

BOSTON COLLEGE

MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE HELD ON THURSDAY 14 NOVEMBER 2012

1. PRESENT

Mr S McCracken (chair) Mr P Croyley, Mrs L Ladds, Mrs A Mosek.

Also in attendance: Mrs J Hemmant (Vice Principal: Corporate Services) and Mr S Stanley (Finance Manager).

Apologies for absence were received from Mr B Walder.

2. MEMBERSHIP

Members noted that Robert Haynes had resigned as a member of the Corporation therefore there was a vacancy on the committee. The committee was keen to see this vacancy filled and if possible to extend the committee's membership. It was agreed that an approach should be made to Mick Gallagher to see if he would be interested in serving on the Finance and General Purposes Committee.

3. MINUTES

With the exception of one typing correction the minutes of the meeting held on 4 October 2012 were accepted and approved.

It was noted that the queries raised about the Local Government Pension Scheme had been followed up and that the valuation to be carried out in 2013 should offer a better representation of the fund position since it will take into account the changes to the pension scheme which are being introduced in 2014. Information on a sector survey of pension scheme deficits was circulated to members and note was taken of the College's position in relation to these.

4. FINANCE

Members received a report from the Vice Principal: Corporate Services on the College's accounts.

Consideration was given to the accounts to the end of September 2012 and the committee's report to the Corporation was completed. It was noted that the College was working on the preparation of a new format of accounts. Members reviewed the proposed new format in outline and agreed that further work should continue on these.

It was noted that the Restaurant in the Red Lion Quarter had continued to operate at a loss which had been exacerbated by the announcement of the Restaurant's closure and it was agreed that consideration should be given to whether this loss could be charged back to the 2011-12 accounts since prior to the year end the decision had been made to close the Restaurant. It was noted that a settlement of the final rents and service charges for the Red Lion Quarter had not yet been received from South Holland District Council despite reminders. Note was taken of

the fact that reporting on the Red Lion Quarter performance was going to the Corporation and it was agreed that reporting on financial performance should be sent to the Finance and General Purposes Committee prior to the Corporation so that the committee has a chance to comment on this.

Members were advised that Eastern Enterprises Limited was to undertake a role in the letting of the business units at the Red Lion Quarter and members expressed concern about how this would be managed and the implications for the directors of the company. It was agreed that an action plan for Eastern Enterprises needed to be developed and that Baker Tilly's advice should be sought on the best way to set up the company arrangements to achieve the outcomes desired. The College was asked particularly to look at insurance implications for members of staff acting as Directors of the company and the committee requested that further consideration be given to whether it was appropriate for the company to have only Directors who were employed at the College or whether it might be appropriate for Corporation members to be further involved. It was agreed that these issues needed to be resolved by 31 December at the latest.

Consideration was given to the draft annual accounts and note was taken of the loss incurred in 2011-12 and the movements which had taken place since the July Corporation meeting which had changed the outcomes from the forecast presented at that time. It was noted that there was still a few minor alterations to be made to the accounts.

The committee was advised that there have been a number of difficulties in the completion of the accounts this year and that considerable support had been required from the auditors as a result.

It was noted that the Audit Committee had given consideration to the annual accounts and had specifically asked that the Finance and General Purposes Committee should express a view on whether further commentary on the valuation adjustment for the De Montfort campus should be included. The committee agreed that the commentary should refer to the fact that the College had acquired the campus at zero value and that its value in the accounts was reflected in the revaluation reserve.

It was noted that following signature of the accounts a meeting was to take place with the bank about performance against the covenant and it was agreed that it would be helpful if the Chair of the Audit Committee was able to attend this meeting or, failing that, if the auditors could attend the meeting.

The committee received a copy of the College's Budget Setting Procedures for the coming year and it was agreed that these should be passed for information onto the Corporation.

5. PROPERTY

Members received a verbal report from the Vice Principal: Corporate Services on the latest position with regards to property developments. Information was circulated on the latest marketing position for the De Montfort campus as provided by Savills.

Members were asked to note that it was proposed to complete the design of the Red Lion Quarter alterations to form the Hair and Beauty salons by engaging with a builder to produce a cost effective solution to delivery of the plans. It was noted that

the College would receive cost advice from a specialist advisor before proceeding with the development.

6. PARTNER DELIVERY

Members were advised that one of the College's partners was challenging the amount of funds retained throughout the year and asking that these should be released. Members felt that whilst there was no inclination to agree to this request the partner should be asked to submit recent accounts to see if this changed the College's view on it.

7. DATE OF NEXT MEETING

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