

BOSTON COLLEGE

MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE ON 14 NOVEMBER 2016

1. **PRESENT**

Mr S McCracken (Chair), Mr P Cropley, Mr M Gallagher, Mrs A Mosek, Mr P Scarlet and Mr G Tawton

Apologies were received from Mr N Worth

Also in attendance: Mr G Harrison (Student Governor/Observer), Mrs J Hemmant (Clerk to the Corporation), Mrs D Holland (College Accountant) and Mrs J Webb (Minute Taker)

Meeting attendance: 86%

Steve McCracken welcomed George Harrison who would be attending future Finance and Resources Committee meetings in the capacity of observer, and explained that he would be entitled to contribute to discussions but would not be eligible to vote at all.

2. **ACTION LOG**

The Action Log was reviewed by Members.

Janet Hemmant confirmed that the survey pertaining to the review of catering choices in the Bistro would be taking place this term and results would be shared with the Committee at their January meeting.

Janet Hemmant informed Members that it had not yet been possible to arrange a meeting with the landlord of the Skegness premises.

3. **MINUTES OF THE MEETING HELD ON 26 SEPTEMBER 2016**

The Minutes of the Meeting held on 26 September 2016 were approved.

Under Matters Arising Steve McCracken proposed that a standard agenda item on pensions be included on all future agendas. Members agreed that it would be prudent to do so and would enable them to keep abreast of developments. ●

4. **FINANCE**

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

Janet Hemmant informed Members that the draft 2015-16 accounts had been audited and were provided for review prior to presentation to the Corporation for signing off at their December meeting. She said that the accounts showed the

College had achieved a surplus on the income and expenditure account, but the pensions deficit and charges had a major impact on the accounts. The draft accounts were accepted.

Janet Hemmant drew Members attention to the management accounts for the year to date.

A discussion took place regarding a number of points which Janet clarified.

Janet Hemmant explained that the curriculum and business support areas finance figures are reviewed at each performance monitoring meeting. These take place quarterly and reprofiling of the budget is done as required.

Peter Cropley made reference to marketing costs and enquired whether Grantham and Stamford Colleges' costs were on a par with Boston. Amanda Mosek said she would speak with Janet Meenaghan, Principal of Stamford College, and feedback accordingly. Different advertising media were discussed as was their perceived effectiveness.

Janet Hemmant informed Members that there had been a marked decrease in food sales in the Diner during this year despite there being an increase in student numbers. This could be attributed to the new food outlet opposite the College and also the shortage of seating space within the Diner itself, as has been reported by students. She explained that the senior team had been proactive in seeking additional space, albeit temporary, to alleviate the latter problem and further thought is being given to a more permanent solution.

Peter Cropley referred to the Debtors Report which was missing details of debts in court and write-offs. Janet Hemmant said she would investigate the problem and report back.

5. **PROPERTY**

a) **Sam Newsom Centre**

Janet Hemmant drew Members attention to information provided relating to the Sam Newsom Centre works programme and costs.

An in-depth discussion took place with regard to the detail of each area of variances between the estimates and the actual costs. It was agreed that the project had over-run considerably due to unforeseen circumstances which had incurred additional costs. It was agreed that Janet Hemmant should seek to come to an agreement on the costs of the additional project management services which were being claimed.

The Committee noted that the works being carried out had greatly enhanced the Centre. Amanda Mosek advised Members that the College had obtained £8K of funding for the official opening of the Centre.

b) Land adjacent to Construction Workshop

Janet Hemmant gave an update with regard to discussions with Boston Borough Council in relation to a strip of land adjacent to the College's construction workshop and potential use of a College car park by swimming pool users.

Janet Hemmant said she would continue moving this forward and report back in due course.

c) Little Acorns Nursery

Janet Hemmant informed the Committee that Pelican, the company who lease the nursery on the college car park site, have asked to sub-let to a new company. This has been agreed but Pelican remain ultimately responsible for the lease.

6. **COMMITTEE PERFORMANCE**

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

Janet Hemmant reminded Members of their role which was to "act on behalf of the Corporation in any financial, property or personnel matters other than those specifically reserved to the Corporation under the Articles of Government or delegated to another Committee". She said that Members addressed this routinely by considering accounts and financial performance at each of the Committee's meetings and considered property and personnel matters at alternate meetings.

Members agreed that the Committee was fulfilling its remit.

7. **PENSIONS**

Steve McCracken opened up discussions on the pensions situation that was impacting on College finances.

Janet Hemmant gave an overview of the current position as reported in the tri-annual review which the College had now received.

Members discussed the impact that the anticipated rise in contributions would make in both the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). Steve McCracken said that the new insolvency regime being put in place affects the college's financial standing and it is expected that some time in the future college assets will need to be pledged to offset the pension deficit. Peter Cropley commented that a similar situation had arisen in Canada some years ago but they managed to turn the situation around eventually with the help of legislation. Members agreed that the only action the College could take at this point in time was to make sure its employment profile and financial standing

was being reflected accurately and to be mindful of opportunities to reduce the liability.

As agreed earlier, a standard item relating to pensions will be noted on all future agendas.

Steve McCracken drew discussions to a close and informed Members that he and Janet would be attending an Actuary's Presentation on the 25 November.

8. **DATE OF NEXT MEETING**

16 January 2017