



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

**Date:** Tuesday 6<sup>th</sup> October 2015  
**Venue:** The Blackpool Sixth Form College  
**Room:** Committee Room  
**Time:** 1730hrs – 1845hrs

**Present:** Jodie Trembles (Chair)  
 John Boyle  
 Murat Cobandag  
 Jill Gray  
 Michael Hodgkinson

**Together with:** Amanda Pickup (Director of Finance and HR)  
 Alan Lloyd (Vice Principal: Information Services and Resources)  
 Kath Buddle (FCAT Governance Administrator - Minutes)

**Apologies:** Philip Welsh

		Action
<b>18.2015</b>	<p><b>Preliminaries</b>            The Chair welcomed everyone to the meeting.</p> <p>Apologies were received from Philip Welsh</p>	
<b>19.2015</b>	<p><b>Declarations of Interest</b>            None.</p>	
<b>20.2015</b>	<p><b>Consideration of any items of urgent business.</b>            None</p>	
<b>21.2015</b>	<p><b>Minutes of the meeting held on 23<sup>rd</sup> June 2015</b>            The minutes of the meeting were approved.</p>	
<b>22.2015</b>	<p><b>Confidential minutes of the meeting held on 23<sup>rd</sup> June 2015</b>            The confidential minutes of the meeting were approved with changes to one of the questions asked by a Director. The Clerk was asked to make the changes.</p> <p>The Director of Finance and HR provided an update on the matter discussed at the previous meeting which was minuted as a confidential item.</p>	Clerk
<b>23.2015</b>	<p><b>Matters arising from the minutes not covered elsewhere on the agenda</b></p> <p>a) <b>Disaster Management Plan</b> (Item 05.2015) and <b>Report on the reduction on the college's carbon footprint</b> (Item 07.2015) - The Vice Principal reported that, due to the recent changes to his current</p>	

job role, these items had been deferred to the next meeting. The Estates Manager would be updating the Disaster Management Plan in light of Prevent Strategy procedures.

In response to a question, the Vice Principal confirmed that the report on the reduction of the carbon footprint would not impact on strategy decisions at this stage.

**b) Briefing on the potential for the college to report its cash and cashflow statements as major statements of accounts (Item 07.2015)** – the Director of Finance and HR confirmed that this would be reported on later in the academic year.

**c) Record of the Committee’s responsibility in the appointment of the internal auditor (Item 09.2015)** – the Director of Finance and HR confirmed that this was included in the Audit Committee’s Terms of Reference and that this was reflected in the Finance Regulations.

The Chair of the Corporation pointed out that the college was not obliged to appoint an internal auditor and that the Terms of Reference and the Finance Regulations should be amended to take account of this.

AP (Finance Regulations Clerk (Audit ToR)

**d) Financial Indicators Dashboard (Item 10.2015)** – the Clerk confirmed that paper copies of the document had been circulated to Directors at the Corporation meeting in July 2015. Following a request, the Clerk agreed to recirculate the document to all Directors.

Clerk

#### **24.2015 Committee Terms of Reference**

Directors reviewed and revised the Committee Terms of Reference (Paper 6.1), removing items that were identified as management matters.

Asked why the Sustainability Policy was reviewed by this committee, the Director of Finance and HR explained that this fell within the administration element of the committee’s remit.

Asked if the college had a statutory responsibility in terms of reporting its carbon footprint, the Vice Principal replied that it did not.

Following a brief discussion, Directors agreed that the Committee should review the Sustainability Policy, the Health and Safety Policy and the Finance Regulations annually and asked the Clerk to include this within the Terms of Reference along with other agreed amends.

Clerk

**24.2015 D1 Resolved: to approve the Terms of Reference for the Committee for 2015-2016 with aforementioned amends.**

## **25.2015 Draft Financial Report for year ending 31<sup>st</sup> July 2015**

Directors considered the Draft Financial Report for the year ending 31<sup>st</sup> July 2015 (Paper 7.1). The Director of Finance and HR provided an update on the Report, highlighting the fact that the surplus had reduced to £797k from £850k. The main reasons for this were the depreciation charge of c£72k and the reduction in capital grant release by £15k. In addition, there had been some accruals and late invoice adjustments.

£4,400 of inherited fixed assets had been written off as agreed by Directors. Taylor Shaw, the catering contractor, had carried out renovations in the catering areas and the College had agreed to forgo its profit share for the next five years to offset this.

### **Questions from Directors**

In response to a question about Disadvantage Funding, the Director of Finance and HR explained that this was shown in Appendix 1 of the report and amounted to £712,601. The college was not required to ring fence the money. Challenged further as to how she could be sure that the money was being used appropriately, the Director of Finance and HR explained that the college had taken the approach that because students qualifying for the funding were performing at the same level as their peers, there was a sound reason to believe that the funding was being used wisely. Directors were informed that the college did have to demonstrate how it specifically used funding to support its high needs students.

