

BOSTON COLLEGE

MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE HELD ON THURSDAY 23 JANUARY 2013

1. PRESENT

Mr S McCracken (chair) Mr P Cropley, Mrs L Ladds, Mrs A Mosek, Mr B Walder and Ms S Richards (observing)

Also in attendance: Mrs J Hemmant (Vice Principal: Corporate Services), Mr P Collins (Director of Business Development) and Mr S Stanley (Finance Manager).

Apologies for absence were received from Mr M Gallagher.

2. MINUTES

The Minutes of the meeting held on 14 November 2012 were accepted and approved.

Members were advised that a meeting had taken place with the bank about the covenant, there was no news yet on the view the bank was taking about the breach of the covenant. It was agreed that if the College had not heard anything by 31 January the bank should be approached for a response.

In respect of the discussions which had taken place about Eastern Enterprise's role in the letting of the business units at the Red Lion Quarter, members were advised that advice had been received from Baker Tilly and that it was necessary for the College's legal advisors to set up a formal agreement between the College and the company, this was currently in hand. It was confirmed that the existing Company Directors were comfortable with the current position and it was agreed that following receipt of the legal advice, the arrangements should be further considered by the Corporation. It was noted that the reconciliation of rents and service charges with South Holland District Council had still not been resolved by the Council. It was agreed that the College should calculate the reconciliation, which was expected to result in a debt from the South Holland to the College itself, and to raise an invoice on 7-day terms once this had been done.

It was noted that the works at the Red Lion Quarter to convert space into Hair and Beauty facilities was nearing completion and it was confirmed that Thornton Firkin had done a cost report demonstrating that the cost of the work was fair.

3. FINANCE

Members received a finance report from the Vice Principal: Corporate Services together with Management Accounts for both November and December 2012 and also a set of December 2012 Accounts in the proposed new format.

A discussion took place about performance against budgets and the impact of changing funding allocations on this. A particular focus was the variation in forecast tuition fees. Members were advised that the setting of tuition fees budgets was particularly complex because of continual changes to the funding methodology

impacting on which learners had to pay fees and also the economic climate which affected numbers falling into the fee remission categories. It was noted that where learners were not required to pay fees because of the funding policy the College received money from the Funding Agency instead to make up the shortfall so there was some balance in between the two budgets. International fees were noted to be lower than anticipated but members were advised that there had been a change to the way of reporting this where administration fees were no longer being credited to the tuition fees budget. It was agreed that a note on the impact of this reporting change should be included in future accounts.

Members discussed the impact of the changed ways of producing the College budget and whether these were having the desired effect and the Principal advised the committee that she felt that, whilst it cannot be expected to be perfect in the first year, significant progress was being made.

Members considered the new format of accounts which were felt to be an improvement and it was agreed that the College should continue to produce these in the period up to the next meeting for further review.

4. PROPERTY

Members were advised by the Vice Principal: Corporate Services of progress on the property developments where many of the significant works were nearing completion. From the grant funding allocated the most significant items still to be completed were the new library building and consequential alterations on the Rochford Campus which would take place over Summer 2013.

Members were advised that there was a further round of funding coming up which, for the Enhanced funding, would offer opportunities for works costing from £3m upwards and that the base funding allocated proposed to Boston College was £110,000. It was noted that all of these would normally be on a matched basis and the committee agreed that at the present time the College had no funds with which to match.

A discussion took place about the possible purchase of land from Boston Grammar School and members considered the area of land on which they wished to make an offer. It was agreed that an offer should be made to the Grammar School for an area of land near to the College Diner and also for the former tennis court area of the school which would be useful to the College as an extension to the parking area freeing up space elsewhere. The level of the offer to be made was agreed.

Members received an update on the position of the Skegness lease where a European Funding Bid was being submitted for alternative use of the premises.

5. RED LION QUARTER REPORT

Members received a report from the Director of Business Development on the Red Lion Quarter. A discussion took place focussing on the marketing of the letting units and potential use of the Sage Restaurant. The committee was anxious to see the Restaurant brought back into use with some priority being continuity and quality which potentially an identified agent could assist with. A query was raised on the treatment of depreciation of the Red Lion Quarter accounts and it was agreed that this should be reviewed.

6. PARTNERSHIPS

Members received a report from the Director of Business Development of partnerships for 2012-13.

A confidential discussion took place about one of the partners where the College had concerns and where the partner was keen to explore different models of working. The discussion focused on the level of work being carried out by the partner and risks to the College if the partnership failed since the partner's work did not from the accounts appear to be viable. The committee noted that the partner provided training in an area which was of significant interest to the College and it was agreed that a paper should be put together on the risks involved in this partnership and options on future working arrangements.

7. PENSIONS

Members were advised that there was a document out for consultation on the future government pension scheme arrangements and that further information would be provided in due course.

8. NEXT MEETING

It was noted that the next meeting of the committee would take place on 23 April 2013.