

**B O S T O N C O L L E G E****MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON  
16 APRIL 2018**

---

**1. PRESENT**

Steve McCracken (Chair), Peter Cropley, David Earnshaw, Mick Gallagher, Jo Maher, Gerry Tawton and Nick Worth.

Also in attendance: Janet Hemmant (Clerk to the Corporation), Debbie Holland (Head of Finance), Karen Whitton (Head of HR), Simon Holden and Hugh Avison (item 1 only)

Apologies for absence were received from George Harrison.

The chair welcomes David Earnshaw to his first meeting of the committee

Attendance 100%

**2. EMAT CENTRE**

Members received a presentation from Hugh Avison of CPMG and Simon Holden of Thornton Firkin on the plans and costs relating to the development of the EMAT Centre.

Hugh showed the latest designs and layout for the centre which the committee was happy with. A discussion took place about how the spaces might be used and the likely M & E provision in the building. The committee noted the planner's response to the design had been very positive. Hugh confirmed that the acoustic standards in the building were likely to be higher than most and that plans for the steelwork and other features recognised the coastal environment in which the building would be set. A discussion took place about the length of the planning process.

Simon Holden presented a timetable for delivery of the project including submission of further information to Greater Lincolnshire LEP for confirmation of the grant and the implementation of the build. Thornton Firkin are confident that the timetable is achievable but that there could be unforeseen issues which would impinge upon it. It was noted that one constraint on the timetable was the need to get the piling completed around the October half term and a discussion also took place about the possibility of a delay relating to archaeology.

Simon presented costs for the project as estimated and a discussion took place about these. The College was asked to look at the possibility of setting up a company to recover the VAT on the building. The committee noted that there were some concerns about both the unknown elements of the cost and the timescales.

**3. ACTION LOG**

Members reviewed the committee's action log and noted that there were no outstanding items.

**4. MINUTES**

The Minutes of the Meeting held on 5 February 2018 were reviewed and approved.

## 5. FINANCE

Members received a report from the Head of Finance on the accounts to February 2018, 2018-19 funding and funding agency feedback on the College's financial health.

The report introduced an alternative presentation format for the accounts and the Chair explained that this format was likely to be welcomed by other members of the Corporation. It was agreed that since Gerry Tawton is likely to be Chair of the committee in 2018-19 he would review the format and circulate any comments he had so that the committee was able to confirm a decision on whether to introduce a new format at the next meeting.

Members of the committee discussed the alternative format and Nick Worth commented that he had been used to working on higher level reporting which had been useful whilst still being able to look at the detail if required. Peter Cropley confirmed that almost all of his queries on the old format accounts were covered in the new version and that his main concern was whether members would know what questions to ask about the accounts.

Jo Maher explained that the Senior Leadership Team now formally meets and reviews financial performance. This will continue and will flag up issues. She reminded the committee that any change to the presentation to the accounts could be a hybridised version and it was not simply a straight choice between the 2 formats of accounts. Peter Cropley pointed out that members are ultimately responsible for the College's financial position and they might have points of concern which were not picked up by the Senior Leadership Team. Steve McCracken commented that the new Vice Principal: Corporate Services wouldn't have any input on the accounts presentation at this point but that the format itself did not affect control.

Peter Cropley confirmed that he liked the new presentation format but suggested that members could ask to see the more detailed version and Jo Maher suggested that the full set of accounts should be presented in period 3 and period 6. It was agreed that the committee would discuss this further at the next meeting after receipt of Gerry Tawton's comments.

Looking at the detail of the accounts Peter Cropley queried an increase in cost of security and it was confirmed that this related to new contracted security. Gerry Tawton asked about the reduction in the advanced learner loan bursary for 2018-19 and it was confirmed that this reduction was being queried but since it is money received and paid out to learners, it has no impact on the income and expenditure account.

Steve McCracken queried whether there was likely to be any further shift in the year end position. Jo Maher explained that it all comes down to AEB performance. She explained that there was an option to reduce the allocation from the agency by £100,000 and that another possibility being looked at was apportioning some of the cost for development of work placements into this year.

Analysis had been done on the impact on calculated financial health of investment in the EMAT centre but it was clear that the level of the College's surplus was more significant in determining financial health. The committee was advised that financial health was likely to drop to good which would not be regarded as an issue by the agencies since it was due to investment but that the College would be looking to recover to outstanding next year. Steve McCracken confirmed his understanding that movement on the balance sheet didn't affect financial health.

