

Boston College

MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON 21 NOVEMBER 2022

1. PRESENT

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

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

Members noted that the offer to settle the longstanding international debt had been withdrawn by the debtor.

Claire Foster advised that nothing had been received from ESFA yet about the issue of learner hours. Debbie Holland suggested that it may be necessary to submit a case at the end of the year. It was noted that the college is working with the FE Commissioner on curriculum efficiency rather than using consultancy services.

3. MINUTES

The Minutes of the meeting of the committee held on 26 September 2022 were reviewed and approved.

4. FINANCE, FUNDING AND DATA CONTROL

Members received a report from the Head of Finance.

A discussion took place about the annual accounts and particularly about the impact of the pension fund valuation. The accounts were approved for submission to the Corporation. It was noted that the college was in the top 1% for successful funding audits and it was agreed that the team should be congratulated. ● ●

The committee reviewed the September accounts and cashflow forecast. Charlotte Robinson advised that additional steps were now included in the internal review of these accounts. It was noted that the September accounts did not include AEB data. Higher Education income was noted to be an area of concern with an anticipated £140k shortfall. In response to a query from David Earnshaw, it was confirmed that there was limited scope for this to improve over the year.

David Parnell asked if the college received interest on its cash balances and Debbie Holland advised of the current arrangements.

Debbie told the committee that a high level review of performance was being carried out. The impact of increases to the National Living Wage was likely to be £50k and the pensions triennial review £15k but the National Insurance reduction should save £39k. The reforecast work will be completed imminently and a summary of the position compared to budget will be shared with the committee. ●

David Earnshaw asked if Higher Education was breaking even. Debbie advised that this was being looked at and it has quite a high contribution. Claire Foster told the committee that the team was looking at the strategy for growth in higher education which included higher level apprenticeships. Kelly Harris commented that there had been some decline in numbers in recent years so flexible options which would suit employers were being examined. Claire commented that the development of the Mayflower building was being publicised. A middle management restructure intended to position the college for growth in higher education and apprenticeships is underway. David Parnell asked why the recruitment numbers had not hit forecast and Claire identified two areas, Creative Arts and Teacher Education, as being under target. In response to a question from David Earnshaw, Debbie provided details of enrolment numbers and pointed out that several of the Teacher Education students were internal. Claire advised that apprenticeships has capacity to grow and the target is to increase to 1000 learners over two to three years.

It was noted that the budget did not include the whole allocation for AEB so there was potential to earn more. A close eye is being kept on utility bills and generally rates are remaining stable at present but gas prices remain a risk.

Peter Cropley asked if Employability was an issue. The committee was advised that there was a lot of lagged funding in this area which should offset the current reported position once the money comes through but this has been flagged as a priority to address. An issue for this area is that smaller qualifications which it had been providing have been made ineligible for funding.

Peter Cropley asked about the financial performance of catering outlets. Debbie advised that these were forecast to reach budget over the year. Claire commented that the college has to ensure that catering outlets are viable and providing the required service and they are under constant review.

5. BORROWING REQUIREMENTS

Members received a report from the Vice Principal: Finance and Corporate Services on borrowing requirements.

Members noted that borrowing would be required to support the college's cash position due to the capital developments. The committee discussed the best way to structure the proposed borrowing and it was agreed that a revolving credit facility of £1m should be applied for. The impact of the potential change to the status of colleges as a result of the ONS review was noted and it was agreed that the borrowing arrangements should be put in place as quickly as possible. Details are to be circulated to Corporation members seeking a decision on this over the next few days ● ●

6. NEXT MEETING

Members noted that the next meeting of the committee would take place on 30 January 2023.