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EXETER COLLEGE FURTHER EDUCATION CORPORATION

BUSINESS SERVICES COMMITTEE

Minutes of a meeting held on Monday 23rd April 2018 in the Board Room, Hele Road, Exeter College

Present	Matt Roach Chris Hoar John Laramy David Allen Philip Bostock Mark Goodwin Michelle Pugh Glenn Woodcock	Chair
Apologies	Rob Bosworth	Vice Principal, Schools Partnerships and Curriculum
Observing	Kira Lewis Caleb Stevens	
In Attendance		
	Steve Champion	Vice Principal, Finance and Business Operations
<i>Item 6.2 only</i>	Megan Snell	Deputy Head of Student Experience
<i>Item 5 only</i>	Steve Strang	Head of Estates
	Barbara Sweeney	Clerk to the Corporation

1. **Welcome, Apologies and Declarations of Interest**

The Chair welcomed colleagues to the meeting, including those attending as observers.

Apologies were received.

Mark Goodwin, Deputy Vice Chancellor, University of Exeter, declared an interest in any matters relating to the University.

Caleb Stevens, employee of Okehampton College, declared an interest in any items relating to school 6th forms and learner support services.
2. **Minutes**
 - 2.1 Minutes of meeting held on 29th January 2018, as circulated, were agreed and signed by the Chair.

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- 2.2 Confidential Minutes of meeting held on 29th January 2018 as circulated, were agreed and signed by the Chair.

3. **Matters arising**

- 3.1 There were no Matters Arising which did not appear elsewhere on the agenda.

The agenda was reordered, taking item 6.2 after item 3

Megan Snell, Deputy Head of Student Experience joined for item 6.2 only

6 **Finance Matters**

6.2 Student Representative Committee (SRC) Accounts

The Student Representative Committee (SRC) Accounts to July 2017 were received. Megan reminded the Committee that the SRC was independent of the College, with finances monitored by the SRC Trustee Board and income coming from the sale of NUS cards.

An action from the previous year had been to use some of the substantial reserves to invest in items requested through the Learner Voice. Circa £20k had been used to buy outdoor table tennis tables, all gender toilet signs, flip down seating for corridors, additional tables and chairs and computers for HE. Strong sales of NUS cards meant that after the investment, reserves remained healthy at £28.7k.

The Accounts had been prepared by the College's Finance Department. There was an adjustment of £2692 for a historical error in the 2016 accounts. Megan confirmed that the final amount raised for the charity of the year exceeded £22k.

The Committee sought clarity on what qualified for investment from SRC reserves rather than be resourced from College funds. SRC investment was in response to the Community Voice, usually non-essential items and subject to consultation and approval of the SRC Trustee Board

The Committee recommended the Student Representative Committee's Accounts for the year ending July 2017 to the Board for noting.

BHS

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.

4.2 Apprenticeship Update

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

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

Steve Strang, Head of Estates, joined for item 5

- 5. **Property Matters**
- 5.1 Student Residential Accommodation
- 5.2 Property Masterplan Update
- 5.3 Property Update

Item 5.1-5.3 were dealt with as confidential items in accordance with the College's confidentiality policy and recorded in the confidential minutes.

- 6. **Finance Matters**
- 6.1 SRC Accounts
This item was taken after item 3
- 6.2 Management Accounts - February 2018

- ESFA letter re Financial Health
- ESFA Financial Dashboard

The February 2018 Management Accounts were received and represented seven months performance for the 2017/18 financial year. Financial Health, as classified by the ESFA, would be marginal between good and outstanding for the remainder of the year based on capital investment strategy and asset disposal. The year-end forecast was unlikely to change.

Salary cost pressures against a fairly consistent income budget meant that the overall budgeted surplus would be under pressure for the remainder of the year. The uncertainty around apprenticeship funding streams continued to reduce as the year progressed, with income forecasts above budget for the first time this year.

Total income was currently above budget and higher than the same time in the previous year. The position continued to improve month on month, with total income now forecast as £40,431k, £161k below budget. Pay costs were worse than budget, and would remain a focus over the second half of the year and into budget setting for 18/19.

Cash balances at the year-end were forecast below the original budget because of a delay in 3G pitches and so fell into 2017-18. In addition, the Wear Barton asset sale had been re-phased. However there was reallocation to new projects such as the Gym Dancefloor and residential accommodation. Nonetheless, as funding income was at its lowest in March it was prudent to manage cash flow.

19+ funding remained a real challenge with variance to budget increased as it became more difficult to provide courses which attracted learners. However the new Faculty of Professional and Adult Learning was designed

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to mitigate and the Committee requested an update on its impact.

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An error in the covenants would be corrected.

The ESFA letter was received and confirmed that, following a review of the College's financial plan 2016/17 to 2018/19, the College's underlying financial health grade was Good but bordering Outstanding.

The Committee noted the report.

6.3 Financial Performance

- Benchmarking Data

The report was received and Steve confirmed that the annual ESFA benchmarking data was still awaited. However data for the Southwest colleges was available and had been considered by a number of Governors during the breakout session of the Board Residential. The report provided all members of the Committee an opportunity to scrutinise local competitors.

Once received, the ESFA data could be sliced a number of ways and the Committee requested the data come to the June meeting for scrutiny.

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The Committee noted the report.

6.4 Bank Covenants

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

6.5 Student Recruitment Update

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

7. **Risk Register**

The Risk Register was received and noted. The circulated register had been reviewed in February 2018 and Steve highlighted a number of changes and additions.

The Committee considered at length the items with red RAG ratings. The number had increased and it was noted that whilst judgements of impact seemed appropriate, for some the probabilities were high. Risk appetite was important and was not the same for all red risks.

SLT would review the register in May ahead of the June Audit and Risk Assurance Committee meeting and would consider this Committee's

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recommendations. Furthermore, an internal audit on Risk Management was scheduled for July and might highlight areas for improvement. The Audit and Risk Assurance Committee would also be invited to consider the recommendations from this Committee. BHS

The Committee agreed to

Note the report

8. Reports and Minutes for Information

8.1 Safety Health and Environment Draft minutes from the meeting on 28th February 2018 were received and noted.

9.1 Items to take to Board

The Committee reviewed the agenda and agreed on the items to be reported to the Board at its next meeting on 4th May 2018.

9.2 Items for next agenda

The Committee reviewed the cycle of business for the June 2018 meeting and agreed on additional item to be included on the agenda.

10. Dates of Next meetings

Monday 25 June 2018
Wed 6 July 2018 at 8.30am if required