

Approved

EXETER COLLEGE FURTHER EDUCATION CORPORATION

BUSINESS SERVICES COMMITTEE

Minutes of a meeting held on Monday 24th April 2017 in the Board Room, Hele Road, Exeter College

Present	David Allen	Chair
	Matt Roach	
	John Laramy	
	Bindu Arjoon	
	Philip Bostock	
<i>To item 6.2</i>	Sarah Brampton	
	Jo Matthews (co-optee)	
	Michelle Pugh	
<i>To Item 8</i>	Glenn Woodcock	
Apologies	Mark Goodwin	
	Mike Blakeley	
Observing	Elaine Hobson	
In Attendance	Rob Bosworth	Vice Principal, Schools Partnerships and Curriculum
	Steve Champion	Vice Principal Finance and Business Operations
<i>Item 6.1 only</i>	Megan Snell	Deputy Head of Student Experience
<i>Items 5.2 & 5.3 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.

Apologies were received.

Bindu Arjoon declared an interest item 4.1, Opportunities and Developments Register and item 5, Property Matters, as Director, Exeter City Council.

2. **Minutes**

2.1 Minutes of meeting held on 30th January 2017 as circulated, were agreed and signed by the Chair.

2.2 Confidential Minutes of meeting held on 30th January 2017 as circulated, were agreed and signed by the Chair.

3. **Matters arising**

3.1 **Balanced Score Card**

Steve Campion, Vice Principal Finance and Business Operations, reminded the Committee that progress towards agreed targets was monitored at each meeting with the standing agenda items on finance, including the management accounts, and student numbers with related income. Learner outcomes were received and considered by the Quality and Standards Committee. The balanced score card only provided meaningful data at the academic year end and it was less clear how useful it was to help to monitor progress in year. Additional updates could be, and were, received as requested. The purpose of a balanced score card was to show the "College on a page".

The Principal proposed that the next Autumn Twilight Seminar was an opportunity to consider further what metrics would be helpful to support the Board.

3.2 **Protocols for enactment of Chair's actions in relation to Apprenticeship decisions.**

The report was received and Steve reminded the Committee that at its last meeting it had received an oral update with a proposal that, in order to be agile and responsive to opportunities for the College to add to its apprenticeship portfolio, Chair's Actions be invoked to authorise strategic decisions, made between meetings.

The Committee scrutinised the requested protocol framework, which provided a process map to support decisions for apprenticeship contracts over £250k

Subject to an amendment to include the Chair of Audit in the decision, the Committee agreed to

Recommend the Apprenticeship Contract Protocol to the Board

BHS

Vote: unanimous

3.3 **Compliance with Modern Slavery Act**

The Anti-Slavery and Human Trafficking Statement was received by the Committee at its last meetings and subsequently by the Board on 10th February 2017. Clarification was sought that the statement complied with new legislation on transparency in supply chains. Steve confirmed that the issue of the living wage was addressed through contracts with partners.

The Agenda was reordered, taking item 6.1 after item 3.1

Megan Snell, Deputy Head of Student Experience, joined the meeting for

item 6.1 only

- 6.1 The Student Representative Committee (SRC) Accounts to July 2016 were received. Megan confirmed that the accounts included an adjustment of an historical error and that the charitable payments were made in the following year.

Accounts for 2015-16 showed substantial reserves, and there was a target to invest £20,000 on items identified through the Learner Voice. Examples included water fountains, table tennis tables and subsidising the graduation ball.

Megan confirmed that all funds raised for charity were paid to the nominated charity. Funds generating the reserves came from income, including the sale of NUS cards, from which the SRC took a percentage.

The Committee recommended the Student Representative Committee's Accounts for the year ending July 2016 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 First Great Western – Project update

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 for item 5.

5. **Property Matters**

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

Item taken after item 3.3

6.2 Management Accounts – February 2017

The Management Accounts were received and Steve confirmed that they were positive and consistent with an improved surplus. Income for the year was forecast to be £1.2m above the original budget. Non pay costs had increased and were forecast to be £1.2m above budget. However, staff costs remained static and there was improved accuracy in reporting.

Apprenticeship funding and HE income had both increased but the cost base had also increased, including the impact of the matched funding with DCC for travel costs. Cash balance remained strong, with capital finding for the Technology Centre drawn down as a single amount.

The College remained on track to continue good financial health and initial indications were that the March Management Accounts also indicated a strong position. Finally Steve confirmed that because of the positive financial position the College had been able to invest in staff in year.

The Committee noted the report.

- 6.2i Letter from Education and Skills Funding Agency (ESFA)
The report was received. A letter from the Chief Executive of the ESFA, and which was to be shared with and considered by the Board, highlighted the risk of poor financial oversight by Governing Bodies and reminded Boards of their fiduciary responsibilities. With 58% of the sector in non-forecast deficit the importance of good governance.

The Committee was reminded that it had adopted the Code of Good Governance and that it complied with the "must" and "should" criteria other than a small number of "should" which were on a comply or explain basis. The Search and Governance Committee, on behalf of the Board, reviewed compliance annually and was content that the Board practiced good governance.

The Committee was satisfied that good governance plus regular monitoring of the Management Accounts and other metrics mitigated the risk.

The report was noted.

- 6.3 Financial Performance
- Skills Funding Agency Letter
- The report was received and confirmed that, following a review by the SFA of the College's financial plan 2015/16 to 2017/18, the College's underlying financial health grade was Good.

- Sector Financial Benchmarking
- The report was received and showed an analysis of college accounts for 2015/16 versus 2014/15. The College had moved from 47th position to 37th in England. Data showed large losses in some colleges and was an indication of contraction within the sector. With 100% increase in the number of colleges in deficit, the College was bucking the trend.

The Committee noted the report.

6.4 Treasury Management Review
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 revised risk register was received, reformulated to reflect the new Strategic Plan. Governors scrutinised the high and medium risk and risk ratings for which the Committee was responsible. Governors were updated on the rationale for the risk and the justification for the rating or change to the rating. For some risks the Committee requested that the description be clarified.

Governors considered the best way to monitor risk. The key question was whether mitigations were effective. Reports received during the annual cycle of business supported the Committee in monitoring assurance. However, it would add value to create a log of risks that had emerged but not been identified on the register.

The Committee agreed to

Note the report

8. **Minutes/Reports for information**

The following reports were received and **noted**

8.1 Safety Health and Environment

The vacancy left by the impending retirement of the Health Safety and Environment Manager had been filled.

8.2 Items to take to Board

The Committee agreed on the items to be reported to the Board at its next meeting on 5th May 2017.

8.3 Items for next meeting

The Committee reviewed the cycle of business for the meeting on 26th June 2017.

10. **Dates of Next meetings**

Monday	26 th	June	2017
Wednesday	5 th	July	2017 (if required)