

BOSTON COLLEGE**MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON 18 JUNE 2018**

1. PRESENT

Peter Cropley, David Earnshaw, Mick Gallagher, Jo Maher and Nick Worth.

Also in attendance: Janet Hemmant (Clerk to the Corporation), Debbie Holland (Head of Finance), Ann Savage (observer)

Apologies for absence were received from Steve McCracken and Gerry Tawton.

Attendance 71%

2. MEETING CHAIR

In the absence of the Chair and Vice Chair of the Committee members agreed that Peter Cropley should take the Chair for the meeting.

Peter Cropley in the Chair**3. ACTION LOG**

Members reviewed and noted progress against items listed in the committee's action log.

4. MINUTES

The Minutes of the Meeting held on 16 April 2018 were reviewed and approved.

It was noted that Gerry Tawton's view of the new accounts format had been circulated and it was agreed that the committee should adopt the new format for the future presentation of the accounts. ●

5. FINANCE

Members received a report from the Head of Finance on the 2018-19 budget, accounts to 30 April 2018 and amendments to the Financial Regulations.

Debbie Holland advised the committee that the proposed budget for 2018-19 showed a surplus similar to that which was discussed at the informal committee meeting in May. It was noted that the 2017-18 surplus was currently looking healthier and there was a good chance that the College's final performance for 2017-18 could put it in Financial Health Outstanding category.

David Earnshaw asked about the risk of the income profile not being delivered and Jo Maher explained that the delivery of the Adult Education Budget was the main uncertainty but that the College was currently on target to be within tolerance on this allocation. There are some sources of potential savings against staffing budgets helped by reduced numbers of pay claims and a number of vacancies which had occurred. Jo Maher noted that this was against a background of significant challenge and a number of compulsory redundancies across the sector.

It was noted that the College exercised firm discipline on staffing costs since this was its major expenditure item. Jo advised that it had been a significant challenge to get the 2017-18 accounts to this position. Nick Worth asked about the source of this challenge and Jo advised that the need to allocate more Adult Education Budget provision to partners for delivery had been a particular pressure point.

Peter Cropley asked about the increase in the forecast year end surplus from £201,000 to £230,000. Jo Maher confirmed that this was a saving of around £20,000 on pay and £10,000 on non-pay which had been identified since the last accounts were presented. There is the possibility of a further £20,000 being recovered over the balance of the year from establishment vacancies.

Looking at the 2018-19 budget David Earnshaw asked about a comment that a pay award had not been included. Jo Maher advised that a pay award could potentially be funded through in-year gains and that the amount anticipated should be able to come out of vacancies on the establishment list which could be confirmed later. David Earnshaw asked about the amount which was being budgeted and the figures were discussed. Jo Maher advised the committee that many colleges are not offering pay awards at all. At the suggestion of David Earnshaw, it was agreed that the information being presented to the Corporation should make clear that a pay award could be provided for in this way.

David Earnshaw also asked about Apprenticeship income budgeted at 80% and whether this was being treated in the same way as previously. The committee was advised that there was a new system in place for Apprenticeships so the treatment in the budget was a prudent provision of costs and income. Jo Maher told members that the 20% achievement funding to pay for End Point Assessments is new.

Nick Worth asked about the cost of EMAT and it was confirmed that this would be a capital cost.

Peter Cropley enquired about debtor and creditor days and the comparison with the year end targets. Debbie Holland was asked to check on the debtor and creditors and to confirm to the committee why current performance was so different from the year end target. It was noted that there had been a write off of more debts in 2017-18 than previously. Jo Maher advised the committee that this was due to more students being required to take up loans for their courses which meant that increasing number of learners had to pay debts to the College.

David Earnshaw asked about a National Insurance refund which had been obtained. It was confirmed that the potential for this refund had been identified by the new Payroll Manager.

Peter Cropley asked about changes to the Financial Regulations which are being proposed. Debbie Holland explained the reasons for the changes and the delegation of authority to budget holders. The proposed changes were agreed by the committee and the committee also agreed that in section 2.1 of the financial regulations there should be an amendment to the responsibilities of the governing body to state that in planning its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure "unless it is impossible to do this".

6. PROPERTY

Members received a report from the Vice Principal: Corporate Services.

Janet Hemmant showed the committee a fly through of the planned EMAT building. David Earnshaw asked about the learner numbers and the numbers in the bid were shared with the committee.

Jo Maher explained that the Institute of Technology bid could leverage in more capital and additional learner numbers. She advised that further information could be provided on how the 2 projects worked together once the Institute of Technology bid outcome was known. Jo confirmed that the EMAT bid had looked carefully at what could be achieved and that the proposed numbers increase was primarily in Apprenticeships although Higher Education is critical to revenue. David Earnshaw commented on the risk and reward profile of what was being planned.

A discussion took place about the time critical nature of delivering the EMAT project and issues of planning and a build over agreement with Anglian Water were discussed.

The committee also discussed the new tenant in the Red Lion Quarter and the property in Skegness. Jo Maher explained how the college was looking at the cost of dilapidations on the Skegness property in conjunction with Grimsby Institute.

7. **ADULT EDUCATION BUDGET 2019-20**

Jo Maher advised that she would be submitting information to the Corporation on changes to the AEB allocation relating to devolution in some parts of the country. ●

8. **DATE OF NEXT MEETING**

It was noted that the provisional date for the meeting needed to be changed and the Clerk would circulate potential dates to committee members to identify a suitable alternative. ●