



**MINUTES OF THE MEETING OF
THE ADMINISTRATION & FINANCE COMMITTEE**

Date: Thursday 23rd June 2016
Venue: The Blackpool Sixth Form College
Room: Committee Room
Time: 1730-1830pm

Mission Statement: *"Inspiring Learning, Developing Mind and Character, Building Your Future"*

Present: Jodie Trembles (Chair)
 John Boyle
 Jill Gray
 Murat Cobandag
 Michael Waterhouse
 Debbie Taaffe

Together with: Alan Lloyd (Vice-Principal Information Systems and Resources)
 Lindsay Gates (Head of Finance)
 Amanda Crumblehulme (Head of HR)
 Sue Hawitt (FCAT-Governance Administrator)

Apologies: There were no apologies

Action

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| 56.2016 | <p>Preliminaries
 John Boyle welcomed everyone to the meeting, especially Amanda Crumblehulme, her first meeting as Head of HR.
 He also congratulated Murat on receiving the Student of the Year award.</p> <p style="text-align: center;"><i>Jodie Trembles(Chair) joined the meeting</i></p> |
| 57.2016 | <p>Declarations of Interest
 None declared</p> |
| 58.2016 | <p>Consideration of any items of urgent business.
 No urgent business to consider</p> |
| 59.2016 | <p>Confirmation of Quoracy
 It was noted the meeting was quorate</p> |
| 60.2016 | <p>Minutes of the meeting held on 14th March 2016
 The minutes of the meeting held on the 14th March 2016 were approved.</p> |
| 61.2016 | <p>Matters arising from the minutes not covered elsewhere on the agenda</p> <p style="padding-left: 20px;">a) EFA Funding Formula protection-(item 50.2016 from previous minutes) confirmation this is now included future forecasting reports</p> |

b) **FRS 17-** (item 50.2016 from the previous minutes) confirmation liability and reserve has been added to the balance sheet

62.2016

Management accounts for the period ending 30th April 2016

Directors considered the management accounts for the period ending 30th April 2016 (paper 7.1) The Head of Finance reported that the surplus was healthy, she went onto explain academic costs are under reforecast to date by £36K. This is due to the variation of spend throughout the different departments. It is expected that department spend will move closer to the budget in the final term.

Questions

Asked about the payment of bank interest the Head of Finance confirmed that bank interest receivable is now included on the £2.5m deposit held in the 32 day notice account on a monthly basis.

In response to a question about a title on the second graph on page 7 of the report the Head of Finance agreed to add a title to the report

D1:Resolved: Received the management accounts for the period ending 30th April 2016

D2:Resolved: to recommend the management accounts to the Corporation for approval

LG

63.2016

Draft budget for 2016-17

Directors considered the draft budget for 2016-17 (papers 8.1, a, b, c, d and e) The Head of Finance discussed the commentary (paper8.1b) highlighting that staff costs reflect the current business plan for both teaching and support staff, with a commitment to save £155k on the costs linked to the business plan, she explained that these savings are expected to be achieved through natural wastage.

She went onto explain that the financial objective to maintain loan balances at 40% or less has become difficult to achieve in times of decreasing funding, however this target is linked to Area Based Reviews.(ABR)

Questions

In response to a question about ABR target of 40% JB explained to Directors that, the Education Funding Agency (EFA) has produced a criteria to test institutions on future sustainability.

The college had previously set a target internally of 50% but should reconsider this in light of the EFA criteria.

He then highlighted that the income and expenditure reserve and the strength of the balance sheet after FRS17 of the college is a strength which can be used in response to the ABR to justify a target different to the EFA criteria of 40%. In light of the continuous history of operating and cash services of the college 45% may be a better target.

In response to a question about whether the targets should be set as individual targets of the college or set by the ABR criteria, a discussion followed and it was agreed these targets should be the individual targets of the college and to change the current target in the report to 45%

LG

It was noted that Directors need to be mindful that the college are maintaining positive minimum income and expenditure reserves. At the moment this stands at 100%. 25% would be considered as good practice Directors asked the Head of Finance to consider the implications of this for the next meeting.

