

BOSTON COLLEGE

MINUTES OF THE MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD ON 18 JUNE 2014

1. PRESENT

Mr P Cropley (Chair), Mrs A Mosek and Mr P Scarlett.

Also in attendance: Mrs J Hemmant (Clerk to the Corporation), Ms J Lau (Finance Manager), Mrs J Webb (Minute Taker) and Mr D White.

Meeting attendance: 50%

Apologies for absence were received from Mr S McCracken and Mr B Walder.

Apologies for absence were received retrospectively from Mr M Gallagher.

Committee members elected Peter Cropley to chair the meeting in the absence of Steve McCracken.

2. MINUTES AND MATTERS ARISING

The Minutes of the meeting of the Committee held on 23 April 2014 were reviewed and agreed.

Under Matters Arising Peter Cropley enquired as to what the situation was with regard to De Montfort Campus to which Janet Hemmant replied that the sale was progressing and exchange of contracts is proceeding.

The issue of supplying schools meals provision from the College's Red Lion Quarter site had not come to fruition due to a potential hirer of the kitchen being unlikely to obtain sufficient contracts in the area. It was anticipated that this would not be forthcoming in time for the start of the new academic year and therefore further thought needs to be given to use of the Sage facility in the longer term. Discussions had taken place at the Senior Leadership Team meeting identifying this as an issue to be addressed.

Phil Scarlett enquired whether the Sage facility had been marketed for commercial use and it was confirmed that it had. Janet Hemmant informed the Committee that the intention with the potential user had been to use the kitchen to provide schools meals and also provide food and washing-up facilities for coffee shop as well as meals to post 16 students on campus.

Peter Cropley enquired of Phil Scarlett whether he, in his capacity as a member of the Chamber of Commerce, was aware that the facility was on the market. Phil Scarlett replied that he had not been aware and also had doubts that others in the Spalding area were too. He said he would speak with the local agent to obtain their views of the marketability of the facility and feed back to the Committee in due course.

Janet Hemmant assured members that she would continue to pursue the matter. A great deal of investment in time and money had gone into setting up the facility and it is regrettable that the facility is now so underused.

With regard to the schools meals provision in Boston, Janet Hemmant advised

members that she is continuing to attempt to negotiate a resolution to the ongoing contract and progress appears to be being made. .

Janet Hemmant then gave an update on the Skegness property informing members that the college had been in contact with Grimsby Institute who were consulting with their own Board. It was noted that Grimsby Institute will not be able to do a deal without the express agreement of Boston College, as the two are in joint partnership, and she is awaiting contact from them with a draft letter to the landlord for consideration.

The newly introduced Action Log was reviewed and it was agreed that review of the log should appear as an agenda item in future.

At the last meeting it was agreed that Amanda Mosek provide a monthly mail shot of both the Skills Support for the Workforce Project action plan and the Single Adult Budget action plan. Amanda Mosek informed members that on reflection it was not now necessary to do this for a number of reasons. With regards to the Skills Support for the Workforce Project, funds had been clawed back from the College which resulted in the project now being back on profile to meet targets. With regards to the Single Adult Budget, the latest forecast was that the college would achieve the target although there is still an issue surrounding apprenticeships, which the College is aware of. Members agreed that the circulation of both action plans on a monthly basis was not now required unless the situation should change.

3. **Budget 2014-15**

Members received a Finance report from the Vice Principal: Corporate Services which accompanied the proposed budget for the forthcoming academic year. Members were asked to review the financial information therein and agree any comments to be passed to the Corporation at their Board meeting on 9 July 2014. Janet Hemmant informed members that the 13/14 budget had been entirely re-forecast and it is currently anticipated that the College should be in a break even position this year. Factors which could still impact on performance include the pensions valuation, accounting treatment of the Skegness lease, Single Adult Budget performance and the re-valuation of De Montfort Campus. Janet Hemmant had spoken with Martin Wright from the NatWest Bank who didn't seem to think there would be a problem with exceptional items with regard to the covenant.

