

Approved

EXETER COLLEGE FURTHER EDUCATION CORPORATION

BUSINESS SERVICES COMMITTEE

Minutes of a meeting held on Monday 27th June 2016 in the Board Room, Hele Road, Exeter College

Present	David Allen Matt Roach John Laramy Bindu Arjoon Philip Bostock	Chair
<i>To item 7</i>	Sarah Brampton Michael Caines Mark Goodwin Jo Matthews (co-opted)	
Apologies	Michelle Pugh	
Observing	Emma Webber	
In Attendance	Barbara Sweeney Rob Bosworth Steve Campion	Clerk to the Corporation Vice Principal, Vice Principal, Finance & Business Operations
<i>Item 5 only</i>	Megan Snell	Deputy Head of Faculty Student Experience
<i>Items 7 only</i>	Steve Strang	Head of Estates

1. Welcome, Apologies and Declarations of Interest

The Chair welcomed colleagues to the last meeting of the Academic year, including those attending as observers. Following the result of the referendum the Chair recommended that each item be considered in the light of Brexit.

Apologies were received.

Bindu Arjoon, Assistant Director, Exeter City Council declared an interest in item 6 Opportunities and Developments Risk Register and item 7, Property Matters.

Mark Goodwin, Deputy Vice Chancellor of the University of Exeter, declared an interest in item 6, Opportunities and Developments Risk Register.

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2. **Minutes**

- 2.1 The minutes of the meeting held on 18th April 2016, as circulated, were agreed and signed by the Chair.
- 2.2 The confidential minutes of the meeting held on 18th April 2016, as circulated, were agreed and signed by the Chair.

3. **Matters Arising**

3.1 Strategic Plan

Steve Champion, Vice Principal, Finance and Business Operations, updated the Committee on progress to date. Information had been gathered from all levels of the organisation including students, staff (via a survey) and the College Leadership Team (CLT) at the recent away days. Two members of the Board had been consulted and there was good progress towards presenting a draft to the July Board and a final version in October 2016, ahead of the Area Review. With the sector in such flux, the review of the Strategic Plan was timely. There would be a full report to the Board at its meeting on 6th July 2016.

3.2 Santander Loan

The update was received and the Chair reminded Governors that in item 5.3 of the last meeting, the Committee had recommended to the Board that the loan facility with Santander be refinanced and fixed for 14 years. Steve confirmed that following due diligence and a change in relationship manager, the precise terms of the start date of the fixed loan required clarification. Given the current volatility of the markets, the Committee agreed that the terms of the loan were advantageous to the College.

The Committee agreed to recommend to the Board

To approve the revised refinanced loan with Santander.

BHS

Vote: unanimous

There were no other matters arising which were not covered elsewhere on the agenda.

4. **Risk register**

The revised Risk Register was received and the Chair invited Governors to scrutinise the risks for which the Committee was responsible. The current register had been agreed by the Senior Leadership Team (SLT) following the appointment of the new Principal in April 2016. Steve highlighted the changes to the register,

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and the narrative describing the risk, mitigations and ratings for each were considered.

Turning to specific risks, the Committee considered the impact on capacity in the event that local school sixth forms were unviable. Steve provided justification where risk ratings had been revised. Brexit might mean that ratings would require further amendment, and recommendations were also made, when the register is next reviewed, for a number of the risk descriptions to be expanded or clarified.

The Committee agreed to

Note the report

Megan Snell, Student Experience Leader joined the meeting for item 5.

5. Student Representative Committee (SRC) matters

5.1 SRC Constitution

The draft SRC constitution and schedules were received and considered. Megan highlighted the changes and provided rationale for the amendments.

Changes would facilitate the impact of the Learner Voice, including additional SRC Officer roles from Apprentices and HE learners, reflect the changed source of income from the sale of NUS cards and clarify the process for nominating the College Charity of the year.

The Committee commended the sum of circa £14,000 raised by the students for this year's charity, Teenage Cancer Trust, and which was a record for the charity from an educational institution.

The Committee agreed that such learner engagement was unusually strong in the sector and worthy of nomination for a national award.

The Committee agreed to

Recommend the Student Representative Committee Constitution and associated schedules to the Board on 6th July 2016.

BHS

Vote: Unanimous

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6. **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.

The Agenda was reordered to take item 8 before item 7.

8. **Finance Matters**

8.1 Financial Management Accounts April 2016 including Forecast
Outturn for 2015/2016

The Management Accounts for April 2016, reflecting nine months' performance for the 2015-16 financial year, were received. Steve highlighted the key variances from budget by exception. The forecast for the full year was an improved operating surplus of £606k, £529k better than budget, reflecting growth in learner numbers. The cash flow position was improving following the significant capital developments undertaken in 2015-16.

The end of year forecast was prudent. Interest payable costs were below budget due to year end provision on FRS17, which would be adjusted when the actuarial valuation was confirmed in August 2016. However, the forecast included the worst case scenario. Income was unchanged at circa £38m and staff costs were on target.

Overall the Committee agreed that the College was in a healthy position and Steve confirmed that it remained in good financial health.

The Committee noted the report.

8.2 Student Recruitment

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

8.3 Provisional Budget for 2016/2017

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

8.4 Three year Financial Plan

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 7 only.

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7. **Property Matters**

7.1 Masterplan Update

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

7.2 Wear Barton and Exwick Update

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

7.3 Tender for Cleaning

The report was received. OCS had been the College's supplier for the last 5 years and that the contract expired on 31st July 2016 and was circa £600k per annum.

The College had used a specialist procurement manager and the tender exercise was narrowed to 5 companies. Each was invited to present and KGB South West Ltd came out strongly and was recommended for appointment.

In order to manage the TUPE process for a start date of 1st August 2016, it was necessary to approve the appointment of the new contractors before this Committee was due to meet. Therefore the approval was made under Chair's Actions and would be reported to the Board at its meeting on 6th July 2016.

The Committee noted the report.

9. **Key Performance Indicators/ Balanced Score Card**

The balanced score card was tabled and provided proposed indicators and underlying data to support the Committee in its role to monitor resources and finance. The four overarching criteria were learner outcomes, financial performance, business operations and recruitment. Business operations included criteria which were required for the Area Review data sets, specifically, teaching to support staff ratios and room utilisation.

Developing the balanced score card was work in progress and a further update was requested at the next meeting.

BHS

The Committee considered the value of scrutinising return on investment (ROI), a key metric in business. In the FE sector this would translate as income per learner and cost per learner. However, given the complexity of the funding models such data was

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burdensome to collate and not considered a meaningful metric for management decisions. The in-depth knowledge at Faculty level, demonstrated during the Quality and Resource Review days, had greater relevance. Nevertheless it was important that Governors knew how income was derived, and how to maximise revenue, including through commercial ventures and management of costs.

The Committee agreed to

Note the report

For Information

10. **Minutes/reports for information**

The following minutes and reports were received and noted:

10.1 Sustainability Minutes – 2.03.16 and 20.04.16 (draft)

10.2 Health and Safety Minutes 24.02.16

10.3 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 6th July 2016.

10.4 Items for next meeting

The Committee reviewed the cycle of business for the September meeting and agreed on additional items to be included.

11. **Dates of meetings for 2016/17**

Monday	26	September	2016
Monday	28	November	2016
Monday	30	January	2017
Monday	24	April	2017
Monday	26	June	2017
Wednesday	5	July	2017