

Minutes of a meeting of Finance & Estates Committee Held at the College at 4pm on 28 April 2020

Present: Nazir Ahmed (staff governor), Max Craft, Robin Dickens, Tim Mason & Paul Quigley (Chair).

Apologies: None

In Attendance: John Owen Interim Chief Finance Officer
Paola Schweitzer Clerk to the Corporation
Penny Wycherley Interim Principal

Minutes

1 – Standing Items

001 Apologies for Absence

There were no apologies for absence.

002 Membership

The Chair welcomed members to the virtual meeting.

003 Declarations of Interest

There were no declarations of interest.

2 – Matters for Discussion & Decision

004 Covid-19 update with particular reference to College finance

John gave a brief assessment of the financial implications of the Covid-19 pandemic. The net cost to the College, assuming it remained closed for the remainder of the academic year, was approximately £300,000. The main costs were in relation to lost income however there were some savings primarily on utilities due to the College

being closed. Approximately 30 employees had been furloughed so far and this would go some way to offsetting costs. The College would receive the full amount for its 16-18 provision (c£2.8m) and the ESFA had confirmed that there would not be any year end reconciliation and clawback of AEB funding, thereby removing a risk to the College.

The College had been approached concerning the use of its buildings with regard to the pandemic and though not suitable to date, it was possible they might be used for training. In response to a question, John clarified that there was no blank cheque but there were a number of pots of available funding that the College would pursue vigorously.

005 Committee Terms of Reference & Business Plans

Paola presented Paper 2597/20/F&E setting out the Committee's Terms of Reference (ToR) and business plans. The draft ToR had been approved by Corporation in January and were referred to the Committee for further consideration.

There was a brief discussion about the ToR and the following amendments were agreed:

- **Responsibilities: paragraph 1.10: *To monitor annually the performance of non-core income activity.*** The Committee agreed to re-instate this responsibility.
- **Membership: paragraph 3.2: *Members of the Audit Committee may not be members of the Finance & Estates Committee. The Committee may include persons up to two associated members who are not members of the Corporation. Associated members will not constitute part of the meeting's quorum.***

Paola stated that she had deleted the Committee's delegated responsibility to set up a company and deal with any associated matters, as set out in the previous Finance Committee's ToR, and members agreed that this was a Board decision, not a matter for delegation. Members believed that students needed to monitor the Student Union budget themselves and it was **Agreed** that Paola and John would review existing Student Union budget arrangements and advise the Committee.

The Finance Committee Terms of Reference, with the amendments above, and business plans were **Agreed** and recommended to Corporation for approval.

006 Finance & Estates Risk Register

Penny presented the finance and estates risk register (paper 2619/20/F&E), stating that Audit Committee considered the main risk register and each Committee reviews risks relevant to its area as a standing agenda item.

There was a brief discussion about a number of the risks:

- *Risk 4: Failure to meet funding targets:* the risk had reduced due to the fact that there would be no year-end clawback to AEB funding.
- *Risk 5: Poor management of cashflow:* was one of the College's most significant risks. The risk rating could decrease if the College received advance funding from the ESFA.
- *Risk 8: Major failure/misuse of IT systems (including spread of IT virus) eg misuse of internet/social media by staff/students:* This was a particular risk at the moment and resolving it had significant resource implications. When asked how urgent the remedial work was, John stated that ideally the system would be replaced immediately but at the latest it would be included in next year's budget with a view to work taking place over the summer.
- *Risk 10: Weak financial management:* the risk had reduced due to the fact that there was now a set of reliable management accounts.

One member asked what was being done to manage the high number of debts over 90 days. John stated that there were some old, large debts that could be written off and there were weaknesses in the credit control procedure. Actions were in hand to resolve this.

The Chair suggested governors were invited to risk management meetings to better understand the risks faced by the College and the process for assessing them. Penny welcomed this suggestion and agreed to invite governors when normal business resumed.

Members **Noted** the finance and estates risk register and thanked Penny and John for its easy to understand and review format.

Minutes 007 & 008 were confidential.

009 Fees Policy 2020/21

John presented the fees policy for 2020/21 (paper 2621/20/F&E), stating that it had essentially been rolled over from the current year. The policy was fit for purpose but more detailed than he would expect. He proposed that in future the fees policy comprise a short overarching policy (to be reviewed by the Committee/Corporation), supported by a more detailed procedural document for those operationalising the policy. Members **Agreed** with this approach and that Paola would clarify the delegated fees policy responsibility.

Members **Agreed** to recommend the Fees Policy 2020/21 to Corporation for approval.

010 Security & Safeguarding on College Premises

The Clerk stated that this agenda item stemmed from a previous discussion at Corporation. Members noted that access to the Tower was through the main building and the introduction of safety wardens had greatly improved security.

Penny stated that the College could not afford to staff the reception for longer hours but clearly needed to ensure security across all sites, particularly given the drug problem within the city. Members noted that, due to the closure of all College sites because of Covid-19, this issue was not a priority and that the executive team would bring solutions to the Committee in due course.

Minute 011 was confidential.

The meeting finished at 6.05pm.

Date of next meeting 23 June 2020.