

BOSTON COLLEGE

MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE HELD ON THURSDAY 24 APRIL 2013

1. PRESENT

Mr P Cropley, Mr M Gallagher, Mrs L Ladds and Mrs A Mosek.

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 S McCracken and Mr B Walder.

In the absence of the committee Chair, Peter Cropley chaired the meeting.

2. MINUTES

The Minutes of the meeting held on 23 January 2013 were accepted and approved.

It was noted that the Red Lion Quarter rents had been paid by South Holland District Council but that the queries over some remaining invoices had not been resolved. Members were advised that the sums outstanding for resolution were not significant.

A discussion took place about the partnership which had gone into administration and members were advised that a draft novation contract was waiting to be completed. This contract would cover the transfer of all rights between the partner in administration and the new company succeeding it.

3. FINANCE

a) Financial Performance

Members received a finance report on the College's financial performance with accounts to the end of February 2013 in both the original and revised formats and a set of accounts to the end of March 2013 in the original format. Members looked at the format of accounts and decided to defer a decision on the format to be taken forward until the next meeting of the committee.

Members reviewed the accounts and noted that there was further work to be done on both the income and expenditure forecast and on the cashflow forecast. The College's position at the end of March was noted to be largely in line with its forecast position. Members noted the performance against Key Performance Indicators and the covenant.

In his absence from the meeting Mr Walder had sent for the information of the committee comments on the accounts which included comments on the cashflow forecasting. It was agreed that cashflow should be specifically looked at as an agenda item at the next meeting of the committee once it had been more fully modelled.

Members were advised that the funding from the Education Funding Agency and the Skills Funding Agency had now been confirmed and the differences year on year were highlighted.

The committee was advised that there was a potential improvement in the College's VAT position which was being examined following an HMRC decision in respect of another College. Work was proceeding to see if reserving the College's position pending any further appeal by HMRC would be worthwhile. Advice had been taken from Baker Tilly on this point.

The contents of the committee's report to the Corporation on the accounts was agreed.

b) Financial Regulations

Members reviewed amendments to the Financial Regulations as proposed and agreed that these should be implemented. Particular note was taken of the removal of former regulation 14.2 regarding the submission of a report on the extent of stocks and stores written off and disposed of during the year which had been taken out because there has historically been no real volume of stock or stores being written off by the College.

4. RED LION QUARTER

Members received a report from the Director of Business Development on performance at Red Lion Quarter. A discussion took place about the late payment of rent by some of the tenants and in particular one tenant who was failing to respond to the College's communications. A query was raised about whether the College took Directors guarantees on rents where the tenants were limited companies and it was recommended that in future they should do so.

A discussion took place about the challenges being faced by the centre and particularly about the building maintenance issues which were arising out of the very complex building management system.

A discussion took place about the future use of the Restaurant and the College was asked to examine further the options which might be pursued if it proved to not be possible to let the restaurant.

It was noted that the Red Lion Quarter had recently had a successful launch of the Hair and Beauty facility and the Food Heritage display in the entrance area. It was agreed that the Red Lion Quarter report should include comment on Food Heritage in the future.

5. PROPERTY

Members received a report from the Vice Principal: Corporate Services on property developments. It was noted that the Skegness premises had been referred to an agent to seek a tenant but that Grimsby Institute had asked if the College would be interested in looking at the possibility of receiving a sum from GIFHE to buy GIFHE out of the lease. The committee felt that there was nothing to be lost by talking to

GIFHE and it was agreed that they should be asked to elaborate on their suggestion.

Information was provided on options and issues facing the College in determining future development of its property and it was agreed that a half day meeting of the Property Steering Group should be scheduled to give this matter full consideration.

8. NEXT MEETING

It was noted that the next meeting of the committee would take place on 19 June 2013.