

BOSTON COLLEGE

MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE HELD ON 26 SEPTEMBER 2016

1. PRESENT

Mr P Cropley, Mr M Gallagher, Mr S McCracken, Mrs A Mosek, Mr P Scarlet, Mr G Tawton and Mr N Worth

Also in attendance: Mrs J Hemmant (Clerk to the Corporation), Mrs D Holland (College Accountant) and Mrs J Webb (Minute Taker)

Meeting attendance: 100%

2. TO APPOINT A CHAIR FOR 2016-17

Having been duly nominated and seconded Steve McCracken was appointed as Chair of the Committee for 2016-17.

Steve McCracken in the Chair

3. TO APPOINT A VICE-CHAIR FOR 2016-17

Having been duly nominated and seconded Gerry Tawton was appointed as Vice-Chair of the Committee for 2016-17.

4. ACTION LOG

The Action Log was reviewed by Members.

Janet Hemmant informed Members that a survey would be conducted this term with students as to what they would like to see offered in the Bistro. She thought it possible that the result may differ from the last survey when students who frequented the Diner were surveyed.

Janet Hemmant gave a short update on the planned maintenance programme costs and said that the College was now in receipt of the five year plan. The report had raised numerous profiling issues which needed addressing and she was working closely with Estates on these matters. Discussion took place regarding the process and costs incurred for the report which had not produced exactly what the College had expected. Janet Hemmant informed Members that planned maintenance costs are reflected in the budget.

5. MINUTES OF THE MEETING HELD ON 20 JUNE 2016

The Minutes of the Meeting held on 20 June 2016 were approved.

Steve McCracken sought clarification on whether a statement about recruitment indicated that the College was not recruiting enough foreign nationals to the staff. Amanda Mosek clarified this point and said that the College had been quite successful in working closely with Job Centre Plus to encourage more foreign nationals to apply for posts at the College.

6. **FINANCE**

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

Janet Hemmant informed Members that the accounts for 2015-16 were being finalised and distributed a copy of the expected final income and expenditure account to Members for discussion.

Janet Hemmant drew Members' attention to the large pension deficit which was having a significant impact on the accounts. Despite this the accounts showed a surplus at the year end.

Janet Hemmant confirmed that the set of accounts circulated should be the set that the Auditors will work on in two weeks' time. Steve McCracken asked Members to email Janet directly if they had any queries and to copy in other Members of the Committee.

Steve McCracken asked that it be noted that thanks were expressed to both Janet Hemmant and Debbie Holland for their work in pulling the accounts together in a timely manner.

Peter Cropley enquired as to why the accounts showed a significant positive variance to the gas and fuel figures. Amanda Mosek explained that this was due to the warmer winter for the second year running which had made a difference to fuel used and reductions in fuel prices during the year.

Peter Cropley noted that the Halls of Residence income had risen and it was noted that this was due to ad-hoc use of the facilities. Amanda Mosek said that there were a number of profitable bookings in the pipeline and it was hoped the Halls could even become better utilised.

An in depth discussion took place regarding the pension deficit situation. It was worrying that the pension authority were developing an interest in college assets generally. Janet Hemmant said that FRS102 had also exacerbated the situation. Steve McCracken suggested that Colleges would soon need to close the final salary schemes if the problem continued to escalate. However, legislation would be needed to put this into practice.

Gerry Tawton asked for explanation of the two pension schemes run by the College, i.e. the teachers' pension scheme and the local government scheme. Janet Hemmant and Steve McCracken both gave the background to the schemes explaining that the Lincolnshire County Council scheme was now administered by the West Yorkshire Pension Fund. Steve McCracken said that there was little

college representation on the Pension Board and therefore no one to impart information. He said he had attended the last two or three annual meetings but had felt that the information presented was not helpful and meetings were ill timed. He also pointed out that the average age at death in Lincolnshire is far higher than the national average and that longevity is not good for pensions. Members asked that it be noted that the College is very concerned about the position.

