

EXETER COLLEGE FURTHER EDUCATION CORPORATION

BUSINESS SERVICES COMMITTEE

Minutes of a meeting held on Monday 20th April 2015 in the Board Room, Hele Road, Exeter College

Present	Tim Tamblyn Ian McGregor Bindu Arjoon Philip Bostock Michael Caines John Coombs (co-opted) Chris Hoar Jo Matthews (co-opted)	Chair
Apologies	Richard Atkins	
In Attendance	Barbara Sweeney John Laramy Steve Campion <i>Items 4.2 only</i> Steve Strang <i>Items 5.2 only</i> Malcolm Walsh	Clerk to the Corporation Vice Principal Executive Director, Finance & Enterprise Head of Estates Assistant Principal

1. Welcome, Apologies and Declarations of Interest

The Chair welcomed colleagues to the meeting. He thanked those who had met with him and the Clerk for their annual appraisals. It had been a productive and rewarding experience. He also thanked the Vice Chair and Chair of the Board, whose appraisals were conducted by others, for their contribution to the Committee.

Apologies were received. There were no requests from observers.

Bindu Arjoon declared an interest in agenda item 4.1, Opportunities and Developments Register, and item 4.2, Property Matters, as Assistant Director, Exeter City Council.

Chris Hoar, Partner Foot Anstey, declared an interest in item 4.1, Opportunities and Developments Register and item 4.2, Property Matters.

The agenda was reordered, taking items 5.4 after item 5.1. Item 4.3 was deferred.

2. **Minutes**

2.1 The minutes of the meeting held on 2nd February 2015, as circulated, were agreed and signed by the Chair.

2.2 The confidential minutes of the meeting held on 2nd February 2015, as circulated, were agreed and signed by the Chair.

3. **Matters Arising**

3.1 Global: Income and Expenditure

The report was received and Steve Champion, Executive Director Finance and Enterprise, reminded the Committee that the Board had approved the Global Strategy at its meeting on 13th February 2015, but had requested additional information on income and expenditure. There was currently a healthy surplus for 2014/15, and despite anticipated additional costs in year, a break-even position was forecast. The projected budget for 2015/16 showed growth in income and a positive contribution. Activity would concentrate on projects with high impact and a positive return on investment. The key income generator was provision within the College rather than that delivered overseas. Different offerings generated different income and required a range of resources. It was important to assess the demands on management time in relation to the potential revenue generation.

Although increasing student accommodation would support growth, investment was not currently feasible and ad hoc arrangements were in place. Agents' commission was included in the income line and the calibre of agents was key to the success.

The Committee requested further updates and agreed to

BHS

Note the report.

There were no other matters arising which were covered elsewhere on the agenda.

4. **Strategic Matters**

4.1 Opportunities and Developments Register

This item was dealt with as a confidential item in accordance with the College's confidentiality policy and recorded in the confidential minutes.

Steve Strang, Head of Estates joined the meeting for item 4.2 only

4.2 Property Matters

This item was dealt with as a confidential item in accordance with the

College's confidentiality policy and recorded in the confidential minutes.

- 4.3 Commercial Opportunities: Update
This item was deferred.

5. **Finance Matters**

5.1 Management Accounts February 2015

The report was received and Steve confirmed that the College was forecasting a full year operating deficit of £113k, a reduction of £192k to budget. After release of the revaluation reserve of £325k the retained surplus for the year was £212k. This was an improved position from the mid-year update which had been undertaken in November in order to address the deficit and to effect remedial action.

Income was £546k better than budget at £38,230k due to HE income and income generated through shared services with the Maths School. Forecast income was better than budget. To date the operating deficit was £54k, 95% better than budget, compared to a £51k deficit in the previous year.

Staff costs were £347k above budget due to an increased severance budget to take forward the budget efficiency group recommendations. Pay was £391k higher than budget. Additional maternity costs accounted for some of the costs. Non pay costs were 6k better than the previous month. The cash position had improved by £100k. The current capital projects meant that cash reserve were challenged and there was careful planning to draw down on the loans. Financial health was forecast to return to satisfactory by year end with the implementation of the pay award.

Steve confirmed that the Board would receive a report on benchmarking at its meeting in May. The challenges were sector wide and the College financial position was mid table. Current ratio was under 1 for the first time, as cash flows were challenged by the draw down on loans for the capital projects. Whilst exceptional for this College, it was commonplace for the sector.

The Committee considered financial health reporting standards, which were out to consultation. It was predicted that cash flow and gearing would have higher weightings in future.

The Committee noted the accounts for February 2015.

Item 5.4 was taken after item 5.1

- 5.4 Cost of Living Pay Award
This item was dealt with as a confidential item in accordance with the College's confidentiality policy and recorded in the confidential minutes.

Malcom Walsh, Assistant Principal, joined the meeting for item 5.2

- 5.2 Business Efficiency Group Update
This item was dealt with as a confidential item in accordance with the College's confidentiality policy and recorded in the confidential minutes.
- 5.3 Student Recruitment Update
The report was received and John confirmed the positive position for 16-18 learners and 16-18 apprentices. Adult learner numbers were more challenging. John confirmed that the data was built into the latest forecast.

The Committee noted the report

- 6. **Key Performance Indicators (KPIs)**
The update was received and John confirmed that MIS was developing in house KPI software, so saving on costs for the commercial version used previously and providing data which was more appropriate. This would be available at the next meeting. BHS

He confirmed that financial, funding and recruitment KPIs had been received in earlier items on the agenda and that quality metrics would be considered by the Quality and Standards Committee when it met on 27th April 2015

The Committee noted the update

For Information

- 7. **Minutes/Reports for information**
The following minutes and reports were received and noted:
 - 7.1 Health and Safety
The committee considered trends in accident reporting and security incidents and requested an update at the next meeting. BHS
 - 7.2 Risk Register
Steve confirmed that the Risk register had been updated prior to the possible collaboration opportunity. This would be included in the next version.

- 8. **Date of Next meeting**
Monday 29rd June 2015