

B O S T O N C O L L E G E

MINUTES OF THE MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD ON 17 NOVEMBER 2014

1. PRESENT

Mr S McCracken (chair), Mr P Cropley, Mr M Gallagher, Mrs A Mosek and Mr P Scarlett

Also in attendance: Mrs J Hemmant (Clerk to the Corporation), and Ms D Holland (College Accountant).

Apologies for absence were received from Mr B Walder.

Attendance: 83%

Steve McCracken requested that the Agenda be amended to include additional sub items under the Finance section and this was duly noted.

He also welcomed Debbie Holland who was attending in her role as College Accountant to the meeting.

2. ACTION SHEET

Steve McCracken brought Members attention to the Action Sheet from the 22 September 2014 meeting and it was noted that all items had been dealt with.

3. MINUTES OF THE MEETING HELD ON 22 SEPTEMBER 2014

Members received a copy of the Minutes from the meeting held on 22 September 2014 and agreed that they were an accurate record and there were no matters arising.

4. FINANCE

a. 2013-14 Accounts

Members received a Confidential report from the Vice Principal: Corporate Services. Janet Hemmant informed Members that their role was to review the results and performance of the College's finances which are to be reported to Corporation, whereas the Audit Committee's role was to look at the audit outcomes.

It was pleasing to note that the overall performance and result was quite good despite the Skegness write down, however the balance sheet had been hit by the pensions deficit and the reduction in the asset value of the De Montfort Campus. As there had been an exchange of contracts on the De Montfort site the College had to show the write down to the sale price. Referring to the balance sheet, Steve McCracken enquired whether the accounts that are presented to Corporation will have the blank pages completed. Janet Hemmant replied that they would and that there was also a small change on the Teachers' Pension Statement which had been received after the accounts had been done.

There were no further questions on results shown in the 2013-14 accounts.

Steve McCracken informed Members that the Audit had gone more smoothly this year than last.

Discussion took place regarding the new recruitment strategy.

Peter Crolley referred to page 17, section entitled 'People' and asked for clarification on the numbers to which both Amanda Mosek and Janet Hemmant replied.

After discussion Members agreed that the draft 2013-14 accounts should be submitted to the Corporation noting that they are as predicted and the Committee is satisfied with their content.

b. September Management Accounts

The Vice Principal: Corporate Services gave an overview of the September Management Accounts to Members.

Concerns had been raised regarding what could be deemed to be a change in accounting practices. Janet Hemmant assured Members that this had not been the case but rather a change in the timing of invoicing of students fees. Invoices were now being raised for students at the start of their courses as opposed to intermittent invoicing throughout the year. This had subsequently skewed the figures which has resulted in the need for re-profiling of budget heads in some areas. She assured Members that the cash-flow figure remains unchanged. Steve McCracken said he was a little anxious that the accounts cannot now be easily understood at a glance and it was not easy to see what the current position is. He said he had sought Bob Walder's opinion and he was of the opinion that the circumstances justify the need for such action. Janet Hemmant assured Members that the budget per se does not need re-doing, just the re-profiling so that the position can again be seen month-by-month and this is something that she is aware of. Re-profiling will take place via Performance Monitoring when a number of inter-locking steps will be uncovered and addressed with Managers, some of whom are not as account savvy as others; hopefully this will be addressed in time as they become more experienced and knowledgeable of what is expected of them.

Phil Scarlett enquired how long it would take for the re-profiling to be actioned. After discussion it was agreed that it would be unreasonable to ask for this to be done before the next Corporation meeting on 10 December.

In hindsight, Amanda commented, a lesson had been learnt in that more time needs to be allocated to putting the budget together and the process needs to be started earlier in order that the accuracy of profiling can be checked in more detail.

Peter Crolley requested that an explanation sheet be included with the Corporation packs when they are dispatched, similar to that circulated by Janet Hemmant at today's meeting. He also thought that the whole situation should be rectified by the time of the next Finance and General Purposes Committee meeting i.e. 21 January 2015.

Steve concluded this section by stating that if it was the intention to change the way the College invoiced students for their course fees it would have been appreciated if the Committee had known about it in advance. Amanda Mosek said she accepted this point.

Steve McCracken enquired how Janet Hemmant would present her two slides to

Corporation and she explained what information she would present and how. A clear explanation needs to be presented to the Board at the December meeting.

Discussion then centered around specific lines within the Profit and Loss account and Mick Gallagher suggested that areas that are of concern could be highlighted and then discussed at the Corporation meeting.