Members were advised that the annual accounts needs to include a statement on reserves policy. It was agreed that this should reflect the Corporation's long standing objective to retain at least a £1 million cash balance.

Janet Hemmant then distributed a copy of enrolments by programme area and funding stream as at 23 September 2016 and Amanda Mosek gave an overview of its content. A discussion took place as to the reasons why some numbers had dropped e.g. some areas and courses have had a significant drop in number, in particular AS levels, Computing Level 3 and Catering Level 1. She advised that the 16-18 learner number target was unlikely to be met and it was expected that by the time the first ILR is submitted the shortfall could be around 60 to 70. Although the proportion of applications received from feeder schools has increased, the numbers on roll in Year 11 at the College's feeder schools was lower than last year.

7 **PROPERTY**

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

Janet Hemmant gave an update on the following properties:

a) **Sam Newsom Centre**

Planned works at the site over the summer had been fraught with unexpected problems. There had been issues with the structure that had been unforeseen which had been exacerbated by the lack of plans for the centre. These had resulted in a large overspend on the anticipated budget but were necessary to bring the property up to the required standard and ensure it would be fit for purpose. Janet Hemmant described in detail what issues had needed to be addressed and which had resulted in the curriculum area not being able to use the facility until at least October half term, hence the need for them to be taught at Blackfriars Theatre.

A discussion took place regarding the costs incurred and management of the project. Phil Scarlett suggested that accountability for this needed to be identified and it was agreed that the advisors should be asked to report to the College as a matter of urgency on the reasons why the costs for the work far exceeded the estimates. Janet Hemmant was asked to give them five days in which to respond. The contractor's view will also be sought.

b) Skirbeck Road Land

Janet Hemmant said she was seeking a decision as to next steps with regard to the land on Skirbeck Road and the parcel of land on Muster Roll Lane which is currently used as a student recreation area. Phil Scarlett stated that he would be reluctant to lose the opportunity of purchasing land so close to the college site despite the now diminished parcel of land on offer. The offer to purchase the land on Skirbeck Road remained on the table but it was felt that the vendor was in no particular hurry to proceed. Steve McCracken suggested, and it was agreed, that if the College bid for an EMAT centre was successful then it would be preferable to utilise the Muster Roll Lane site.

c) EMAT Centre

Two bids have been submitted, one through the LEP and one through the Coastal Communities Fund. The LEP have included the Centre as one of its three priorities for skills funding in its Growth Fund bid to government which is expected to be determined as part of the Autumn Statement. Steve McCracken said that it was pleasing to note this progress.

d) Skegness premises

There has been no movement. Feedback was given from talks with Jonathan Lovelle. Peter Cropley suggested that a meeting is scheduled with the landlord.

e) Cresswell Close

The lease has been terminated and it is understood that the property has already been re-let.

f) Land adjacent to the main site

Discussions have taken place with Boston Borough Council with regard to the possibility of purchasing a strip of land which would enable Construction to expand. This land would alleviate the pinch point at the College's boundary caused by the town drain. Members agreed that this should be pursued.

8. PERFORMANCE MONITORING

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

Janet Hemmant drew Members' attention to the review of the Committee's targets and their performance against the targets for 2015-16.

Following discussion the Committee agreed to propose the following targets for 2016-17:

- 75% attendance
- Progress the following objectives:
 - Creation of an EMAT centre
 - Completion of the Sam Newsom works
 - Expansion of construction facilities
 - Resolution of the Skegness lease
- Repeat the in-depth review of College budgets and deliver a CPD session to other Board members
- Monitor the College's cashflow position

Janet Hemmant suggested that Members should review Committee performance against the constitution and she was asked to draft and present a document on this to the Committee. ●

9. **DATE OF NEXT MEETING**

14 November 2016 in the Enterprise Zone Conference Room.