

# BOSTON COLLEGE

## MINUTES OF THE MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD ON 18 NOVEMBER 2013

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### 1. PRESENT

Mr S McCracken (chair), Mr P Cropley, Mr M Gallagher, Mrs A Mosek and Mr C Simpson.

Also in attendance: Mr P Collins (Director of Business Development), Mrs J Hemmant (Clerk to the Corporation), and Ms J Lau (Finance Manager).

Apologies for absence were received from Mr P Scarlett and Mr B Walder.

### 2. MINUTES

Having received the Minutes from the 23 September meeting at the last meeting of the committee members considered matters arising from these Minutes.

- a) A meeting would be taking place with the bank in week commencing 25 November to discuss the overdraft facility.
- b) There was no further movement on the possible VAT saving which had been discussed and it was looking unlikely that this would prove to be a benefit to the College since it related to a specific circumstance in another college.
- c) The funding software from the Skills Funding Agency is still not working and the College was having difficulty in operating as a result. The Association of Colleges had written to the Skills Funding Agency expressing its concerns about the delay which all colleges were finding frustrating.
- d) The split of space requested in respect of the property strategy was not available.
- e) An update on the latest position on the Skegness lease was provided but it was noted that there had not been any real movement at this time.

The committee noted that minutes for the meeting held on 6 November 2013 were not yet available for review.

### 3. FINANCE

#### a) September 2013 Accounts

Members received a report from the Vice Principal: Corporate Services on the first set of accounts for 2012-13. It was noted that the overall College position was generally ahead of expectations. There were some concerns about the slow start to a European Social Fund contract although this was anticipated to improve later in the contract period.

Members were advised that qualifications on the contract were now beginning to flow and that there would be no clawback before January 2014. Most of the money received for this ESF contract was going through to partners and the contract has a steering group which includes the Skills Funding Agency. Paul Collins and Amanda Mosek confirmed that every effort was being made to get this contract on track and that it could not be monitored any more closely than it was at present. A discussion took place about the possibility of the contract being £200,000 - £250,000 adrift at the end of the financial year.

Members raised a number of queries about the accounts:

- Food sales income was noted to be well below budget including income from the Lime Restaurant. Members were advised that at the quarterly performance management meetings this will be discussed with the Head of Catering although it was felt that it might be necessary to look into this more urgently. The committee asked that the Vice Principal: Corporate Services should look into the performance on the food sales and provide further information as soon as possible and that at the next meeting of the committee a paper on Catering performance should be presented.
- A discussion took place about the performance of the overseas tuition fees budget heading and Hall of Residence income were again profiling would seem to be an issue. Members asked that areas which were showing profiling discrepancies should have more narrative provided for presentation to the Corporation.
- There was some general concerns about the phasing of the budget and the Vice Principal: Corporate Services was asked to email information to committee members about the specific points raised phasing needed to be incorporated within the report provided.
- The committee reviewed the balance sheet cashflow and debt collection information provided as well as the accounts for Eastern Enterprises Limited and Performance Indicators and noted in particular that cash performance was better than had been anticipated giving a low point in cash reserves which was significantly higher than in the original budget forecast.

b) Draft Annual Accounts 2012-13

Members reviewed draft accounts presented for 2012-13. It was noted that the College's original budget had been set with a historical cost surplus of £159,000 and that the actual performance had produced a historical cost surplus of £57,000 which compared with a loss of £508,000 in 2011-12.

The significant elements contributing to this final position were noted to be performance against the single adult budget, staff restructuring costs and an increase in the charge related to FR17 compliance. The committee noted that the result had turned out as predicted at the Corporation meeting in October 2013.

A discussion took place about the contents of the annual accounts. A point raised by Steve McCracken was about the reference to governors expenses since governors did not generally have expenses covered. Members were advised that new governors were provided with expense claim forms because a lack of expenses was felt to be an equality and diversity issue. It was agreed that the note in the accounts on this point should be redrafted for review by the Search and Governance Committee.

#### **4. RED LION QUARTER**

Members received a report from the Director of Business Development about performance at the Red Lion Quarter. Paul Collins advised that the recent Open Evening had had 200 attendees with interest being expressed across a range of curriculum.

The performance of the Sage café was considered and it was noted that the café was close to covering its direct costs and it was anticipated that its earnings would exceed

the direct costs once it was able to provide food as well. The committee agreed that when food was offered it was necessary to ensure that all of the production costs were covered and that the performance of the café was closely monitored. Once food sales were in place it was anticipated that the café would be able to move to making a more general contribution.

The financial performance of the Centre was reviewed and it was identified that the casual letting figures quoted did not appear to be comparing like with like. The Vice Principal: Corporate Services was asked to include information about this item in the further details being sent to committee members. ●

Consideration was given to future reporting arrangements and the committee agreed that it still wanted to maintain separate reporting on the Red Lion Quarter. ●

## **5. DE MONTFORT CAMPUS**

Members received information from the Vice Principal: Corporate Services on the negotiations with a potential buyer for the De Montfort campus.

Drafted Heads of Terms were considered in detail particularly the definition of the sort of planning permission which would be required. Information which had been obtained from the Borough Council was agreed to be shared with Savills on a confidential basis not to be shared with the potential buyer but gave a positive view of the planning process for the site. There was a clear steer to use the pre application process. Members agreed that the potential buyer should be obligated to appeal if their planning application was turned down and it should be made clear that all planning and appeal costs rested with the potential buyer and also that a long stop date for agreement with this party should be defined.

It was agreed that the Heads of Terms needed to be revised by Savills as discussed and circulated to members of the committee for further consideration and approval. ●

## **6. NEXT MEETING**

It was noted that the next meeting of the committee would take place on 22 January 2014.