Attention had been drawn to Gas and Electricity, which had come in lower than anticipated and it was assumed that this could either be a general saving due to the mild summer or that fuel had been purchased at a favourable price when it was available. Debbie Holland/Janet Hemmant said they would look into this issue further but doubted that it was a permanent saving.

On the Balance Sheet, page 47, Peter enquired why Trade Creditors had more than doubled in comparison to last year. Debbie Holland said she would investigate this further although it was not down to a change in accounting practices and probably a timing issue.

With regard to Eastern Enterprises Ltd Profit and Loss Account, page 79, Peter Cropley asked Debbie Holland to check on the 'Rent Receivable' entry and whether this should in fact be entitled 'Rents Received'.

c. Pensions

Janet Hemmant gave an overview of the current pensions position including a response having been received from the Actuaries. The situation was discussed and Steve McCracken suggested that they make use of the annual presentation to ask questions on the performance, prediction and implications of the underlying investments. He suggested that a small number of attendees comprised from Governors/Senior Leadership Team could attend the presentation which would give them an opportunity to ask these questions. Members agreed that pensions are a very difficult area to understand due to the language used by the Actuaries.

d. Pay Award

Janet Hemmant raised the issue of pay award and informed Members that the Senior Leadership Team were in agreement that a pay award should be awarded to staff to try and raise morale. A 1% pay award, in line with the AoC recommendation, was discussed and supported. The pay award will be effective from 1 January 2015.

5. WALSALL COLLEGE – example reports

Examples of report formats used by Walsall College have been obtained and viewed and it was agreed that a similar format would be used by Boston College. At the last meeting Members agreed that the Committee be renamed and be known as Finance and Resources Committee. This will be raised at the next Corporation meeting and their approval sought. The format of Walsall College's Human Resources report would be similarly replicated and following discussion it was agreed that future Finance and Resources Committee meetings would retain the normal finance reports and then normally alternate between Human Resources and a Premises bias. Keith Tharby would then summarise these Human Resource reports into an overall annual one which would be presented at the October Corporation meetings.

Members agreed that the next Finance and Resources Committee meeting will be the one with a Human Resources report. ●

6. PROPERTY REPORT

Janet Hemmant gave a verbal update on a number of the College's properties.

a) Engineering, Manufacturing and Technology Centre (EMAT)

A response has been sent to the LEP answering a number of queries they posed. It is hoped that an outcome on the bid will be known via the Autumn Statement however dates and processes are still not known. Janet Hemmant said she would go back to the EMAT contact and ask for some timelines and whether the decision will come from BIS or the LEP. ●

b) Peter Paine Performance Centre (PPPC)

The Astroturf is now moving ahead.

c) Sam Newsom Centre

Contact has been made with the landlord requesting renewal of the lease which runs out in 2018 but to date no response has been forthcoming.

d) Briar Way, Skegness

The landlord has been agreed to a meeting and potential dates are awaited from Grimsby Institute.

e) Shodfriars Hall, Boston

Lindum had approached the College regarding this property which has a long boarded-up theatre. The property comprises of a number of rooms and is to the rear of Shodfriars Hall. Both photographs and drawings had been viewed and Janet Hemmant and Amanda Mosek had visited the property which they thought would be a fantastic opportunity and boost to the local community should it be developed to accommodate performing arts from the PPPC. The College could not develop this on its own but would need some form of funding or grants should it be pursued.

f) De Montfort Site

Cyden Homes are progressing planning application which has been quite positively received so far. Further ground investigations are taking place on the land which is apparently not of particular good quality. Steve McCracken commented that he thought it would be useful for Cyden to provide an update periodically of developments. After discussion it was agreed that Amanda Mosek and Janet Hemmant would meet with them and they would then provide an update. ●

7. **ANY OTHER BUSINESS**

SAGE Restaurant

Steve McCracken gave feedback following a meeting he and Peter had had with Amanda and Janet and The Lincolnshire Oven people who were interested in operating from the SAGE premises. A second interested party had pulled out of the presentations due in part, it was thought, to the rateable value of the premises. Steve thought they gave a very enthusiastic and transparent presentation and after discussion it was agreed that the College would be delighted to accept their offer. Janet said she would now contact them to advise them accordingly. An email is to be sent to the Board advising them that after research and investigations it was agreed that it was prudent to take up this attractive proposition and it would be moving forward accordingly unless any other concerns were raised.

8. **DATE OF NEXT MEETING**

The date of the next meeting is 21 January 2015.