

BUSINESS SERVICES COMMITTEE

Minutes of a meeting held on 27 January 2020 in the Board Room, Hele Road, Exeter College

Present Matt Roach Chair
 David Allen
To item 7 Heather Ancient (part)
 Chris Hoar
 John Laramy

Apologies Stewart Noakes
 Emma Webber
 Glenn Woodcock

Observing

In Attendance Rob Bosworth Vice Principal, Schools, Partnerships and Curriculum
 Steve Campion Vice Principal, Finance and Business Operations
For item 3.2 only Megan Snell Deputy Head of Student Experience
For item 6 only Kate Barczok College Accountant
From item 4 Toby Coombes Director of Finance, Funding and MIS
From item 4 Steve Strang Head of Estates and IT
 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 Stewart Noakes, Emma Webber and Glenn Woodcock. There were no declarations of interest to note.

2. **Minutes**

2.1 The minutes of the meeting held on 25 November 2019, as circulated, were agreed and signed by the Chair.

2.2 The confidential minutes of the meeting held on 25 November 2019, as circulated, were agreed and signed by the Chair.

3. **Matters arising**

3.1 Chief Financial Officer Recruitment

The Principal advised the Committee that following approval at Remuneration Committee, the role of Chief Financial Officer had been

advertised locally and nationally. The interviews will be taking place on 12 March 2020 and some expressions of interest had already been received.

The Committee asked for assurance that the College has sufficient capacity to cover the period of time that the post will be vacant. The Principal advised that this risk will be mitigated by him having greater oversight, the current Vice Principal, Finance and Business Operations providing support if required and additional support from the external accountant could also be utilised. The Committee was advised that a fully qualified accountant will commence on 28 January 2020 to cover a maternity leave. The College is exploring the potential of making, what was originally a maternity cover, a permanent post to add additional resilience.

The Deputy Head of Student Experience joined the meeting for item 3.2 only

3.2 Student Representative Council (SRC) Accounts

The Deputy Head of Student Experience introduced the SRC accounts for the year ended 31 July 2019. The Committee noted the reported planned overspend of £2,916.

The rebranding associated with the SRC becoming Exeter College Student Union had increased the central administration costs. £6,000 had been contributed to the Learner Voice feedback fund which had paid for flip down chairs, additional seating in LRCs and outdoor benches for @34.

Looking ahead to this current year, the reduction in income due to less commission being paid (47% to 12.4%) for the sale of Totem cards was highlighted as an issue. The Deputy Head of Student Experience is meeting with the Head of Totem to discuss the impact of the reduction in commission. The Committee supported the potential need for the College to consider alternative options for its students.

The Committee questioned the long-term sustainability of the Student Union budget. The Student Union is keen to support students with the provision of added extras and it is believed that the budget is secure for the immediate future. However, in the longer term, continued low income may cause an issue.

The Committee agreed to recommend the SRC Accounts to the Board on 7 February 2020 for noting

The Director of Funding, Finance and MIS and the Head of Estates and IT joined the meeting

4. Risk Management

4.1 Risk Register

The Committee received the risk register, which had been updated by SLT and the Vice Principal, Finance and Business Operations highlighted the changes and high-risk areas. It was noted that there had not been an Audit and Risk Assurance Committee to scrutinise the updated risk register, however in response to governor challenge in the previous meeting it was considered appropriate to update it in the current cycle. It will be shared with the Audit and Risk Assurance Committee before the Board meeting on 7 February 2020.

In response to governor challenge in the previous meeting, R53 relating to the failure to provide appropriate decant space while Hele Building refurbishment is undertaken has been added a new risk.

R15, failure to respond to curriculum changes had increased because of concern in terms of recruitment to a new qualification.

R16, failure to detect fraud had increased due to an isolated incident of fraud. Processes had been improved in mitigation.

R52, increased competition for HE students had been increased following discussion at the previous committee. The Committee challenged that despite the mitigations the issue does not appear to be improving and questioned the College's risk appetite. The Principal noted there would be a discussion at the Board Residential about the College's higher education strategy.

R4, failure to provide sufficient accommodation had been lowered to medium due to ongoing developments.

