

MEETING OF THE FINANCE COMMITTEE

MINUTES (UNRESERVED)

2.00pm on Monday, 18 October 2021

Elton and Bowring Room

Present (Reserved): Ms Loretta Minghella (Chair); Mr David Ball (Bursar); Professor Jonathan Goodman; Professor Neil Greenham; Professor Heike Laman; Professor Jacqueline Tasioulas (Senior Tutor); Professor Hendrik van Veen; and Dr Julia Wolf.

Present (Unreserved): Mr Abdu Rawat (UCS representative); and Mr Patrick Taylor (MCR representative).

In Attendance: Miss Emma Easterbrook (Secretary); and Mrs Rebecca Willatt (Deputy Financial Bursar).

1. **Apologies**

Professor Phil Allmendinger; and Professor David Chambers.

2. **Declarations of Interest**

None.

3. **UNRESERVED MATTERS**

(i) **Minutes of 21 June 2021**

Approved.

(ii) **Matters Arising**

None.

(iii) **Welcome to new members**

The Finance Committee formally welcomed its new members, the Master and the Bursar.

(iv) **Register of Interests 2021-22**

The Secretary had sent out the annual email together with the Register of Interests 2021-22 form to be completed by the Trustees.

(v) **Risk Register 2021-22**

The Deputy Financial Bursar presented the up-dated Risk Register 2021-22. The Finance Committee formally approved the Risk Register 2021-22. The Deputy Financial Bursar welcomed any further comments and/or suggestions.

(vi) **Management Accounts for the period to 30 June 2021**

The Bursar circulated the Management Accounts for the year ended 30 June 2021. The Management Accounts had been prepared on a consistent basis with the

statutory financial accounts for the year to 30 June 2021 and records the income and expenditure across College departments.

The Management Accounts show that the College incurred an operating loss of £1,317,526 in the year to 30 June 2021. The loss was £1,729,540 less than the budget for 2020-21 largely due to unexpected unrestricted donations, including legacy donations of £1,050,164 and the continuation of the furlough scheme, which generated an additional £523,028 in 2020-21. The loss in 2020-21 was also £976,115 less than the 2020-21 forecast for the same reason. Unexpected unrestricted legacy donations materialised just before year end in 2020-21 and 2019-20. The timing of legacy donations is unpredictable by nature.

Total Income declined by £3,842,367 (25.19%) in the 12 months to 30 June 2021 when compared to the same 12 months to 30 June 2020. The decline is almost entirely attributable to the loss of Catering and Conferencing income which reduced by £3,954,681.

The College had reduced expenditure by £1,679,833 (11.66%) in the 12 months to 30 June 2021 when compared to the same period to 30 June 2020. This reduction in expenditure is largely due to reductions in variable costs arising from significantly reduced Catering and Conferencing accommodation (£945,977), Housekeeping (£361,424), and Fellowship (£133,963), as a result of COVID-19.

The Bursar recommended that future priorities for development fundraising should be established.

It was also reported that there will be a new charge for gas following a decision by the regulator. This is estimated to be in excess of £20,000 per annum per college.

The Finance Committee formally approved the Management Accounts for the year to 30 June 2021.

(vii) **Revised Endowment Investment and ESG policy**

The former Bursar, Mr Paul Warren, had circulated a draft Zero Carbon Policy as recommended by the Investment Committee to the Finance Committee. The paper was based on previous discussions at the meetings of both the Investment Committee and Finance Committee. The Finance Committee agreed that the Investment Committee should review the policy again with a view to ensuring that any targets were clear, measurable and achievable within the time-frame proposed given the size of the College's portfolio. It was noted that the University aimed

to divest from all direct and indirect investments in fossil fuels by 2030 as part of the University's plan to cut its greenhouse gas emissions to zero by 2038. A recommendation would need to be presented to the Governing Body in due course. The UCS and MCR representatives welcomed the line of direction.

Implications for investment returns would be considered. At present the recommendation from the Investment Committee was to reduce the drawdown from 3% to 2.75%.

(viii) **Financial Policies and Procedures 2021-22**

The Deputy Financial Bursar circulated the updated Financial Policies and Procedures 2021-22. She reported that the section on benefits had been updated in accordance with the meeting of the Finance Committee on 10 May 2021. The Senior Tutor; the Academic Dean; and the Development Director, Mr Paul McCarthy, will continue to liaise with the Bursar and the Deputy Financial Bursar regarding the trust funds and in particular management arrangements, the utilisation of each trust, and reporting. Support will also be provided to studentship committees. The Finance Committee formally approved of the Financial Policies and Procedures 2021-22.

(ix) **Barclays Bank signatory list and online authorisation**

The Finance Committee formally approved the removal of the outgoing Master and Bursar and the addition of the Master and the Bursar to College's Signatory List, and the Master agreed to authorise it. The Signatory List is comprised of the Master, the Bursar, the Senior Tutor, the Assistant Bursar, and the Assistant Financial Bursar.

In addition, the updated Barclays Bank signatory list was similarly approved by the Finance Committee.

(x) **Minutes of other Committees:**

- a. ***OCIG Minutes:10 June 2021; 14 June 2021; 28 June 2021; 12 July 2021; 9 August 2021; 1 September 2021; and 6 September 2021:*** The Bursar reported that there had been significant operational issue with the lateral horizontal boring, which had encountered a pile supporting H staircase, and it had been unable to proceed. This would result in 7-10 weeks' additional delay and a cost of £130,000. Discussions were ongoing with the contractor and an updated report will be provided to the College within the week. In addition, there had been supply chain issues and material shortages. Mitigations had already been put in place by the contractor including purchase of materials before increase in prices. The site will be ready again for the contractors from 1 November but they will not return until mid-November. It is currently estimated that the project will be completed by

the beginning of Lent Term 2023. The impact of 'Quiet Period' 2022 was also being reviewed. Each week of delay was estimated at £22,000 per week plus other costs. Regarding sub-contractor failures this was unlikely but insurance was in place. Regarding Phase 1a this had come in at £8,000 less than the estimated cost plus an additional £5,000 which had been claimed and accepted by the contractor.

- **Estates Committee (DRAFT): 26 May 2021:** The Chair of the Estates Committee, Professor Allmendinger, noted that a number of property sales had either completed and/or were in the process of being completed. It was also noted that Council had given permission for a blue plaque to be displayed on the front of Clare St Regis to celebrate Richarda Morrow-Tait, the first woman to fly around the world in 1948-1949.

(xi) **Any Other Business**

- a. **Clare College Rent Strike:** The Master had received a letter from Clare Rent Strike.

4. **RESERVED MATTERS**

5. **Date of Next Meeting (joint with Council):**

2.00pm on Monday, 22 November 2021

Elton and Bowring Room

Distribution (Reserved): Ms Loretta Minghella (Chair); Professor Phil Allmendinger; Mr David Ball (Bursar); Professor David Chambers; Professor Jonathan Goodman; Professor Neil Greenham; Professor Heike Laman; Professor Jacqueline Tasioulas (Senior Tutor); Professor Hendrik van Veen; Dr Julia Wolf; and the Governing Body.

Distribution (Unreserved): Mr Abdu Rawat (UCS representative); and Mr Patrick Taylor (MCR representative).

In Attendance: Miss Emma Easterbrook (Secretary); Mrs Rebecca Willatt (Deputy Financial Bursar).

For information: Ms Samantha Mason (MCR President); and Ms Lily Rafalin (UCS President).

Emma Easterbrook

1 November 2021