Peter Cropley asked if it was too late to recover against the shortfall in 16-18 performance against target. It was confirmed that this was the case since it was September recruitment that was crucial to this performance.

The committee considered arrangements for the annual review of budget planning which would be open to other members of the Corporation to attend as a CPD event. It was confirmed that this meeting would take place on Monday 21 May.

## 6. **PENSIONS**

Steve McCracken advised that he and the Vice Principal: Corporate Services had attended the annual employer meeting of the local government pension scheme. At the meeting it had become clear that some organisations were causing difficulties in administration of the scheme and penalties will be introduced.

Jo Maher advised the committee that Julian Gravatt had raised the question of Boards looking at options for controlling pensions costs. It was noted that changes such as operating through a subsidiary company tended to impact negatively on staff morale and culture. It is not something which this College proposes to do at this moment in time.

## 7. **ADULT EDUCATION BUDGET SUB-CONTRACTOR PERFORMANCE**

Members received a report from the Director of Business Development.

Members reviewed the performance of sub-contractors and Gerry Tawton asked for additional information about the shift in allocation between Construction Skills and Skills UK which was provided. It was noted that GB Training were asking for an increased allocation next year.

Jo Maher advised the committee that much earlier decisions were being made on the levels of work being done through partners and it was being closely monitored. She advised the committee that if £100,000 of AEB funding was given back it would be largely due to reduced ESOL enrolments affecting College performance.

## 8. **VAT ON SUB-CONTRACTING**

Members received a report from the Vice Principal: Corporate Services on an issue which had been identified in FE Week about the potential recovery of VAT on sub-contracted work. The contents of the report were noted.

## 9. **HR REPORT**

Members received a report from the Head of Human Resources.

Karen Whitton outlined the content of the report and explained how Management actions to deal with issues were identified within it. A discussion took place about the impact of the National Living Wage.

David Earnshaw left the meeting at this point.

Jo Maher advised the committee that there was a need to look forward to address the impacts of the National Living Wage with the cost in 2018-19 being roughly £14,000. The College is not able to address structural impacts until at least 2019-2020.

Steve McCracken asked whether further information should be provided for the Board and Jo Maher confirmed that she would run through this as one of the issues when presenting the budgets. The budget was likely to be very tight for next year.

A query was raised by Nick Worth about the increase in back related illness and if there was a particular problem. A review of the detail identified that this was affecting a number of staff but there was no pattern to it.

Gerry Tawton queried the fact that the College was forecasting a higher level of sickness absence than the AoC average. Jo Maher advised that the College was looking at a number of ways to address this including wellbeing developments.

#### **10. STUDENT UNION ACCOUNTS**

Members received a report from the Vice Principal: Corporate Services presenting the Student Union accounts for 2016-17 which were noted.

#### **11. SPALDING**

Members received a report from the Principal on developments in Spalding and a planned meeting with South Holland District Council. A discussion took place about the potential to rebrand the offer in Spalding and to raise the profile. It was noted that there was capacity in Spalding for HE development and the College would be undertaking a number of activities to raise its profile including attending the Chamber of Commerce meetings.

#### **12. OFFICE FOR STUDENTS**

Members received a report from the Principal outlining the arrangements for Office for Students registration which were noted by the committee. It was also noted that there was a cost of £20,000 related to this which will be included in the 2019-20 accounts.

#### **13. VALIDATION PARTNERS**

Members received a report from the Principal on the approach to validation taken by the existing HE partner.

A discussion took place about opportunities to progress the College's HE offer and Jo explained the options which were being explored. It was agreed that a follow up paper would be presented to the next relevant meeting. ●

#### **14. GDPR ACTION PLAN**

Members received a report from the Data Protection Officer on the implementation of the action plan progressing towards compliance with GDPR requirements.

Jo Maher explained that sharing information through the Collaboration was proving useful. It was noted that a draft agreement for Governor information had been produced and it was suggested that a short training activity which had been undertaken by College Managers would be useful to governors. It was agreed that the link to this training should be circulated. ●

#### **15. DATES OF MEETINGS**

It was noted that the next formal meeting of the committee would take place on 18 June 2018 with the informal budget meeting taking place on 21 May 2018.