

MEETING OF THE FINANCE COMMITTEE

MINUTES (UNRESERVED)

2.00pm on Monday, 17 October 2022

Elton and Bowring Room

Present (Reserved): Ms Loretta Minghella (Chair); Miss Lizzy Conder (Bursar); Professor David Chambers; Professor Neil Greenham; Professor Heike Laman; Professor Jacqueline Tasioulas (Senior Tutor); Professor Hendrik van Veen; Professor Julia Wolf.

Present (Unreserved): Ms Sara Sharif (UCS representative); and Mr Bjarne Bergh (MCR representative).

In Attendance: Miss Emma Easterbrook (Secretary); Ms Deborah Hoy (Director of Estates); Mrs Rebecca Willatt (Deputy Financial Bursar); and Professor Oli Shorttle (up to and including item 3(iv); for item 3(iv)).

1. **Apologies**

Professor Jonathan Goodman; and Dr Toby Wilkinson.

2. **Declarations of Interest**

None.

3. **UNRESERVED MATTERS**

(i) **Minutes of 20 June 2022**

Approved.

(ii) **Matters Arising**

- a. *Item 3(iii), Welcome to MCR representative:* The Finance Committee formally welcomed the new MCR representative, Mr Bjarne Bergh, and thanked the outgoing MCR representative, Mr Constantin Waquet, for their hard work.

(iii) **Welcome to new members**

The Finance Committee formally welcomed the new Bursar and the Fellow for Development.

(iv) **Update on progress of Old Court 1A, Great Hall and Small Hall – including financial implications against budget**

The Bursar and the Estates Director circulated and gave a presentation on the update on progress of Old Court 1A, Great Hall and Small Hall including financial implications against budget. This included discussion of the current issues which

included those arising out of Phase 1a and Phase 1b; funding and scope for Phase 2; and the proposed budget which had increased by £1,506,403 (3.6% increase of the overall budget). Briefly, the background is that Old Court is the focus and heart of the College. It was necessary to restore the roof, upgrade the utilities, and improve health and safety within it. In addition, both undergraduate and postgraduate numbers had grown and there was a need to improve and increase dining facilities, with the new River Café which will also provide additional informal meeting space. Phase 1a was completed in October 2020 within budget. Phase 1b is due to be completed by 10 May 2023 and is currently £3.58 million over budget (18%). This was as a result of issues including supply chains (BREXIT), COVID-19, inflation, 'Quiet Time', limited contingency, and the complexity of the project.

The proposal is to start Phase 2 in autumn 2023 in order to avoid further increases in inflation and to ensure Old Court is completed by the 700th anniversary. The recommended increase of £1.5 million in budget includes the £1 million advised as possible overspend by Mr David Ball, previous Bursar, to the Finance Committee at its last meeting on 20 June 2022.

To date the College has raised £19.8 million in donations with a further £3.9 million to be raised. The College would contribute £15.5 million. However, the College was currently projected to have a £3.1 million operational cash deficit by 2025 due to existing cash commitments including the repayment of the £5 million loan due in 2023. Options to raise the additional funding include further extraction from the endowment and/or additional loans. Further review of the options would be brought back to a subsequent Finance Committee for consideration.

Decision: The Finance Committee approved the additional budget of £1.5 million for the Old Court project and to go out to tender for Phase 2. The Bursar will present those tenders to the Finance Committee for discussion and approval including further discussion on funding.

[Professor Shortle left.]

The Finance Committee noted that the Great Hall had been out of scope of the Old Court main project except for a small budget redecoration but this had been brought into scope by a generous donation to improve the ability to use the Great Hall as a performance venue. There had been a proposal to repaint the ceiling to be more in keeping with its original Victorian decoration, but the College was still awaiting the designs and cost estimate from the designer. This will not be possible if

implementing the alternative design cannot be done within the budget. The alternative is to renovate the current white and gold painted ceiling.

Decision: The Finance Committee confirmed that the budget for the Great Hall and Chapel could not exceed the current £1.575 million budget and must deliver to the donor's expectations of improvements to both Great Hall and Chapel.

Small Hall had also originally been out of scope but has suffered as a result of being surrounded by building works for 2 ½ years. Finance Committee was asked to approve additional budget for £60,000.

