

## EXETER COLLEGE FURTHER EDUCATION CORPORATION

**BUSINESS SERVICES COMMITTEE**

Minutes of a meeting held on 23 September 2019 in the Board Room, Hele Road, Exeter College

<b>Present</b>	Matt Roach	Chair
	Chris Hoar	
	David Allen	
	Glenn Woodcock	
	John Laramy	(part)
	Stewart Noakes	
	Emma Webber	
<b>Apologies</b>	Heather Ancient	(part)
	Rob Bosworth	
<b>In Attendance</b>	Steve Champion	Vice Principal, Finance and Business Operations
	<i>Items 6.1 and 6.2</i> Kate Barczok	College Accountant
	<i>Item 6.4 only</i> Mike Blakeley	Director of Apprenticeships
	Alison Layton-Hill	Clerk to the Corporation

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

The Chair welcomed colleagues to the meeting.

Apologies were received from Rob Bosworth, Vice Principal, Schools Partnerships and Curriculum.

Glenn Woodcock, Member of Council, University of Exeter, declared an interest in items relating to the University.

 2. **Minutes**

2.1 The minutes of the meeting held on 24 June 2019, as circulated, were agreed and signed by the Chair.

2.2 The confidential minutes of the meeting held on 24 June 2019, as circulated, were agreed and signed by the Chair.

 3. **Matters arising**

3.1 Committee Self-Assessment

The Committee reviewed the narrative prepared by the Clerk following the self-assessment discussion at the previous meeting.

**The Committee agreed the narrative and proposed QIP with minor amendments.** Clerk

#### 4. **Risk Management**

##### 4.1 Risk Register

The Risk Register was received by the Committee and the Vice Principal, Finance and Business Operations explained the change of format which is intended to provide more assurance to the Committee. Governors acknowledged the improvements and gave suggestions for consideration. It was further suggested that feedback is collated from all Committees and that the risk register will be revisited at the March Governor Residential.

It was queried why the controls in place for R44 (student residential capacity and safeguarding) do not appear to be having an impact on the risk. The Committee was advised that until the Ofsted inspection has taken place, SLT proposed that the risk remains high. It was noted that there is nothing the College believes it can improve but wishes to wait for the verification prior to reducing the risk.

R52 (increased competition for HE students) was discussed and it was noted that, despite the key controls and mitigations the risk remains the same. It was confirmed to Governors that the HE environment has significantly changed and whatever the mitigations put in place by the College, the student numbers are not rising. This issue will be discussed as part of the strategic plan, which Governors will review at the Board Residential.

The Committee acknowledged that the revised format of the risk register had generated good debate.

**The Committee agreed that there will be a discussion at the Board Residential to**

- a) Consider the key risks that the college is facing**
- b) Revisit the format of the risk register**

SC

#### 5. **Strategic Matters**

##### 5.1 Opportunities and Developments Risk Register

Item 5.1 was dealt with as a confidential item in accordance with the College's confidentiality policy and recorded in the confidential minutes.

*Kate Barczok, College Accountant joined the meeting for items 6.1 and 6.2*

#### 6. **Financial Matters**

##### 6.1 Management Accounts

The June 2019 Management Accounts were received. Governors noted that the predicted deficit at the start of the year is now looking to be a surplus of between £200k and £250k. Salary costs have stabilised and the income position is positive. The cash position is also robust with £6.8m at year end. The College is in a strong position going into audit, which Bishop Fleming will commence next week. The Committee requested some further

clarity around the month on month cash flow variances, however it was explained that this was mainly due to apprenticeship income uncertainty.

Governors asked if, based on financial performance, there can be confidence in the budget for 2019/2020. The Committee was advised that there are factors to consider such as stable salary costs, the effect of the efficiency programme, reduced HE income and capital income. The year is likely to commence with a predicted £200k deficit, however there is the potential for in year exceptional funding due to growth.

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

### **The Committee noted the report**

#### **6.2 Financial Regulations**

The Committee received the revised the Finance Regulations 2019 and Appendices and the Financial Procedures. The added reference to procedures relating to cyber crime and fraud was noted and also the requirement to record when staff refuse a gift or hospitality in excess of £100.

