

## Minutes of a Meeting of the Finance Committee of the Corporation

held at Highbury College, Portsmouth at 4pm on  
Thursday 02 November 2017

**Present:** Mr M Craft (Chair)  
Mr Daneshvar  
Mrs S Mbubaegbu  
Mr H Slidel

**Apologies:** Mr J Rees-Evans and Mrs N Youern

**In Attendance:** Mr J Cox - Group Finance Director  
Ms D John - MD, Highbury Apprenticeships LC (Min. 1234)  
Mr T McCaffery - President of the Student Union (Min. 1232)  
Ms P Schweitzer - Clerk to the Corporation

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### Minutes

#### Part 1 – Standing Items

##### 1225 Membership & Welcome

The Chair welcomed Mr Daneshvar to his first Finance Committee meeting.

##### 1226 Apologies for Absence

Mr Rees-Evans and Mrs Youern sent their apologies.

##### 1227 Declaration of Interest

There were no declarations of interest.

##### 1228 Minutes

The Minutes of the Meeting held on 13 June 2017 were **Agreed** as a correct record and signed by the Chair.

##### 1229 Matters Arising

There were no matters arising.

#### Part 2 – Items for Decision

##### 1230 Review of Financial Regulations

The Group Finance Director presented Paper 2315/17/F setting out the annual review of the College's Financial Regulations.

The Chair stated that this seemed a relatively straightforward exercise, noting that three changes to the Financial Regulations were proposed, namely:

- Status of Financial Regulations (section 2.4): The words '*material or significant*' had been added, with a brief definition of their meanings.
- Intellectual Property Rights & Patents (section 17.1): general statement regarding ownership of IPR.
- Scheme of delegation / financial authorities (section 18.2): additional statement added to explicitly make clear the responsibility of staff when submitting expense claims.

One member asked about Overseas activity (section 10.6) which stated that '*In planning and undertaking overseas activity, the College must have due regard to the relevant guidelines issues by the funding body.*' He asked that this section include either an extract of or a website link to, the appropriate guidelines. In response to a question the Group Finance Director clarified that the account payable and receivable was covered by internal audit, not the financial regulations.

Subject to the amendment in section 10.6, it was **Agreed** to recommend the Financial Regulations to Corporation.

#### **1231 Review of Committee Terms of Reference**

The Clerk presented Paper 2316/17/F setting out the annual review of the Committee's Terms of Reference (ToR).

The Clerk stated that ToR were reviewed annually to ensure they remained fit for purpose. No amendments were proposed for 2017/18. The review also provided an opportunity to consider the Committee's performance against its ToR during the preceding academic year. The Clerk stated that one of the Committee's responsibilities was to annually consider and approve the College's portfolio of insurances. She noted that this had not taken place in 2016/17 and that a paper would be brought to the Committee shortly.

The Committee **Agreed** to recommend its Terms of Reference to Corporation.

#### **1232 Student Union Annual Report & Accounts 2016/17**

The Student Union President joined the meeting and presented Paper 2317/17/F updating the Committee about the work carried out by the Student Union and presenting the financial position for the 2016/17 academic year. Additional documents were circulated (full spreadsheet and accounts).

The Chair asked the President of the Student Union (SU) if there was anything he wished to draw to the Committee's attention. The President stated that there had been a significant increase (267%) in votes in the SU elections in May 2017 and that a diverse range of activities / events had been organised throughout the year.

The President noted the drop in NUS card sales, possibly due to the fact that there had been difficulties with the card printer meaning that cards couldn't always be bought over the counter or online using click and collect. There was a discussion about raising the profile of cards to staff (who were eligible to purchase one) and mature students and the Principal encouraged the President to raise any IT issues with the IT Servicedesk. The SU made money through the pool tables on The Deck but these were not proving as successful as previous years.

