

Boston College

MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON 13 JUNE 2022

1. **PRESENT**

Gerry Tawton (Chair), Peter Cropley, Claire Foster, David Parnell and Kelly Harris.

Also in attendance: Janet Hemmant (Clerk to the Corporation), Jen Durrant (Executive Director: People), (Debbie Holland (Vice Principal: Finance and Corporate Services) and Charlotte Robinson (Head of Finance).

Apologies for absence were received from David Earnshaw.

Attendance 83%

2. **ACTION LOG**

Members reviewed progress made against items in the committee's action log.

It was noted that an offer to settle had been made in respect of the Italian debt. If a settlement was agreed, any unrecovered amount would have to be written off in accordance with the college's financial regulations. The committee agreed how to proceed with this matter.

Members were advised that the curriculum review is in its second stage and the college has expressed interest in an ESFA pilot on reducing the staff cost:income ratio.

3. **MINUTES**

The Minutes of the meeting of the committee held on 28 March 2022 were reviewed and approved.

4. **GENDER PAY REPORT**

Members received a report from the Executive Director: People on the college's gender pay reporting to 31 March 2021.

The committee reviewed the data and Peter Cropley asked if it was considered satisfactory. Jen Durrant confirmed that it was. She gave members information on the comparative data for other local colleges.

5. **FINANCE**

Members received a report from the Head of Finance

Charlotte Robinson provided members with detailed information on the proposed budget for the year ending 31 July 2023 and the financial forecasting return (CFFR) which has to be submitted by the end of July 2022.

The 2022-23 budget breaks even, maintains 'Good' financial health and includes an assumption of a staff pay award effective from 1 August 2022. In response to a question from Peter Cropley, it was confirmed that the pay award was the maximum which could be afforded whilst maintaining a break even budget at this time. Claire Foster advised members that the trade unions were seeking a higher award than could be afforded in this budget. A discussion took place about the rationale for differentiation in the proposed pay award. It was noted that it would be beneficial to make an announcement about the

award before the end of the academic year. It was agreed that the corporation should be asked to approve this prior to the July meeting.

David Parnell asked what the approach in the budget was to utility costs. Charlotte explained that contracts, prices and usage had been analysed. Peter Cropley asked about the staff utilisation target of 98% and it was confirmed that this was felt to be appropriate. Gerry Tawton noted that capital costs which have yet to be included might affect the college's borrowing ratio and financial health. Debbie Holland to circulate the amended budget following inclusion of capital costs to Gerry for review.

Peter Cropley identified that some of the variances in the papers appeared to be incorrect and it was confirmed that that was an issue with look ups in the spreadsheet. Debbie Holland confirmed that the budget figures were correct and only the variance figures had been affected. Gerry Tawton asked for the affected sheets to be corrected and recirculated to members.

Subject to these corrections, the committee agreed to recommend the proposed budget to the Corporation for approval. It was noted that any pay award recommendation by the committee would also need to await these corrections to ensure that there was no impact on the budget.

Members reviewed the management accounts for the period ending 30 April 2022 and the quarter three reforecast position. It was noted that AEB performance remained a risk.

The committee received and reviewed student union accounts to 31 July 2021.

Feedback was provided from the AOC Finance Conference together with a letter sent to the Secretary of State by the Chief Executive of AOC outlining the pressures on colleges.

6. FUNDING, DATA CONTROL AND COMPLIANCE

Members received a report from the Vice Principal: Finance and Corporate Services on funding, data control and compliance including the latest position on AEB delivery

7. PROPERTY

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

Members noted that the scale of the development for relocating the Ingelow work had been reduced to ensure its affordability. The Mayflower layout is to be confirmed shortly and members noted the insurance requirement in respect of an earlier conveyance of this site.

Debbie Holland advised that a Salix bid is being considered to complement the Capital Transformation Fund grant for replacement windows. In response to a query from Peter Cropley, Debbie advised that the window work would start in April 2023 and run over the summer.

The committee noted that further borrowing would probably be required to maintain the college's financial health as a result of the capital developments with a revolving credit facility to support the cashflow. Gerry Tawton asked when the borrowing requirement would firm up and Debbie confirmed that it would become clearer after the cashflows are complete.

Claire Foster told members that the Office for National Statistics was reviewing the status of colleges and this could have an effect on a range of issues including borrowing. The committee will be kept updated on this

8. **COMMITTEE TARGETS**

The committee considered its target to develop an investment strategy and noted that progress on this had been constrained due to the links between capital developments and the estates strategy.

9. **NEXT MEETING**

Members noted that the meeting dates for 2022-23 would be set at the next Corporation meeting.