover is not currently budgeted for and does account for some underperformance. There is a small budget for recruitment, which is usually sufficient.

Head of Student Experience and Services

**Union President** 

- 14. There is a plan to look at increasing catering margins to 63% and this area is doing well in terms of raw income. EPOS should improve income in this area through improved data analysis and sales trend-spotting.
- 15. The budget reserves target is £1.2 Million. There has been £123,397 capital expenditure in line with the Union's 10 year plan.
- 16. MM to include a header in Management Accounts to highlight what is covered in each department.
- 17. Online sales are low. JC and NA have met with the Retail Manager to work on a strategy to include a greater tie-in with clubs and societies. This can feed into the new Social Enterprise Strategy.

Item 7 – Foundry Management Accounts for September, October and November

- 1. These accounts are presented in rounded 1000's and are produced without commentary by College.
- 2. Income year to date indicates a positive 25% variance and the teams have received good feedback on the improved use of the venue for events. There has been a positive 51% margin in terms of Gross versus surplus.
- 3. The location is expanding and hard work is going into the string new product offer but it is difficult as there is lots of choice in the area also. The venue requires constant review but feedback on product quality is good.
- 4. It is expected that the College will stay with the venue as there are another 700k student rooms planned in the area by 2020, along with the opening of the new Crossrail line.

### Item 8 – Event Budgets

- 1. These were last presented in April 2016.
- 2. The biggest issue was the Bhangra Showdown event, which is difficult to manage, and aims to give all proceeds to charity but doesn't always turn a profit to do so. There was a change in the external venue due to a lack of administrative support, particularly in relation to the procurement of international visas for performers from HMRC. The venue (Birmingham NEC) froze the ticketing income as a result.
- The purchase order was already in place for this year as the large venue requires advanced booking, so the Union is committed to holding the event in 2017 and must ensure its success. RB has worked with HMRC to re-secure 80% of the ticketing income.
- 4. The updated event budget now does not include provision to donate proceeds to charity and a deadline of 2 weeks post-event has been set to bring in the income and secure a profit.
- 5. Trustee Officers will never be able to spread their time across all clubs in detail but the larger clubs do tend to take up more of their time.
- 6. There is time to review the 2017 event before the venue booking deadline for 2018. The club should provide a

# Head of Finance & Resources

- project plan before the event is approved to go ahead in 2018, and a Union template developed for all major events and projects.
- 7. Any event requiring more than £10k of expenditure does come under greater scrutiny.
- 8. MM to develop a project plan template and guidelines for all major events.
- 9. There is a large variation in the variance in spend per head between different club events.

#### Item 9 – EPOS Update

- 1. PB tabled an update paper detailing progress on the EPOS project, confirming that all outstanding issues have now been resolved apart from Yoyo (online payment system) usage, with a solution in place to resolve this next week.
- 2. The complete solution will go live on the 1st and 2nd of February and the Systems team have been working hard to achieve this positive outcome.

### Item 10 – CSP Funding

- Allowing all students to create clubs has increased membership costs and JC has proposed increased CSP funding, which was agreed before Christmas. Funding will be increased by 10% as a flatline sum. The positive financial outlook of the Union has enabled this additional funding.
- 2. There has been no commitment for a further increase next year but the desire to do so if possible is there.
- 3. The F&R committee approved the 10% CSP funding increase.

#### Item 11 – Strategic Risk Register Update

- 1. MM has updated the document which will now be further updated to align with the new Union Strategy.
- 2. Risk 1 is the failure to recognise, adapt or respond to the changing environment and dynamics of the Union's membership with the College. To be added as a discussion point for each Board of Trustees meeting. JO is tabling an annual agenda of items to be discussed at Board level.
- 3. NA will include TEF Submission contribution from the Union in his Board report.
- 4. Risk 2 highlights that horizon-scanning regularly takes place monthly at SMG meetings and also as session/s at the annual Board of Trustees residential event. A meeting is booked with MP Andy Slaughter and the Union is developing its MP engagement strategy.
- 5. Governance committee to be raised as discussion point at Board meeting as this committee has not met since June last year. A new Governance chair is to be recruited.
- 6. The new strategy focuses on Risk 3, with a meeting on extending the Union's physical presence scheduled for February.
- 7. The Communications Committee has met to discuss Risk 4 (risk of decline in the level of student engagement) to

# Head of Finance & Resources

**Managing Director** 

discuss objectives around this and the DPFS role has been reviewed and a new job description written. The committee has developed an OT engagement plan and the intention is for positions to be advertised with the correct messages, ensuring that OT's have final sign-off on new job descriptions.

- 8. For Risk 5 the Advice Centre undergoes data analysis in the first term, with a message to go out soon
- 9. JD to speak to Andrew Keenan for an update.
- 10. For Risk 6 the the Commercial Strategy has been renamed to 'Social Enterprise Strategy'. MM to update this to include EPOS.
- 11. Early meetings have taken place in relation to Risk 7, with the aim being a new deal for 3 years.
- 12. <u>Timeline for implementation of Risk 8 control to be made</u> more specific.
- 13. It would be useful to have rewards for best practice in health and safety reporting.

#### Item 12 – Health and Safety of Clubs Update

- There have been delays with the health and safety policy due to staffing shortages in the Student Activities team but SALUS reporting training has now taken place. Review of risk assessments should be included in strategic risk entries.
- 2. The main health and safety strategy to be presented at the June Finance and Risk committee meeting.
- 3. Two new Student Activities Coordinators and a new Student Activities Manager have just been recruited and a focus on health and safety has been a big part of the recruitment process. Positive progress in this area should be highlighted to the Trustee Board. The union has found positive areas of good practise where issues have been looked into.

#### Item 13 – Review of Reynolds Bar

- There has been a positive change to income but this is still below budget. There have been increased stewarding costs as a result of necessary disciplinary issues on Wednesdays, following which some clubs have chosen not to use bar, resulting in reduced income.
- 2. The cost of the pizza oven was slightly more than expected, with the new pizza offer receiving mixed reviews.
- 3. The prognosis for the venue is better than before, with an improvement on behaviour on previous years. It is important for the Union to reach all members outside of South Kensington and the Campus Services investment in the common room on site has received positive feedback.

### Item 14 - Any Other Business

1. None noted.

Administration Support Manager

Head of Finance & Resources

Head of Finance & Resources

Head of Finance & resources