

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

**Held at Highbury College, Portsmouth at 4pm on
Tuesday 09 February 2016**

Present: Mr John Rees-Evans (Chair)
Ms F Calderbank
Mrs S Mbubaegbu (Principal and Chief Executive)
Mrs N Youern

Apologies: Mr M Craft
Ms D Moody
Mr A Turner

In attendance: Mr J Cox - Group Finance Director
Mrs J Okwuadigbo - Regional Director (Africa)
Mr P Rolfe - Director, iX Technology & Innovation
Mrs D John - Managing Director, Education & Skills
Ms J Chamberlain - Chimes Restaurant & Operations Manager
Ms L Kopinska - Minutes

M i n u t e s

Part 1 – Standing Items

1123 Membership and Welcome

Members and attendees were welcomed to the meeting.

1124 Apologies for Absence

Apologies were received from Mr M Craft, Ms D Moody and Mr A Turner.
Mr J Rees-Evans agreed to Chair the meeting in Mr Craft's absence.

1125 Declarations of Interests

There were no new declarations.

1126 Minutes

The Minutes of the Meeting held on 10 November 2015 were **Agreed**
as a correct record and signed by the Chair.

1127 Matters Arising

There were no Matters Arising.

Part 2 – Items for Decision

1128 Fees Policy 2016/17

The Group Finance Director presented the Fees Policy 2016/17. The Committee noted that overall the Fees for 2016/17 have increased only marginally compared to last year, with the increase being inflation based.

The Chair of Governors noted that the Foundation Degrees courses were excellent value for money and this was endorsed by the Chair of the Finance Committee.

The Finance Committee **Agreed** the Fees Policy 2016/17.

1129 Gazelle Colleges Group Company

The Group Finance Director introduced the Gazelle Colleges Group Company paper.

The members of the Gazelle Colleges Group (GCG) have decided to wind down the Gazelle Foundation Group. The members of the GCG wish to continue with the sub-group (GCG) as a standalone entity and wish to form a not for profit company to continue the objectives of the GCG.

The Group Finance Director explained that assets of the Gazelle Colleges Group sub-group (eight Colleges) will transfer to the new venture. Only assets carried forward will be the cash balance. Members noted that the new entity will not form part of the College Group.

The Group Finance Director highlighted that the financial risk is minimal as the College will not be investing any money into the operational of the GCG other than the annual subscription, which has been paid by all members over the life of the GCG.

The Chair queried the cost of the membership. It was confirmed that the membership has decreased and is approximately £12-15K.

One Governor queried the difference between the Gazelle Colleges Group and the Gazelle Foundation Group. The Group Finance Director explained that there had been a commercial strand to the original group of five Colleges. The Foundation group is closing because the original five members have moved on.

The commercial side is not being moved forward, but the money was bequeathed to the Gazelle Colleges Group.

The Group Finance Director confirmed the GCG would employ a PT Executive for three days a week.

The Finance Committee **Noted** the Gazelle Colleges Group Report, the Committee also **Noted** the Membership agreement and the Articles of Association.

Part 3 – Items for Discussion

1130 International Report

The Principal confirmed that as previously agreed by the Finance Committee, there will be a review of the International Department and this would emerge at a future meeting.

The Regional Director (Europe/ME/LA) presented the International Report. The Committee were informed that the College is awaiting outstanding invoices from the CRS Nigerian project.

The International Office has reduced its cost by £119K leading to a total net deficit of International operations of £55K (as per the budget).

The College has made a successful application to the Home Office for a further 75 Confirmation of Acceptance to Study (CAS) applications.

Five A level applications have been received and accepted and the first cohort of pre-sessional students are expected in May 2016.

A Joint Venture agreement is being drafted between the Nigerian British Chamber of Commerce and Highbury in support of a Training Academy.

A joint UKIERI project with City & Islington College and in collaboration with AoC India for training across the vocational sectors in India has been awarded. The first group of delegates received training for one week at the end of January 2016.

To support our marketing campaign and ensure direct entrance to university for our students, partnership agreements have been agreed with four universities.

The Finance Committee **Noted** the International Report.

1131 Chimes Restaurant Trading Account 2014/15

The Managing Director, Education & Skills and the Restaurant & Operations Manager presented the Chimes Restaurant Trading Account 2014/15.

