

BOSTON COLLEGE**MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON
8 FEBRUARY 2021**

1. PRESENT

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

Also, in attendance: Janet Hemmant (Clerk to the Corporation), 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.

In respect of the Italian debt, the committee was advised that information is being sent to solicitors acting for the College. Claire Foster noted that agents' agreements needed to be better managed than they had been in the past.

With regard to lettings at the Red Lion Quarter, Claire Foster advised that the College was looking with South Holland District Council at how to maximise utilisation in Spalding. Adrian Humphreys, Executive Director for Business, Innovation and Partnerships, will be looking at this when he joins the College in March.

3. MINUTES

The Minutes of the meeting of the committee held on 23 November 2020 were reviewed and approved.

4. FINANCE

Members received a report from the Head of Finance on the College's financial performance including the December 2020 management accounts.

It was noted that the management accounts showed the College to be in a good position. A high level reforecast takes the College to a small deficit position but still with Good financial health. It includes provision for clawback for AEB. Gerry Tawton asked when confirmation will be received about the AEB arrangements and it was noted that this would probably be after the next return. The committee noted that this was different to the detailed reforecast and another reforecast would be based on the January 2021 results. Peter Cropley asked about the likely impact of changes and Charlotte Robinson confirmed that it was primarily dependant on the AEB position. Debbie Holland confirmed that the College was likely to get some 16-19 growth funding for study programmes but there remained a lot of unknowns at the present time. Gerry Tawton noted that the College's cash position was still healthy.

A discussion took place about a proposal to extend the College's bank loan by 4 months to allow time to negotiate and take to market a new loan. After due consideration of all the circumstances and on being satisfied that it is for the benefit of the College and in the interests of the College for the purpose of carrying on its business to enter into a supplemental agreement (the "Supplemental Agreement") in the form now produced in respect of the loan of £1,762,900 made available to the College by National Westminster Bank Plc (the "Bank") in terms of the Agreement dated 22 November 2010 as subsequently amended.

It was resolved that in addition to and without amending, prejudicing or revoking any Bank Mandate/Company Excerpt Minute or any other instruction/s provided or to be provided by the College to the Bank the Principal and Chief Executive Officer be authorised to sign on behalf of the College the Supplemental Agreement.

PROPERTY

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

It was noted that works currently underway were subject to short delays primarily related to weather conditions. In respect of the Horncastle development, there were still some queries to be resolved in the GLLEP due diligence process after which a funding contract would be issued. In respect of the Briar Way property, it was noted that the landlord was selling the property and agreement had been reached over arrangements for terminating the lease at the end of February.

The committee was advised of work being carried out on development of the College's estates strategy. It was noted that a property committee would be needed prior to the Corporation meeting. Ruth Catlett had expressed interest in joining this committee and it was agreed that she should be invited to attend this meeting.

Information was provided on the FE Capital Transformation Fund and a discussion took place about the potential use of funds. It was noted that up to 50% match may be required. Claire Foster advised that windows were the key focus of attention.

Gerry Tawton asked about progress with the Towns Deal bid. Claire Foster advised that decisions are likely to be made with the budget on 3 March. Nick Worth expressed a view that the Boston bid meets the criteria well but noted that, in recent government funding decisions for similar developments, most bids which were successful were allocated less than the full bid value.

6. FUNDING DATA CONTROL AND COMPLIANCE

Members received a report from the Vice Principal: Finance and Corporate on Funding, Data Control and Compliance.

It was noted that some growth was expected for 16-19 funding in 2021-22. In the current year the College is aiming at delivering 80% of the AEB allocation but has provided for £200,000 of clawback in its forecasting. A discussion took place about sub-contracting arrangements and Nick Worth asked about how robust the partners were. It was noted that the partners were large organisations and the College had confidence that they would be able to deliver.

With regard to apprenticeships, Boston's performance was currently looking positive with the numbers doing well compared with others in the sector.

Claire Foster confirmed that AEB is a priority for Adrian Humphreys when he starts work at the College. He already has ideas on how the College could work towards achieving its target. The College has been proactive in tackling the difficult circumstances. Nick Worth asked how it compared with other colleges and Claire explained that there were lots of similarities in the region but the business mix varied from college to college. The College was looking at areas of potential growth including the Hall of Residence.

7. NEXT MEETING

It was noted that the next meeting of the committee would take place on 26 April 2021.