Members received the proposed budget forecast. It was noted that it is not anticipated that a pay award for staff would be made this year due to the financial constraints, although Amanda Mosek hoped that if the budget shows a slight surplus this might be reviewed but would have to be non-consolidated. Amanda Mosek informed members that the situation had been discussed at this week's Senior Leadership Team meeting where they discussed a number of ways in which staff could be rewarded for their hard work which resulted in a pleasing Ofsted visit. They had decided to award two extra closure days over the Christmas period i.e. Christmas Eve and Friday 2 January 2015. The Committee fully supported this suggestion.

When asked what award was made to staff last year Amanda Mosek informed members that a small pay award was made and the Westfield Health benefits scheme had been introduced and is being maintained again this year. This is of particular benefit to those members of staff who are low paid.

If a pay award is to be made then it will be retrospective as the full financial position of the College will not be known until year end. Phil Scarlett suggested that a note is

made in the budget to this effect for this year and next. Amanda Mosek commented that staff are fully aware of the position as they have been advised via the College Bulletin and they are understanding and taking on board the need for constantly reviewing practices and making savings wherever possible. The whole sector is in the same position with some colleges faring better than others. Janet Hemmant said that pay is becoming unsustainable now in comparison with schools and it is also becoming extremely difficult to recruit staff to vacant posts.

Janet Hemmant confirmed to members that the cash-flow situation is looking reasonable for the forthcoming academic year.

A number of budget heads were discussed in detail and assurances and explanations given to members.

One of those was loan interest where clarification was sought as to how much of the loan is attached to Libor. Janet Hemmant replied that she did not have that information to hand at today's meeting. An increase in base rate would impact on the interest rate paid.

It is noted that the Peter Paine Performance Centre have been quite enterprising and are steadily increasing their income from various activities. If the sports pitches are brought up to standard then they too will increase revenue. Amanda Mosek will be noting this within her report to Corporation on the 9 July 2014.

Peter Copley commented that the Lime Restaurant revenue appears to be struggling. Janet Hemmant advised that the staff are being encouraged to look closely at cost effectiveness to improve the situation. Peter Copley made comment that he had known of potential bookings not being made as there appeared to be an issue with voicemail messages on the booking line not being responded to or even being able to get through on the line. Amanda Mosek assured him that the line had been checked by the IT department and there appeared to be no issues, however she would personally look into the matter and try and identify what has been happening.

Phil Scarlett noted that the Halls of Residence had not done as well this year as last and enquired as to the reason why. Janet Hemmant responded by saying that in previous years the College did have an arrangement with the National Citizenship Service who used the facility during the summer recess. This had been exceptionally successful however this year they are not coming and it appears they may well have looked for larger provision, perhaps in a city as opposed to a small market town. The situation is disappointing as the arrangement was a good source of revenue.

Amanda Mosek informed members that managers are becoming more accountable and knowledgeable of their designated budgets which are being monitored through regular performance monitoring, which is good practice. Savings are being made wherever possible. Members noted that a culture change is taking place and the college is achieving results.

Administration staff pay costs remain far too high at the college and Amanda Mosek assured members that this is being worked on. Staff vacancies are not automatically recruited to and capacity in other departments is being looked at to try and back-fill wherever possible. Bearing this in mind the college is also trying to protect the service the learners receive so that it does not impact upon them.

Amanda Mosek informed members that the college is trying to increase its income i.e. HE income, 14-16 direct enrolment and apprenticeships and these issues were

discussed at yesterday's wider group Senior Leadership Team meeting, where a visionary approach was taken. It is noted that sometimes there needs to be investment in order to increase provision and, ultimately, income.

Peter Copley enquired if there were any comments to be made to the Board on the draft budget. As none were forthcoming the budget will be presented to the full Board at their meeting on 9 July 2014.

Peter Copley asked that it be noted that the next couple of years will be difficult but then hopefully the situation will improve, again this is dependent upon any government changes.

4. **Finance Manager**

Janie Lau informed members that this was her last Finance and General Purposes Committee meeting before she moves on.

5. **Date of next meeting**

The next meeting of the Finance and General Purposes Committee is scheduled for 22 September 2014.