

EXETER COLLEGE FURTHER EDUCATION CORPORATION

BUSINESS SERVICES COMMITTEE

Minutes of a meeting held on Monday 28 January 2019 in the Board Room, Hele Road, Exeter College

Present Matt Roach Chair
Chris Hoar
David Allen
Heather Ancient
John Laramy
Stewart Noakes
Emma Webber

Apologies Glenn Woodcock

Observing Jacob Harris
Ben Gardner

In Attendance

Item 8 only Rob Bosworth Vice Principal, Schools Partnership and Curriculum
Steve Campion Vice Principal, Finance and Business Operations
Steve Strang Head of Estates
Alison Layton-Hill Clerk to the Corporation

1. **Welcome, Apologies and Declarations of Interest**
The Chair welcomed colleagues to the meeting with a particular welcome to Ben Gardner and Jacob Harris.

Apologies were received from Glenn Woodcock.

There were no declarations of interest.
2. **Minutes**
 - 2.1 The minutes of the meeting held on 26 November 2018, as circulated, were agreed and signed by the Chair.
 - 2.2 The confidential minutes of the meeting held on 26 November 2018 as circulated, were agreed and signed by the Chair.
3. **Matters arising**

3.1 There were no matters arising.

4. **Strategic Matters**

4.1 Opportunities and Developments Risk 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 Strategic Risk Register:

The Risk Register was received by the Committee and the Vice Principal, Finance and Business Operations highlighted the high risk areas; GSCE accommodation, apprenticeship model, competition for HE students, staff recruitment, IT Security and Flybe. Governors suggested some clarity around the descriptor for R9 - staff recruitment.

The Committee considered the appropriateness of R42 - impact of Brexit being a medium risk, particularly when there may be potential issues for the college if there was a no deal Brexit.

The Chair questioned whether the financial risks continue to reflect the financial forecast, which was confirmed by the Vice Principal, Finance and Business Operations.

The Committee agreed that:

a) Risk R9 is revised to "failure to recruit high quality staff and managers in specific areas" SC

b) Risk R42 to be altered to "Impact of a no deal Brexit" and increased to High. SC

5. **Financial Matters**

5.1 Management Accounts – November 2018:

The November 2018 Management Accounts were received and considered. The deficit position is improving month on month and the Business Efficiency Group is looking to bring the deficit to a surplus by the year end. The college has benefited from some additional income eg. for high needs, the vacancy management programme is continuing and overtime is being monitored.

The cash balance is secure with the predicted low point in March showing an improved position.

The Principal reassured governors that the college is preparing early for the 2019/2020 budget as finances are expected to be tight. Proposals for savings will be required to meet the one year challenge, not year on year.

Governors questioned what action is being taken to mitigate the risk around HE income. The Principal advised that all colleges of a similar size are facing the same issue, which is impacted by students receiving unconditional offers at year 1 as well as there being less 18 year olds in the country. The Committee considered resetting its aspirations and type of degrees that are offered. Data Analytics as an offer is gaining momentum.

The Committee agreed that there is a need to adjust the cost base without missing opportunities and all aspects of efficiency must be considered including maximising the use of technology and automation.

The Committee agreed to:

a) Note the report

- 5.2 Strategic Financial Objectives:
The Vice Principal, Finance and Business Operations proposed the financial objectives, which are aligned with the strategic plan. It was noted that objective 5 "To achieve an agreed annual operating surplus. EBITDA > 7%" would be a challenge but will be achieved when the financial position returns to a surplus.

The Committee agreed to

a) Approve the Strategic Financial Objectives

- 5.3 College Insolvency Policy:
The Committee received and considered the report and noted that the College Insolvency Policy comes into effect on 31 January 2019. Governors were specifically referred to the Q&A document as a guide. Senior college staff and governors will face more scrutiny should a college become insolvent and the focus is on protection for students.

The Committee considered that the Company Director Disqualification Act has been extended to those involved in the running of colleges. Governors also questioned whether the college had considered Officers' insurance. In terms of potential support from banks, it appears that consideration is given on a case by case as opposed to a stated standard position.

The Committee agreed to:

a) Refer the College Insolvency Policy to the Board

Clerk

5.4 Student Recruitment:

Item 5.4 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 6 only.

6. Property Matters

6.1 Estates Masterplan

6.2 Family Centre Investment Appraisal

Items 6.1 and 6.2 were dealt with as confidential items in accordance with the College's confidentiality policy and recorded in the confidential minutes.

7. Items for Recommendation to the Board

7.1 Anti Slavery and Human Trafficking Statement Annual Review:

The Vice Principal, Finance and Business Operations and Head of People had reviewed the Statement and there were no changes proposed at this time.

The Committee agreed to:

a) Approve the Anti Slavery and Human Trafficking Statement and refer to the Board

Clerk

8. Reports and Minutes for Information

The following items were received and **noted**.

8.1 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 8 February 2019; Anti Slavery and Human Trafficking Statement, Insolvency Policy and the Family Centre.

8.2 Items for the next agenda

The Committee reviewed the cycle of business for the April 2019 meeting and agreed the items to be included on the agenda.

8.3 Risk Register Review

The Committee reviewed the meeting in the light of the risk register and agreed to add those items stated in 4.2.

10. Dates of future meetings for 2018-19

Monday 29 April 2019

Monday 24 June 2019

The meeting ended at 7.30pm