

BOSTON COLLEGE**MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON
4 FEBRUARY 2019**

1. PRESENT

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

Also in attendance: Janet Hemmant (Clerk to the Corporation), Rachael Baker (Director of Planning and Performance), Jen Durrant (Head of HR & Org Dev) and Debbie Holland (Director of Finance).

Attendance 100%

2. ACTION LOG

The committee reviewed the action log and noted progress made against the items covered.

It was noted that further information was awaiting on the Teachers' Pension Scheme changes. The changes will come into effect in September 2019 and it is hoped that the increased costs will be covered by additional funding until July 2020. There is currently a consultation out on this.

In response to a query about the Institute of Technology Jo Maher confirmed that there had not yet been an outcome on the bid and that there was no confirmed date for the decision to be made.

In respect of the Skegness lease Jo advised that Paul Collins had had a meeting with governors and it was hoped that progress might be made in resolving this matter.

Jo told members that there was nothing to report yet on the further LEP bid which had been submitted. Discussions had taken place about the production of a new Estates strategy and particularly whether this should be an entirely new strategy or a refreshed version of the existing strategy. The bid outcome would affect the approach to this. The College had recently been asked to provide data to the department about its Estate and it is anticipated that there will be a DFE review of college Estates.

3. MINUTES

The Minutes of the Meeting held on 19 November 2018 were reviewed and approved.

4. AEB DEVOLUTION AND GROWTH

Jo Maher gave a presentation on the college's analysis of its market share across the area serviced and ways in which the reduced funding through AEB as a result of devolution could be addressed. A number of options were considered and the committee was asked to consider whether advanced funding could be released to prepare to address some of the opportunities. Peter Cropley asked if the College would be able to move quickly in taking forward these options and it was noted that early action was anticipated. The committee noted that a partner in one key development required the College to give it a letter of intent for security and this was approved. The Principal was asked to draft out the letter and send to the Chair of the Corporation and the Chair of the committee ●

before sending it out. It was agreed that other Corporation members should also be made aware of this.

In considering actions to be taken to address the AEB shortfall, Jo advised members that staffing would be required to achieve in-house growth. David Earnshaw asked what courses could easily be brought in-house and Jo outlined the areas which were being considered. Members agreed that an appropriate level of pump priming should be built into the next re-forecast of the college's financial position to allow these plans to progress.

Jo Maher suggested that pump priming costs could be within the forecast surplus. The committee agreed that this investment was necessary even if it meant that the College would not have 'outstanding' financial health. Jo anticipated that 2 staff members would be required for the balance of the year.

5. **FINANCE**

Members received a report from the Director of Finance.

The committee noted that the forecast now included the effects of the pay award and all of the anticipated apprenticeship income. David Earnshaw asked about building on success on apprenticeships. Jo Maher reported that the College had developed its reputation in this area, team leading is a popular area of work and the College also needs to develop its apprenticeship work in Engineering.

Debbie Holland advised that the Derby partnership had produced increased income and costs in the re-forecast and that Hall of Residence and school meals income have also increased. The committee was advised that the College's bursary funds were spent this year and that the Learner Services Manager was producing a report on the implications of this. Additional sources of increased funding included a continuation of the Calderdale project and new Clip project and an increase in turnover related to high needs provision.

Debbie advised members that the LEP payments in respect of EMAT project had been delayed longer than anticipated. The committee expressed concern about the delays and asked to be advised when the funds came in. Jo advised that if the Institute of Technology bid is successful the funding for this is likely to take even longer to come through.

Gerry Tawton asked that it be noted that the cost of the pay award, which was £54,000 in 2018-19, was now included and a discussion took place about the number of variances after the budget was set. Jo advised that this partly arose from prudent budgeting at the outset and it was agreed that the re-forecast was still prudent on costs. The committee discussed the College's financial health.

Nick Worth left the meeting at this point

Jo advised the committee that the bank had indicated that it had no concerns about the colleges borrowing and would be prepared to look at further loan requirements.

