

MEETING OF THE FINANCE COMMITTEE

MINUTES (UNRESERVED)

2.00pm on Monday, 8 March 2021

Latimer Room, Clare College

Present (Reserved): Anthony, Lord Grabiner QC (Chair); Professor Phil Allmendinger; Dr David Chambers; Professor Jonathan Goodman; Professor Neil Greenham; Dr Heike Laman; Dr Jacqueline Tasioulas (Senior Tutor); Dr Hendrik van Veen; Mr Paul Warren (Bursar); and Dr Julia Wolf.

Present (Unreserved): Ms Rowan Stewart (UCS representative); and Mr Henri van Soest (MCR representative).

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

1. **Apologies**

None.

2. **Declarations of Interest**

None.

3. **UNRESERVED MATTERS**

(i) **Minutes of 4 February 2021**

Approved.

(ii) **Matters Arising**

- a. **Item 3(iii), Student rents:** The maintenance issues raised by the MCR had been discussed at the last meeting of the Estates Committee on 24 February 2021, and will be a standing item on the Agenda. The MCR will continue to liaise with the Estates Director to ensure all maintenance requests are submitted via the online system. At present there were three outstanding issues of which two required an external consultant.

(iii) **Management Accounts for the six months to 31 December 2020**

The Bursar circulated the Management Accounts for the six months to 31 December 2020 together with a report. The Management Accounts summarise the Profit and Loss, and

income and expenditure for operating accounts across the College's departments. In addition, there was information on income and expenditure for the Choir.

The Management Accounts show that the College generated an operating deficit of £1,445,092 during the six months to 31 December 2020. The deficit compares to a surplus of £1,585,695 reported in the same six months in 2019. Income declined by 50%, £4.51 million less than in the same period to 31 December 2019. Catering and Conferencing accounted for £3.56 million of the £4.51 million shortfall due to the impact of COVID-19. Expenditure also declined by 17%, £1.48 million less than in the same period to 31 December 2019. This reduction was due to lower direct costs, which declined significantly due to reduced operational activities because of COVID-19.

Although the actual deficit in the six months to 31 December 2020 was less than the indicative six months budget, this was entirely due to the seasonality of income and

The greatest impact of COVID-19 has been in Catering and Conferencing because the College generated income of only £447k in the six months to December 2020 compared to a total of more than £4.0 million in the previous year to December 2019.

The Restricted Endowment Management fee was not budgeted for in the 2020-21 Budget and therefore there appears to be a £186k increase in other income compared to budget. However, the endowment fee was included in other income in 2019-20 and this income line is in line with 2019-20 performance.

Tuition expenditure was £137k lower than in the same period last year primarily due to differences in salary costs. In Lent 2020 an exercise was undertaken to ensure Fellows' salaries were re-charged to Trust Funds where appropriate. Tuition Salaries for the year ended 2020-21 are actually in line with 2019-20 after these recharges to restricted funds were taken into account.

There has been a £150k saving over the six months to December 2020 within Housekeeping compared to last year due to lower staff costs (£90k), no linen (31k) and a variety of other direct costs (£29k) as a result of conferences being cancelled. Catering and Conference costs are also 60% lower than in the year to date period in December 2019. However, this is due to the reduction in direct costs associated with the absence of any conference activity. It is important to note that this reduction in expenditure is still not enough to offset the £3.56 million loss in income. There were some significant reductions in administration expenditure compared to expenditure in the six months to December 2019. The total reduction of £257k resulted from staffing decreases in Bursary and the Porters' Lodge (£107k) and fewer Development Office events. The Choir has not been active in 2020-21 due to COVID-19 restrictions and therefore expenditure in the six months to December 2020 was £79k less than in the same period in 2019-20.

The Finance Committee approved the Management Accounts for the six month period to 31 December 2020.

(iv) **Capital Expenditure Budgets 2021-22**

The Bursar circulated a paper on capital expenditure budgets 2021-22 to the Finance Committee. The Finance Committee approved a budget of £1.7 million for capital expenditure and building projects in the 2020-21 financial year, less than the budget of £2.8 million for depreciation as shown in the management accounts. It was agreed that

the transfer of £0.9 million from reserves into the Old Court restoration fund during the 2021-22 financial year.

In addition,

