

**B O S T O N C O L L E G E****MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON 23 NOVEMBER 2020**

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**1. PRESENT**

Gerry Tawton (Chair), Peter Cropley, David Earnshaw, Claire Foster and Nick Worth.

Also, in attendance: Janet Hemmant (Clerk to the Corporation), Kelly Harris (Staff governor), Debbie Holland (Vice Principal: Finance and Corporate Services) and Charlotte Robinson (Head of Finance).

Attendance 100%

**2. ACTION LOG**

Members reviewed the progress made against items in the committee's action log. It was noted that a number of options for pursuing the Italian debt had been identified but a check was first needed to see if the company owing money had any assets to make this worthwhile.

**3. MINUTES**

The Minutes of the meeting of the committee held on 28 September 2020 were reviewed and approved.

Peter Cropley asked for an update on the LEP bid relating to Horncastle. Claire Foster advised that the College had received funding from the LEP for a Care bid and was awaiting further feedback on the Horncastle bid. The LEP is supportive but it is not yet known whether funding will be available.

**4. FINANCE**

Members received a report from the Head of Finance on the college's annual accounts and management accounts to 31 October 2020.

Members noted that there were still some small changes to be made to the version of the accounts which had been circulated and that the final version would be submitted to the Corporation meeting. Gerry Tawton confirmed his understanding that there were no further outstanding issues to be resolved and the accounts were approved for onward transmission to the Corporation.

With regard to the management accounts, it was noted that the quarter one accounts included a high level reforecast with the College's financial position improving to break even and financial health Good. As agreed, following a review of the forecast process, it was confirmed that this reforecast was based on actual performance in the first quarter. The improvement had arisen due to factors such as increase in Higher Education tuition fees and savings from vacancies. Cash balances were noted to be good. Gerry Tawton asked about extra spending on staff and it was confirmed that this was required as part of the extra funding received in response to the pandemic.

Gerry Tawton asked whether there were further opportunities to improve. Debbie Holland advised that the budgets were still prudent with scope to improve but there could also be unforeseen negative variances. David Earnshaw asked if there was any change in the forecast for the local government pension scheme. It was confirmed that the pension scheme valuations meant that contributions were fixed. The budget includes no

expectation of additional funding for Teachers Pension Scheme continuing beyond March although this was still a possibility.

Peter Cropley asked why debtors were so high compared with the previous year. Debbie advised that there were increased HE numbers and fees which would increase the amount of debt and that there had probably been a delay to invoicing last year with the implementation of the new finance system which depressed the previous year's comparative figures.

Nick Worth asked about the forthcoming loan renegotiation. Debbie advised that there was a meeting scheduled with NatWest in January which will identify options to be considered. The College will also look at options with other major banks.

Peter Cropley asked why Eastern Enterprises rental income was down. Debbie advised that there had been no conferences and that there were a couple of empty units. Claire Foster confirmed that there had been some rent reductions last year but these had not continued. In response to a query from Gerry Tawton, Claire Foster agreed to follow up with Richard Chambers who is responsible for this area, regarding opportunities to let the vacant units.

## 5. **FUNDING, DATA CONTROL AND COMPLIANCE**

Members received a report from the Vice Principal: Finance and Corporate Services.

Debbie Holland outlined current performance and processes. It was noted that the AEB had low spend compared with last year and that measures were in place to address this. Guidance is awaited on the clawback threshold. It was noted that there had been a slow start to sub-contracting and it may be necessary to add a further sub-contractor to deliver the contract levels. Compared with the budget, which was prudent, it was noted that Apprenticeship income was looking good. It was not yet possible to report on PDSATs because they were not yet available for 20/21. The committee felt that the apprenticeship position was good news and Claire Foster, in response to a query from Nick Worth, advised that national apprenticeship performance had not been as good as local performance.

## 6. **PROPERTY**

Members received a verbal report from the Vice Principal: Finance and Corporate Services on property developments. It was noted that the Care bid has made it possible to provide a new lift for the Trent building and that combined with capital funds this would also allow for work on the windows and roofing.

Gerry Tawton asked about the position with the Towns Deal. Claire Foster advised that she has a meeting to iron out the details of this and will provide an update at the Corporation meeting.

Peter Cropley asked if there was any movement on the Skegness lease and it was noted that there was not. Debbie Holland anticipated approaching the landlord in the New Year to deal with this and the importance of the original condition report was emphasised. Peter Cropley raised the point that if the landlord is planning to flatten the site, there may not be any liability or site dilapidations – Debbie Holland agreed to look into this. The provision in the accounts is in line with the latest view of dilapidations.

## 7. **NEXT MEETING**

The committee noted that the meeting scheduled for January was probably no longer required and that this would be confirmed. The next routine meeting of the committee will take place on 8 February 2021.