

BOSTON COLLEGE**MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON
3 FEBRUARY 2020**

1. PRESENT

Gerry Tawton (Chair), Peter Cropley, David Earnshaw, Jo Maher and Ben Webb.

Also, in attendance: Janet Hemmant (Clerk to the Corporation), Kate Folling (Governor), Paul Collins (Director of Business Services), and Debbie Holland (Director of Finance and Funding).

Apologies for absence were received from Nick Worth.

Attendance 83%

2. ACTION LOG

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

The committee noted that approval had been given since the last meeting for a small change to staff pay reflecting the Living Wage change recently announced. Ben Webb reported that there had been a good response from staff to the pay award. The item on pension contribution rates was cleared with an explanation provided at the Corporation meeting and it was confirmed that the Halls of Residence use by visiting teachers would not now be taking place.

3. MINUTES OF THE MEETING HELD ON 25 NOVEMBER 2019

The Minutes of the meeting of the committee held on 25 November 2019 were reviewed and approved.

Jo Maher advised the committee that she was continuing to Chair the Town Deal Committee for now. It is hoped that this will be implemented at an early date and news is awaited from central government. It was confirmed that the Property committee will be convened as required in respect of property developments.

4. FINANCE

Members received a report from the Director of Finance and Funding on Management Accounts and the new finance model.

With regard to the Management Accounts, Peter Cropley asked about Higher Education registration fees which had increased despite lower overall HE income. Debbie explained that recruitment overall was lower but those paying registration fees had recruited more than anticipated. When asked how much under-recruitment there was it was confirmed that it was approximately 6 external students less than forecast. In response to a query from David Earnshaw about the operation of the new finance system and whether this was better for raising invoices, Debbie confirmed that this was the case. Peter Cropley commented that this was presumably why debts had moved into a different period this year and this was confirmed.

David Earnshaw asked about the cashflow and why it appeared to be worse than the budgeted cashflow over the next few months. Debbie confirmed that March is always a pinch point for cash reserves and that the projects underway were having an impact on

cashflow. Jo Maher pointed out that the cash reserves were still above the £1m minimum. Peter Cropley asked about the cash reserves and whether the College could do better on cash invested particularly in respect of an amount kept in a 35 day account. Debbie advised the committee that the College was looking to change its banking arrangements next year and this would be one of the considerations.

Peter Cropley asked about creditor days in the KPIs. A discussion took place about how creditor days are calculated and how they are recorded within the finance system. A query was raised as to whether the target days and the calculation matched and it was agreed that this will be reviewed further at a future meeting after the finance model is complete. David Earnshaw also requested that forecasting of the cashflow be reviewed at the same time.

A discussion took place about Catering outlets and why those which were not making money were maintained. Jo Maher advised that the College had looked at outsourcing and the charges for Catering and it was noted that changes could be made to the less viable outlets but this would affect feedback from learners. Increased numbers would reduce the deficit but the losses shown were small in the context of the overall College budget. A specific query was raised about the Peter Paine service and why it needed to be provided and it was noted that this was a service to students and covered the free meals provision. Jo commented that to be overall in surplus on Catering was a good position to be in and that the range of services were required. In response to a query from Ben Webb about whether the financial position had changed it was confirmed that it had significantly improved.

Debbie Holland advised members that the new finance model gave an analysis of financial health going forward. She advised that the assumptions were prudent and the committee noted that there would be no budget submission to the agency under this new model.

Debbie Holland ran through the 3-year assumptions for the finance model. Peter Cropley asked about the uplift in respect of the Teachers' Pension Fund costs. Debbie explained that she was assuming that this would not be funded specifically after 2020/21. 16-18 funding was noted to be based on demographics and lagged funding and apprenticeship funding was included with no increase. Jo Maher explained the changes to the apprenticeship system which lay behind it. There is concern that there is a shrinking apprenticeship pot and also concerns about the effects of T-Levels on apprenticeships. David Earnshaw asked how the investment in EMAT and DTLA affected this and whether the College was maximising income from other avenues. Jo Maher confirmed that Level 4 technical qualifications would be better and that OfS is looking at Level 4/5 nationally which could help the College offer. Ben Webb commented that some areas of the College were also looking at an offer which better suited employers. Jo Maher outlined courses which could grow.

A reduction in subcontracting and the rationale for this in the assumptions was noted. Peter Cropley asked whether subcontractors would move to compete in other areas of the College's activity and it was confirmed that the College was not aware of any proposals to do so. It was agreed that the assumptions were appropriate and that they should be used to progress the model. Debbie will be preparing a summary report on the 3-year budget and finance model for the Corporation meeting.

5. **PROPERTY**

Member received a report from the Director of Business Services on property matters.

Paul Collins advised the committee that property developments were largely proceeding as planned. The College was looking formally at giving notice to Woodhead about the completion of snagging items. It was agreed that the College should review potential

savings on the DTLA contract and advise the committee of the position regarding the savings potentially offered by the contractor. ●

A discussion took place about the Skegness lease and about the long term position there. Consideration was given to commencing action on potential dilapidations but it was agreed that this should be deferred for the time being.

It was noted that the College was waiting for Heads of Terms for Horncastle.

6. FUNDING, DATA CONTROL AND COMPLIANCE

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

Debbie Holland advised members of the latest position on 2019/20 funding and the likely funding for 2020/21. Information was also provided on apprenticeship funding, curriculum planning and data control checks. Members noted that the College was working to deliver in excess of 97% of the AEB funding by the end of the academic year.

Jo Maher, Paul Collins and Debbie Holland left the meeting at this point.

7. CHANGE OF PRINCIPAL

A discussion took place about the leaving arrangements for the current Principal and a period when she would be on leave before her official leaving date. It was agreed that this arrangement was appropriate.

8. NEXT MEETING

It was noted that the next meeting of the committee would take place on 20 April 2020.