The Managing Director, Education & Skills informed the Committee that the College had decided to turn Chimes into its own Learning Company (LC) and students were recruited to the LC Board and worked closely with the commercial staff to develop the business.

A deficit on the account was generated for 2014/15 of £64,059 and break-even was not achieved. The sales volume reduced significantly due mainly as a result of the relocation of Health & Early Years to Highbury Campus and a lot of competition in the area.

Members were informed that Themed Events are popular and a mailing list has been built up. The Restaurant & Operations Manager has undertaken some CPD in order to learn about commercial ventures.

The Managing Director, the College Account and the Marketing Manager are all working to support the Chimes team to build the business and generate new sales. The Chimes team are currently working on a Business Plan for the next six months to identify and plan for increased revenues.

It was noted that Chimes Restaurant does not readily appear if a search on the website is carried out.

Members agreed that something completely new would be required.

The Committee **Noted** the Chimes Restaurant Trading Account 2014/15 Report.

The Committee **Agreed** that a radical Business Plan for Chimes Restaurant with a new approach should be prepared and presented at a future Finance Committee.

1132 New Horizons Trading Subsidiary 2014/15

The Director, iX Technology & Innovation, presented the New Horizons Trading Subsidiary 2014/15 report.

Members were informed that New Horizons has been trading since 2014/15 in Portsmouth and Birmingham.

The Level 2 Pre-Apprenticeship full time programme, which is delivered by Highbury College at each Centre has seen solid recruitment with 43 students currently enrolled.

A 60-day action plan has been created following a Strategy and Development Day with the Group Finance Director, Managing Director, Sales Managers and Operations Managers.

Apprenticeship frameworks are being developed in response to requests from local employers and the development of a Level 4 roll-on-roll-off offer for the current Level 3 cohort to progress onto in July 2016.

The Director, iX technology & Innovation then answered questions from Members about the New Horizons Trading Company.

- The Committee were informed that there are approximately 65-70 students in Portsmouth and 40-45 students in Birmingham.
- There is a lot of competition, but New Horizons have set out to make sure they provide a quality service.
- New Horizons is being marketed via social media.
- The cost of the franchise is approximately £150K for 10 years.

The Finance Committee **Noted** the New Horizons Trading Subsidiary 2014/15 report and the prospect of commercial growth.

1133 Highbury College Property Services Ltd Update

The Group Finance Director presented the Highbury College Property Services Report.

The Finance Committee Members **Noted** the contents of the Highbury College Property Services report.

1134 Joint Venture Proposal NBCC (Nigeria)

The Regional Director, Africa gave a presentation on the Joint Venture Proposal with the Nigerian British Chamber of Commerce (NBCC) to the Committee.

The Regional Director, Africa explained that the Nigerian British Chamber of Commerce (NBCC) is a credible and the foremost bilateral Chamber of Commerce in Nigeria that was founded in 1977. NBCC provides a veritable network for private sector players to interact and exploit business opportunities that abound in Nigeria and Britain. The Regional Director, Africa is currently chairing the Learning Education and Training Company at the NBCC.

Membership includes SMEs, large scale multi-national businesses and Government Agencies.

NBCC offers a wide range of services, which includes market insight, getting started overseas and building market share.

Members of the NBCC visited Highbury College in September 2015 and were impressed with Highbury College and are keen to work with us.

Opportunities for Highbury College include hospitality, Construction and IT training

Members were informed that the Nigerian Chamber of Commerce is affiliated to the British Chamber of Commerce. The NBCC proposed joint venture agreement with Highbury College will be mutually beneficial to both parties.

Subject to the Joint Venture being approved, Phase 1 would be for Highbury College staff and Corporate Associates to train the trainers in Nigeria. Phase 2 would be to establish technical institutions in Nigeria.

Members queried amount of work compared to the projected surplus. The Regional Director, Africa clarified that this projection was a very conservative projected surplus.

The Chair thanked The Regional Director, Africa for her thorough presentation and endorsement of NBCC.

The Finance Committee Members agreed that a further Finance Committee meeting would be arranged as soon as possible to discuss the Joint Venture Proposal – NBCC (Nigeria).