

BOSTON COLLEGE

MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE HELD ON TUESDAY 23 JANUARY 2007

1. PRESENT

Mr S McCracken (in the chair), Mr P Cropley, Ms S Daley and Mrs L Ladds.

Also in attendance Mrs J Hemmant (Clerk to the Corporation), Mr C Bradford (Deputy Principal) and Mr N Walford (Finance Manager) - item 4 only.

Apologies for absence were received from Mr C Baron, Mr R Haynes and Mrs P Smith.

2. PROPERTY

Members received a report from the Director of Corporate Services and a presentation from Mr Greham Raynham of Nightingale Associates on the latest position on the property development proposals. It was noted that the College's property strategy had been reviewed at national level and was regarded as acceptable as a basis of a capital bid.

Mr Raynham outlined to committee members progress which had been made since the last report made to governors and indicated a time scale for further activities to be undertaken. It was noted that Modus were likely to be dealing with the acquisition of the site the College were interested in acquiring since it was felt that they were best placed to do so given the timescales. The committee agreed that it was important that the College should have appropriate legal advice for this specific transaction and that legal advisors should be put in place immediately to deal with the creation of the necessary back-to-back agreement on the purchase of the site and later transfer to College ownership. Some discussion took place about the application for planning consent and how this might be received particularly in the light of recent negative comments from the Environment Agency about flood risks in the Boston area. It was noted that the College was also going to need to identify parking arrangements for staff and students and that positive indications had been obtained from the Learning and Skills Council about the possibility of acquiring land for such purposes with grant funding. This matter was being pursued further.

The committee gave consideration to the way in which media communications would be handled on a project of this scale and felt that it might be appropriate for a professional communications advisor to be retained. It was agreed that some suggestions for appropriate firms to be considered to tender for this work should be referred to the College.

Mr Raynham indicated that a number of other requirements for advice had been identified in addition to legal support and architectural input in particular for archaeological issues, assessment of environmental impact and VAT. It was agreed that an estimated fee schedule for the short and medium term costs should

be put together to establish how much the College would need to expend and how much of it was likely to be recoverable.

It was noted that the project was still on schedule for completion in Summer 2010.

3. MINUTES OF MEETING 20 NOVEMBER 2006

The Minutes of the meeting held on 20 November 2006 were received and approved.

4. FINANCE

Members received a report from the Director of Corporate Services on the accounts to the end of November 2006. Additional information was provided about pension funding following discussions at the previous meeting of the Finance and General Purposes Committee and it was agreed that other than ascertaining from the actuaries the age projections for death of pensioners further information would not be required at the present time nor would attendance of the actuary at a meeting of the committee.

In reviewing the accounts in some detail a number of concerns were identified about the College's performance in the current year. Specific areas of concern identified were:

- a downturn in International fees for recruitment from the Asian market
- increased staff costs which were currently being reviewed in some detail by the College and for which new central control mechanisms had been introduced. It was agreed that an analysis of the impact on the College's performance of these and other downturns in performance should be provided to governors.

The committee reviewed details of the College's balance sheet and profit and loss account and agreed that in future an adjusted version of the profit and loss account should be used which showed the LSC income on an even receipt basis rather than the variable phasing in which cash actually is paid to the College.

In reviewing the debt collection performance of the College members expressed some concern about the number of debts outstanding for 120 days and it was agreed that information on how many of these debts had now been settled should be collated and circulated to members.

The contents of the committee's report to the Corporation were agreed.

5. FUNDING AND FRANCHISING

Members received a report from the Principal on the College's performance against LSC funding allocations and franchise contracts. Detailed information was provided on the number of 16-18 year old learners and adults who had been recruited together with the funding generated by these enrolments. The committee was advised that it was possible that some additional funding might become available for

the over-recruitment of 16-18 year old full-time learners which the College had achieved for 2006-07.

6. NEXT MEETING

It was noted that the next meeting of the committee would take place on Tuesday 23 April 2007.