Asked about the surplus, it was noted that charities and not for profit organisations cannot continually build reserves without a reason, it was recommended by JB that the college have a reserves policy.

Directors agreed JB, JT, JG and LG will formulate a resolution and agree a policy on 4th October 2016 at the next Admin and Finance meeting.

It was noted that subject to adding in 25% as a positive minimum income/expenditure reserve Directors agreed the draft budget

It was noted that ratios are not included in the Statement of Comprehensive Income (paper 8.1d)

In response to a question about staff cover costs relating to the Teaching School in the future, it was noted that there is only a 12 month agreement in place at this present time.

Asked about EFA income of £171K it is noted in the report that, this has been allocated as Formula Protection Funding in 2016-17 with an assumption this will be removed in 2017-18.

In response to expected savings of £155K from staff costs over the course of the year, Directors asked if this has been indicated in the annual savings to specify where the costs are coming from.

Asked if savings to staff costs is in relation to the change to the curriculum offer the Principal explained that there are some departments that are currently overstaffed, however the assumption is that these will reduce over time through natural wastage and internal redeployment over the year. All roles as they become vacant are closely scrutinised to consider if a like for like replacement is needed, if any replacement is needed or whether a replacement at a lower salary level or reduced hours could be considered.

She went onto say that there have been great savings made without this impacting on staff morale and quality. The Finance panel meet every month to discuss the reductions/savings in relation to the target of £155K.

Asked about the self-assessment of Financial Health changing from outstanding to good, it was noted that the grading system is to be redesigned. The Principal explained to Directors that this is the worst case scenario, there is scope to look at entry requirements should there be a need to.

D1:Resolved: to recommend approval of the budget 2016-17 to the Corporation

64.2016 Financial Reporting Standards 102 and Statement of Recommended Practice 2015
D1:Resolved: paper received and Directors completed the training on FRS102 15th March 2016

65.2016 Health and safety report No 3
The Vice Principal Information System and Resources provided a summary of the key points outlined in the Health and Safety report No 3 (paper 10.1)

Questions

Asked about the next planned evacuation, it was noted that it would be in the Autumn term.

The Principal explained to Directors that there will be a presentation in August about the lock down procedure and the new tannoy system will be tested with staff before the students start.

First Aid Qualifications (item 51.2016 from the previous minutes) It was noted that to keep an up to date record of the number of students holding First Aid qualifications would prove rather difficult due to the fact that students access training from various sources and do not need to inform the college. As a result the figures would be inaccurate. Directors agreed to continue to record the number of staff, not students holding First Aid Qualifications on the H&S reports in the future.

66.2016 Staffing
The Head of HR provided a summary of the HR end of year update (paper 11.1) highlighting that a small number of posts are still being finalised due to ongoing recruitment, however it is anticipated that a full staff body will be in place ready for the start of 2016-17.

She went onto to say that savings have been made where possible and highlighted the reduction in leavers and the detail where roles have not been replaced.

18 flexible working requests have been supported this year out of a possible 22 and there have been significant improvements in the number of absences.

It was noted that staff leaving and returning to employment at the college is collated and put into future reports. (item 53.2016 from the previous minutes)

67.2016 Committee Performance
Clerk agreed to update the KPI's and liaise with the Chair

Clerk

87.2016 AOB
Meeting Dates
A change to the Summer term date for the Admin and Finance Committee had been noted by Directors.
Blackpool Transport Smartcard

Directors were made aware of Blackpool Transport Smartcard Travel Scheme.

It was noted that students will appreciate this improved service. It was also noted that this card can only be purchased through the college.

Area Based Review

John Boyle gave an update on the outline of the ABR process.

Directors were informed that the steering group will meet on occasion between October and February the site visit will take place on the 10th October 2016 and the final report will be received in March 2017.

Science, Technology ,Engineering and Maths (STEM) Status

The Principal informed Directors that the college had been successful in gaining STEM Assured Status.

69.2016

Review of Risks

No new risks were identified.

Date and Time of next meeting

Tuesday 4th October 5.30pm

Signed _____

Date_____