6. **HUMAN RESOURCES**

Members received a report from the Head of Human Resources and Organisational Development.

Jen Durrant pointed out the key elements of the report which included significant reduction in long-term sickness absence and the work being done on mental health within the College. In reviewing the sickness statistics it was agreed that future reports need not include the percentages in the different categories for sickness.

Jen outlined employer relations issues which the College had been dealing with and Jo Maher confirmed that there were challenging targets for HR in the Leadership Business Plan. In response to a query from Gerry Tawton about potential claims it was confirmed that the College was insured for these.

Jen told members that there had been a positive response to recruitment relating to the promotion on the EMAT project. This had resulted in offers being made to 2 Engineers and it was noted that there was likely to be an additional post. The committee noted that there had been 18 Learning Support Assistants taken on to support high needs learners where there had been a volume increase. A discussion also took place about staff utilisation. David Earnshaw asked about staff utilisation which in some areas was over 100%. Jen explained that there was some front loading and that the year-end target was 100%. Jo explained how these variances affected utilisation.

In looking at future issues Jen advised the committee that the College was looking at the effects of Brexit on staff members. Jo advised that community sessions to help people looking to achieve settled status were likely to be offered.

Gerry Tawton asked whether the College was happy with its new HR legal advisors and it was confirmed that the College was pleased with the service it was getting.

The committee agreed that this was a very positive report.

7. FUNDING AND DATA CONTROL COMPLIANCE

Members received a report from the Director of Planning and Performance.

It was noted that this was a new report identifying key checks on funding streams. Rachael Baker took members through the content of the report and explained how for the 16-19 funding programmes the College had been able to increase the number of learners in higher bands which were better funded. In response to a query from Gerry Tawton, Rachael advised that this was through checks on what individual learners were or could be doing within their programmes. It was noted that the Registry worked with Programme areas to optimise funding. Peter Cropley asked about the future capacity to increase funding in this area and the committee was advised that there was not much scope for further increase but that demographics should increase overall funding so that next year's 16-19 funding should be up slightly.

Rachael explained how the College reviewed condition of funding compliance, which was noted to be within tolerance and withdrawals. The focus is on monitoring active learners and putting interventions in place if they appeared to be at risk of withdrawing. Rachael also explained how the provider data self-assessment tool kit helped to check funding compliance.

Rachael advised members that curriculum planning was now being done through the EBS system rather than on a spreadsheet. It is the intention for the first draft for 2019-20 to be complete by 22 February.

In presenting this report the committee was advised that the Audit committee had expressed an interest in these checks which were carried out at least monthly.

8. TEACHERS' PENSION SCHEME

Members noted the contents of a Pensions Briefing from the Association of Colleges.

9. INSOLVENCY REGIME

Members noted that the information which had been circulated on the Insolvency regime suggested that it was very similar to that which pertained in Industry. Debbie Holland confirmed to members that cashflow is key to compliance and that the Finance office looks at cashflow daily. Jo Maher looked at how Corporation members are made aware of potential liability and the AoC guidance that monthly accounts should be circulated. It was agreed that this should be implemented. Peter Cropley asked that in circulating the accounts the College should identify any major issues within them. Gerry Tawton queried responsibility within the College for authorisation of expenditure and it was confirmed that this was covered in the Financial Regulations.

Peter Cropley asked about insurance cover for governors in respect of wrongful trading. Debbie agreed to check this and advise. It was confirmed that Gerry Tawton and Peter Cropley would like to see the relevant policy. It was agreed that once the insurance position was clear the general guidance on governor liability and the insolvency regime should be circulated to governors along with insurance advice and reassurance that monthly accounts were being produced.

7. INFORMAL BUDGET MEETING

It was agreed that an informal budget meeting along the lines of those delivered in previous years should be arranged in May.

8. NEXT MEETING

It was noted that the next meeting of the committee would take place on 15 April 2019.