

## **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 28 SEPTEMBER 2020**

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#### **1. PRESENT**

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

Also, in attendance: Janet Hemmant (Clerk to the Corporation), Debbie Holland (Director of Finance and Funding) and Charlotte Robinson (Finance Manager).

Attendance 100%

Charlotte Robinson was welcomed to her first meeting of the committee. It was noted that Ben Webb had resigned as a Corporation member.

#### **2. APPOINTMENT OF CHAIR**

Having been duly nominated, Gerry Tawton was appointed as Chair of the committee for 2020-21.

#### **3. APPOINTMENT OF VICE-CHAIR**

Having been duly nominated, David Earnshaw was appointed as Vice-Chair of the committee for 2020-21.

#### **4. ACTION LOG**

Members reviewed the committee action log and noted progress made against the items listed.

Members noted the costs related to Covid 19 which had been incurred up to 31 July 2020. Gerry advised members that budget reforecasts would be reverting to quarterly and that the next would be done in October. With regards to an International debt, Debbie Holland advised members that an Italian lawyer was looking at this.

#### **5. MINUTES**

The Minutes of the meeting of the committee held on 18 June 2020 were reviewed and approved.

In response to a query from Peter Cropley, it was confirmed that there had been no further developments in respect to an enquiry about the Skegness premises.

#### **6. FINANCE**

Members received a report from the Director of Finance and Funding.

Debbie Holland advised members that a surplus of around £110,000 was expected at the 2019-20 year end. This would equate to Good financial health. The committee noted that the pensions report had had a huge impact on the accounts, particularly on the balance sheet.

In respect of the 2020-21 budget, enrolments are looking positive and variances will be incorporated into the quarter 1 reforecast. Some consultancy fees will be incurred in

respect of the Towns Deal. David Earnshaw asked about the likelihood of success of the Towns Deal. Claire Foster, who is now Vice-Chair of the committee, said that there was still work to do but that she feels hopeful of a positive outcome at this point.

Peter Cropley asked about the College's intention for using the FE capital allocation. It was noted that roofing would cost over £600,000 and there is also a plan to do some window replacement in conjunction with another bid. If that bid is not successful the emphasis will remain on roofing. Nick Worth asked about the 16-19 tuition fund and Debbie explained to the committee that plans are being drawn up for this spending. An under-spend is not anticipated.

Gerry Tawton advised members that there had been a double hit to pensions costs in respect of liability and assets in the 2019-20 accounts with a reduced discount rate in respect of liabilities and a reduction in the value of the Fund's assets. The committee was advised that auditors were happy with the assumptions used.

David Earnshaw asked about the latest forecast on apprentice numbers and Debbie advised that the College was still reviewing this but it was currently no better than forecast. In respect of a query from David about the overall effect of the latest reported changes on the College's financial position, Debbie advised members that it was likely to be positive overall. The aim is to get back to Good financial health for 2020-21.

Claire Foster told members that nationally 50-60% of colleges are suffering significant financial hardship. The College can take assurance from its current position. Claire also advised that other than apprenticeships she was pleased with enrolments.

Updated Financial Regulations were reviewed by the committee and approved.

It was noted that there was some change to the management structure which was referenced in the Financial Regulations and Peter Cropley and Gerry Tawton asked about sharing this with the Corporation. Claire advised that she would be submitting a paper to the next Corporation meeting showing the overall structure and rationale. In the meantime it was agreed that governors should be advised of the key changes which were happening.

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

Members received a report from the Director of Finance and Funding.

The committee was advised that there was not expected to be any AEB reconciliation for 2020-21 which meant that the College would not have any clawback on this budget.

Peter Cropley enquired about the performance of sub-contractors and it was noted that one sub-contractor's delivery model meant that they could not continue throughout the Covid closedown. Debbie Holland advised members that two sub-contractors were being used for 2020-21.

## **8. PROPERTY**

Members received a report from the Director of Finance and Funding.

An update was provided on the DTLA project and a change from installing a new access road was noted with the changes to car park capacity being alleviated by the resurfacing works. It was noted that works would be commencing on the Halls of Residence within the next couple of weeks. Completion of the DTLA building is still anticipated before Christmas.

The IoT project had been slightly delayed because of the discovery of additional asbestos. In response to a query from David Earnshaw, it was confirmed that the cost of dealing with this asbestos was around £15,000 but some costs had been saved from the overall scheme. Handover is expected at half term and the Institute of Technology is happy with the changes which have been made to the scheme.

The Horncastle development was noted to be subject to a further LEP bid which was awaiting a response.

With respect to the potential participation in the Towns Deal, the committee noted that architects were working on plans and the proposed arrangements were outlined to the committee. The background to the proposal was discussed.

The committee noted that the capital funds for FE estates had already been received and that the Estate Strategy was being updated to support bids for further funds.

## 9. **PERFORMANCE MONITORING**

Members received a report from the Clerk to the Corporation.

The committee noted its performance against targets for 2019-20 which would be passed to the Corporation. A discussion took place about proposed targets for 2020-21 and the committee agreed it would recommend: ●

- 80% attendance
- Progressing the following objectives:
  1. development and implementation of the Estates Strategy
  2. re-negotiation of the bank loan
  3. return financial health to Good
  4. ensuring FE Commissioner recommendations on financial reporting are fully complied with
- Repeat the in-depth review of the College's budget which acts as a CPD session for Corporation members
- Monitor the college's cashflow position

## 10. **NEXT MEETING**

It was noted that the next meeting of the committee would take place on 23 November 2020.