R44, student residential capacity and safeguarding had also been lowered due to extensive preparation.

R6, competition from schools with sixth forms had been raised slightly although it was acknowledged that the latest indicators had improved.

R35 remained unchanged irrespective of recent issues but mitigations had been added.

The Committee questioned that the number of high risks had halved when compared to the same period the previous year. The Principal commented that the news for FE nationally is more positive. However, it was also noted that the number of low risks had also reduced resulting in a larger medium risk area.

The Committee noted the report

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.

6. **Finance Matters**

6.1 Finance Regulations/Scheme of Delegation

The Committee received the proposed amendments to the finance regulations, which were required due to the resignation of the Vice Principal, Finance and Business Operations and the imminent maternity leave of the Management Accountant. It was proposed that the Deputy Finance, Funding, MIS and Exams would be permitted to approve payments up to £101 and to extend the authority of the Director of Finance, Funding, MIS and Exams to approve payments over £101k. It was noted that the proposal will also be circulated to the Audit and Risk Assurance Committee prior to Board approval.

Clerk

The Committee suggested that the threshold of up to £101 appears to be low for one signature and that this should be considered when the regulations are next reviewed in the new financial year.

Clerk

The Committee agreed:

- a) to recommend the financial regulations to the Board on the 7 February 2020 for approval**
- b) the thresholds for delegation are to be reviewed for the new financial year**

6.2 Management Accounts (November 2019)

The Management Accounts for November 2019 were received.

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

6.3 Strategic Financial Objectives/Loan Facility

The Committee received the strategic financial objectives for 2019/2020 and particularly noted the changes: a) minimum year end cash reserves of £2m and at least £1m at any point in the year b) group income was expected to be in excess of £43m. The objective referring to the diversification of income had been removed due to the expected funding increase.

The Committee:

- a) approved the strategic financial objectives**
- b) agreed to notify the Board, particularly referring to the minimum cash point of £1m.**

- 6.4 ESFA Financial Model
The Committee received the ESFA's 2019 integrated financial model guidance for colleges. It was noted that in December 2019 the ESFA, to support additional scrutiny, had introduced a two year forecasting model with an expectation that the Board would agree it in January 2020. However, due to the complex nature of the spreadsheet the timescale had been extended to the end of February 2020. It was noted that the forecasting model will be discussed at the Regional Network meeting the following week. Following the meeting, the spreadsheet, along with an executive summary, will be circulated to the Committee before being tabled at the Board meeting on 7 February 2020.

The Committee agreed that the ESFA Forecasting Model is circulated electronically and subsequently tabled at the Board meeting on 7 February 2020.

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

7. **Property Matters**

- 7.1 Estates Masterplan
7.1.1 IoT Building Programme
7.1.2 T Level Project
7.1.3 Decant plan and timescale

Item 7.1 was dealt with as a confidential item in accordance with the College's confidentiality policy and recorded in the confidential minutes.

8. Anti-Slavery and Human Trafficking Statement - annual review
The Committee received the updated anti-slavery and human trafficking statement and the Vice Principal, Finance and Business Operations highlighted the minor amendments. The Committee questioned whether adding timescales to some elements would be useful however it was noted that the document itself is reviewed frequently (annually).

The Committee agreed:

- a) to recommend the Anti Slavery and Human Trafficking Statement to the Board for approval**
- b) subject to approval, the Principal will sign the statement and it will be published on the College website**

9. **Emerging Risks**

The Committee considered that there were no additional risks that had emerged from the discussion.

10 **Reports and Minutes for Information**

10.1 Items to take to the Board were agreed as:
SRC Accounts, Finance Regulations, Anti-Slavery and Human Trafficking Statement, Strategic Financial Objectives and Integrated Financial Model.

Clerk

10.2 Items for the next agenda:
The Committee reviewed the cycle of business for the 27 April 2020 meeting and agreed the items to be included on the agenda.

10.3 Dates of future meetings for 2019-20

- Monday 27 April 2020
- Monday 29 June 2020

11. Minutes/reports for information
There were no additional minutes or reports to be noted.

The Committee acknowledged that this was Steve Champion's last Committee meeting and thanked him for the support he had given to the Business Services Committee.