The Chair noted the 2016/17 SU deficit (even excluding staff costs which were funded by the College) and that this was a continuing trend. The Chair asked for more information concerning the £4k figure identified in the accounts as *Student Union liaison* and it was **Agreed** the President would clarify this and circulate information to members. In response to a question the President stated that the SU's sources of income were NUS card sales, the pool tables and events / trips. The Group Finance Director stated that historically income had been generated through trips and fairs and this subsidised other activities, meaning that the SU made a surplus or broke even. This was the expectation for 2017/18. The President thought it might be possible to increase the price of trips and a member offered to work with him and a previous President to explore more proactively marketing the NUS cards as well as other options.

The Student Union Annual Report & Accounts 2016/17 were **Approved**.

### **Part 3 - Items for Discussion**

#### **1233 Nursery Budget**

The Group Finance Director presented Paper 2318/17/F setting out the nursery budget for 2016/17.

The College had two nurseries with a total maximum occupancy of 90. Places were set aside for student, staff and community usage, with different tariffs for each group. The Group Finance Director noted that the nurseries did not require a subsidy from the College and this year had performed better than the anticipated. In response to a question, the Group Finance Director confirmed that they were close to maximum occupancy.

The Chair asked the Group Finance Director to thank the nurseries teams on their performance. The Nursery Budget was **Noted**.

#### **1234 Chimes Restaurant Trading Account 2016/17**

The Managing Director, Highbury Apprenticeships Learning Company (MD) joined the meeting and presented Paper 2319/17/F setting out the Chimes Restaurant Trading Account 2016/17.

The commercial structure for Chimes had been in place for two years and despite restructuring and changes in key personnel, the declining lunch trade meant that it could not afford to remain open. It had subsequently been agreed that the original operating model be used, namely that the Chef teaching staff split their time between training kitchens, assessments and the Chimes production kitchen. The Atrium had closed in summer 2016 but following student petitions, reopened through an external contracting arrangement with a former College student. A new operational and business model was now required for Chimes in order to fulfil changing study programme work experience requirements and, given the success of scheduled events, it was proposed that Chimes become an events only venue. The financial model for external events / partners would be based on a 50:50 profit share or £200 minimum College fee per event, thereby decreasing the College's financial risk. The sector would also run a range of student themed events to support the students' skills developments. Chimes would still be available for ad hoc events / bookings and conferences where possible and would continue to be a member of Hampshire Fayre. All College based events would continue to use

locally sourced ingredients and take account of seasonality and minimise wastage.

There was a discussion about the role that Chimes played in supporting the development of students' skills and whether it played an integral role in students gaining their qualifications. The MD stated that the College could run the provision without Chimes but would struggle to recruit students as it was an important part of the College offer. The preferred option was therefore to continue with students running Chimes, although contracting it out like the Atrium was an option. Other local colleges seemed to be experiencing similar challenges with one closing its restaurant and the other remaining open, albeit with limited opening hours. The MD stated that the College was operating a 'belts and braces' approach this year in order to minimise losses and reassured members that the management of this area was secure, with the new sector lead (Rob Strachan, who had recently returned to the College) already making an impact.

There was also a brief discussion about the recent poor food hygiene rating, with the MD explaining that this very disappointing outcome had arisen through staff changes and only related to Chimes, not the Atrium. The issues were relatively simple operational ones, all of which had been resolved. The Environmental Health Officer was happy with progress made at the preliminary visit and would return in December.

The Chair stated that the Committee looked forward to progress in the next few months and thanked the MD for the report. The Chimes Restaurant Trading Account 2016/17 was **Noted**. The MD left the meeting.

#### **Date of Next Meeting**

Tuesday 06 February 2018 @ 4pm  
The meeting ended at 6.20 pm.

#### **Self-Assessment of Meeting**

Two evaluation forms were returned to the Clerk. Members agreed that papers arrived in time and were clear and concise, containing sufficient information upon which to make decisions. Members felt able to contribute to the debate and decision-making process and all members felt that the Committee challenged and questioned reports sufficiently. Members were satisfied that the decisions arrived at were sound and that the impact of decisions on students and the College was clear. Members felt that the Chair provided effective leadership and ensured that there was enough time for debate and that all Governors were able and encouraged to participate in discussions. Members agreed that the meeting was clerked effectively