Governors noted that the Chair of the Corporation authorises the Principal's expenses. The Chair gave assurance that he views and ensures that all transactions are appropriate. It was suggested that the section on approvals relating to corporate cards should include that the Chair of the Corporation approves the Principal and CEO's card expenditure.

#### **The Committee agreed:**

- a) to add that the Chair of the Corporation approves the card expenditure of the Principal and CEO to the Financial Regulations 2019**
- b) to recommend the Financial Regulations 2019 (with the above amendment) to the Board for approval on 11 October 2019**

**SC**

#### **6.3 Student Recruitment**

Item 6.3 was dealt with as a confidential item in accordance with the College's confidentiality policy and recorded in the confidential minutes.

*Mike Blakeley, Director of Apprenticeships joined the meeting for item 6.4 only*

#### **6.4 Sub-Contractor Provision Fees and Costs**

The Director of Apprenticeships tabled a paper at the meeting. The Committee received assurance that there is a robust process in place for the effective management of the two sub-contractors that the College

engages to deliver apprenticeships (Transplant Master Train and Royal Devon and Exeter Hospital). The sub-contractor expenditure for the year 2018/19 amounted to £277k. The Committee noted that sub-contractor expenditure had intentionally steadily declined over the last ten years at the College, however recognised that the partners that the College currently works with bring significant benefits.

### **The Committee noted the report**

- 6.5 ESFA Letter (Bournville College)  
The Committee received the letter sent to Chairs from the ESFA following an investigation in 2014 into the financial affairs of Bournville College. The Committee agreed that it receives a good level of assurance in terms of the College's financial management; financial procedures are robust, expenditure is monitored and executive pay is benchmarked. Governors also consider the self-assessment questionnaire as part of the end of year accounts and the College adopts the AOC Code when setting senior post holders' pay. However, governors are not complacent and requested that College practice is checked against the concerns raised in the ESFA's letter.

### **The Committee requested that College practice is checked against issues raised in the ESFA's letter to Chairs** **SC**

## **7. Property Matters**

7.1 Estates Masterplan

7.2 Property Update:

Items 7.1 and 7.2 were dealt with as confidential items in accordance with the College's confidentiality policy and recorded in the confidential minutes.

## **8. Sustainability Group Update**

The Committee received the report. The Vice Principal, Finance and Business Operations explained that the Sustainability Group meets every term and is attended by Dave Underwood, Lead Governor as well as actively engaged students. Governors noted some of the College's sustainable activity:

- The installation of a significant amount of solar panels across the College estate, which is producing energy for the College.
- The operation of a zero to landfill policy.
- The operation of its first Co-car with the intention to move to an electric or hybrid fleet.
- All College cars at the technology centre are electric.
- The College has bid for an electric bicycle station to be situated at the front of the proposed IoT site.

The Committee agreed it would be beneficial to engage with the new Sustainability Director at the University of Exeter to explore a collaborative city-wide sustainability strategy to cover procurement, waste and

transport. There was also a suggestion to encourage the sustainability group and student groups to become involved in the City Council's summits.

**The Committee:**

a) requested information in terms of what percentage of the College's energy is self-generated. SC

b) agreed to consider its sustainability model and to link it into the strategic plan. SC

9. **Emerging Risks**

The Committee considered any additional risks that had emerged from the discussion.

**The Committee agreed that the Vice Principal, Finance and Business Operations will consider how risk in relation to defibrillator/EpiPen training can be incorporated into the assurance framework.** SC

10 **Reports and Minutes for Information**

10.1 Items to take to the Board

The Clerk will produce a Summary for the Board meeting including the necessary approvals. Clerk

10.2 Items for the next agenda:

The Committee reviewed the cycle of business for the 25 November 2019 meeting and agreed the items to be included on the agenda.

10.3 Dates of future meetings for 2019-20

- Monday 25 November 2019
- Monday 27 January 2020
- Monday 27 April 2020
- Monday 29 June 2020

**The Committee agreed to convene as necessary if any decision is required in terms of Brexit**

*The meeting ended at 19.19*