Decision: Finance Committee approved the restoration of the Small Hall subject to the budget for this coming out of the special capital expenditure budget for 2022-23.

It is anticipated that the Great Hall will be completed by the end of May in order to allow the current 3rd years to dine in the Great Hall before they graduate. It will also facilitate additional conferencing, which in turn will raise money for the College.

[Ms Hoy left.]

(v) **Register of Interests 2022-23**

The Secretary will send out the annual email together with the Register of Interests 2022-23 form to be completed by the Trustees.

(vi) **Report on unaudited financial position for year ended 30 June 2022 and conference summer season 2022**

The Deputy Financial Bursar circulated a report on the unaudited financial position for the year ended 30 June 2022 and conference summer season 2022 to the Finance Committee. The College was forecasting a £1,833,427 unrestricted deficit prior to the end of the financial year ending 30 June 2022. The unaudited financial statements for the same period are currently showing a deficit of £2,412,835 (an increased deficit of £579,409). This was as a result of the following:

- a. Movement in USS Pension Provision following 2020 valuation £331,717;
- b. Capital Expenditure reclassified as revenue £196,644; and
- c. University Contribution £87,000.

Meanwhile, the increased reallocation of Statute 42 funds was more than initially forecast by £89,885. There had been other Departmental Increases (3% combined across all departments) £53,933. Therefore, the total increase in the deficit is £579,409.

The College was still experiencing COVID-19 related disruption in the summer of 2021 and the key reason for the unrestricted deficit was a significant reduction in the College's conference business, the income of which generally subsidises the increasing cost of providing education. Direct costs were reduced during COVID-19 in line with reduced activity, but the College's overheads remained.

Looking forward to year ending 30 June 2022, the College's catering and conferencing business has had a strong summer season (first quarter of the financial year). Typically the Conference and Events department receives around 85% of its income for the year during the summer. With this in mind, conference income in Q1 2022-23 was £1,294,572 and this exceeded the annual budget for 2022-23 by £207,801. Conference income is therefore on a path to exceeding its annual budget by £436,255 if the 85% trend continues.

Catering income in Q1 2022-23 was £1,337,930, exceeding the Q1 2022-23 budget by £281,849 and is also likely to exceed its budget for the entire year.

The annual 2022-23 conferencing and catering income budget was set lower (around 62%) than the average conferencing and catering income in 2018-19 and 2019-20 to allow for a slower recovery after COVID-19 and sustained disruption due to Old Court. Although neither conference and catering have returned to pre COVID-19 levels, Q1 indications suggest it is recovering faster than initially budgeted. Both departments have been asked to look at how they can maximise income for summer 2023 within their current resources and the return of Old Court.

(vii) **Safekeeping of Clare College Art Collection**

The Bursar circulated a paper to the Finance Committee regarding the College Art Collection and made the following recommendations:

- a. **Review and update asset database:** The Art Committee to be asked to draft a job description for a fixed term part-time role to update the catalogue of the Art Collection. The budget for art maintenance of £5,000 to be allocated to the catalogue project unless there is a painting requiring immediate stability work.
- b. **Asset Strategy:** The Art Committee to consider and make a recommendation on what art work should be retained by the College in perpetuity either on display or in store and what should be considered for disposal with a recommendation to the Governing Body by Summer 2023.

- c. **Asset Maintenance:** The Art Committee to be asked to prioritise the restoration of artwork to fit within a budget of £5,000 per annum starting 2023-24. At current prices, it would take up to six years to restore the 23 paintings previously hung in the Great Hall if these are the priority for the College.

Decision: The Finance Committee approved of the three recommendations from the Bursar as detailed above.

(viii) **Financial Policies and Procedures Updates for 2022-23**

The Deputy Financial Bursar advised the Finance Committee that the only change to the College's financial policies and procedures for 2022-23 was the inclusion of an anti-money laundering policy.

Decision: The Finance Committee formally adopted the anti-money laundering policy with the Bursar appointed as the College's AML Nominated Officer.

(ix) **Scheme of Delegated Financial Authority for 2022-23**

The Bursar circulated a paper on the scheme of delegated financial authority for the academic year 2022-23.

- a. **College signatories:** The current College Signatories are the Master, the Bursar, the Senior Tutor, the Assistant Bursar, and the Deputy Financial Bursar. All signatories of the College would have an unlimited authority except for the Assistant Bursar and the Deputy Financial Bursar who would have limits of £10,000.

Decision: The Finance Committee approved the removal of the interim Bursar, Mr David Ball and the addition of Miss Elizabeth Conder, the new Bursar.

- b. **Procurement:** Regarding the College's current procurement procedure it was recommended that the Finance Committee approve a formal procedure for specified tendering and quotation threshold as follows:

- i. **£3k-£9.9k:** 2 written quotations required.
- ii. **£10k-£19.9k:** 3 written quotations required.
- iii. **£20k-£199.9k:** Formal tender with a minimum of 4 suppliers/contractors invited.
- iv. **£200k+:** Formal tender with a minimum of 5 suppliers/contractors invited

Decision: The Finance Committee approved the formal procedure for specified tendering and quotation threshold, and delegated authority for the Bursar to vary or waive these requirements at her discretion for values below £200k.

- c. ***iDocs approval limits:*** All payments for goods and services must pass through the College's Purchasing system (iDocs). Heads of Department and those with delegated authority raise and approve Purchase Orders within iDocs. Invoices are paid once they have been matched to an approved Purchase Order and the goods or services have been flagged as received by the person raising the Purchase Order. Invoices over £5,000 must have two authorisers and invoices over £10,000 must have three authorisers.
- d. ***College credit cards:*** There are six College Credit cards in operation. These cards are individually named with that person responsible for the card.
- e. ***College bank account access and Choir's PayPal account:*** The Deputy Financial Bursar gave an overview of who has access to the College's bank accounts in place including the current internal controls.

Decision: The Finance Committee formally approved that the Bursary are to be given access to the Choir's PayPal account in order to reduce financial risk.

(x) **Electric Cars – charging port usage and salary sacrifice**

The Deputy Financial Bursar circulated a paper on electric cars together with charging port usage and salary sacrifice scheme. Planning permission had been granted for up to four charging ports with initially two charging ports to be installed in Memorial Court. The Porters will manage the booking system for the spaces.

Decision: The Finance Committee formally approved of the cost to Fellows and Staff to use them being limited to equivalent of household charging inclusive of the 15% agency commission rate to use the App, currently 34p per kWh.

Decision: The Finance Committee approve the proposed Terms of Use for the Charging Ports and Corresponding Parking Spaces.

The Deputy Financial Bursar shared the options in regard to a salary sacrifice scheme for leasing electric cars.

Decision: The Finance Committee approved the principle of a salary sacrifice scheme for leasing electric cars with further exploration on provider of the scheme and an independent financial advisor offering to Fellows and Staff.

(xi) **Minutes of other Committees**

- a. ***OCIG Minutes: 18 July 2022:*** Professor Greenham reported that there had been a further two meetings of the OCIG since 18 July but the updates had

been covered by Item 3(iv), Update on progress of Old Court 1A, Great Hall and Small Hall – including financial implications against budget.

b. *Estates Committee (DRAFT): 18 May 2022*: for note only.

(xii) **Any Other Business**

- a. *Provision of period products for undergraduates*: The Finance Committee confirmed that the College already provided money to the UCS in order to purchase period products.
- b. *Cost of graduate Formal Halls*: The Finance Committee invited the MCR representative to liaise with the Catering Manager, Mr Lee Corke, regarding the cost of graduate Formal Halls.

4. **RESERVED MATTERS**

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

2.00pm on Monday, 21 November 2022

Elton and Bowring Room

Distribution (Reserved): Ms Loretta Minghella (Chair); Miss Lizzy Conder (Bursar); Professor David Chambers; Professor Jonathan Goodman; Professor Neil Greenham; Professor Heike Laman; Professor Jacqueline Tasioulas (Senior Tutor); Professor Hendrik van Veen; Dr Toby Wilkinson; Professor Julia Wolf; and the Governing Body.

Distribution (Unreserved): Ms Amy Oh (UCS representative); and Mr Bjarne Bergh (MCR representative).

In Attendance: Miss Emma Easterbrook (Secretary); Ms Deborah Hoy (Director of Estates); Mrs Rebecca Willatt (Deputy Financial Bursar); and Council (for item 3(iv)).

For information: Ms Jasmin Bath (MCR President); and Mr Vithusan Kuganathan (UCS President).

Emma Easterbrook

2 November 2022