Asked if Disadvantage Funding was used to finance the college's counselling service, the Director of Finance and HR confirmed that this was the case. However, the college had provided this service over a number of years prior to receiving funding from this source.

Asked about the value of the renovations by Taylor Shaw, the Director of Finance and HR reported that this was £160k.

Asked about the length of term for the contract with Taylor Shaw, the Vice Principal confirmed that this was for five years with an option to break the contract at three years. The service provided was popular with students and the changes made by Taylor Shaw in the catering areas were positive and beneficial to the college.

In response to a question about the final cashflow position, the Director of Finance and HR reported that there had been an increase of £500k over the year which had reduced the net funds at the end of July 2015 to -£1.1million from -£1.6million. Asked if this meant that the college would still be classed as 'outstanding' in terms of its financial health, the Director of Finance and HR confirmed that this was the expectation based on the calculations carried out to date.

**25.2015 D1: to receive the Draft Financial Report for year ending 31<sup>st</sup> July 2015**

**25.2015 D2: to recommend the Report for approval to the Corporation.**

**26.2015 Minor update to Finance Regulations**

The Director of Finance and HR presented a proposal to amend the Finance Regulations slightly by increasing the level of expenditure for designated signatories to £40k from £20k. This was following a suggestion from the Senior Leadership Team (SLT). Directors were made aware that the college's bank did not require a specified amount and that this was an internal check put in place by the college.

**Questions from Directors**

Asked if the college used BACS payments as well as cheques, the Director of Finance and HR confirmed that this was the case.

Asked if the online system reflected the same proposed authorities, the Director of Finance and HR explained that a different system applied for this where two categories of staff were designated to authorise expenditure.

Asked if the college had a process for checking that the system was being applied correctly, the Director of Finance and HR explained that this fell within the remit of the Bursar.

Following a brief discussion, Directors approved the increase in the level of expenditure for designated signatories to £40k from £20k.

**26.2015 D1 Resolved: to approve the increase in level of expenditure to £40k for designated signatories.**

**27.2015 Staffing update**

The Director of Finance and HR outlined the key points from the Staffing Report (Paper 9.1). The sickness absence figure had reduced overall in 2014-15, but instances of short term absence had increased. The Head of HR was raising awareness of the matter with the Leadership Team. The Principal highlighted the fact that the reduction in sickness absence was significant and well below average for the sector.

In response to a question, the Director of Finance and HR confirmed that Directors would receive staffing reports at each committee meeting, each one dealing with a different theme.

In response to a request, the Director of Finance and HR agreed to include information on numbers of staff (actual numbers and full time equivalent) and comparison data in future reports.

AP

**28.2015 Committee Performance 2014-15**

Directors reviewed progress against the 2014-15 performance indicators (PIs) for the committee (Paper 10.1).

In response to a question, the Clerk confirmed some of the actions had not been achieved over the year due to the cancellation of the March 2015 meeting due to it being inquorate.

28.2015	<p>The Clerk was asked to check that the report on affordable and fair pay and conditions for staff (PI 4.2) was received and approved by the Corporation over the previous academic year.</p> <p>The Chair of the Corporation emphasised the importance of attendance at meetings, highlighting the fact that the meeting of the Standards Board on 22<sup>nd</sup> September 2015 had also not been quorate, making it impossible to approve decisions. In response to a question from the Chair of the Corporation, Directors confirmed that the start time for the meetings of this committee (5.30pm) were suitable for them.</p> <p><b>28.2015 D1: to approve progress against the Committee PIs for 2014-2015.</b></p>	Clerk
29.2015	<p><b>Committee Performance 2015-16</b></p> <p>Directors considered committee PIs for 2015-16 (Paper 10.2).</p> <p>Following a discussion, the Clerk was asked to make the following amends:</p> <ul style="list-style-type: none"> <li>• change the achievement dates for Items 3, 4 and 5</li> <li>• delete Item 6.4</li> <li>• revise wording at Items 5.3 and 7.</li> </ul> <p><b>29.2015 D1: to approve, with agreed changes, the committee PIs for 2015-2016.</b></p>	Clerk
30.2015	<p><b>Any other business</b></p> <p>The Chair of the Corporation informed Directors of the potential funding cuts expected as part of the Area Based Reviews (ABRs) which might amount to 10% of the budget. The Principal confirmed that she and the Senior Leadership Team were already in the process of planning in light of this. It was noted that cuts might impact on the breadth of the college's curriculum offer in the future.</p> <p>Directors discussed information passed on by the Chair of the Corporation on an initiative developed by another college whereby a procurement officer had been recruited with a remit to recover savings in excess of their own salary. The Principal agreed to explore the potential for this, maybe in partnership with other institutions, as part of the developing strategy.</p>	
31.2014	<p><b>Review of risks</b></p> <p>Directors identified the potential 10% funding cut as part of the ABR as a new risk.</p>	
32.2015	<p><b>Date and Time of next meeting</b></p> <p><b>Tuesday 10<sup>th</sup> November 2015 at 5.30pm. Please note, this is a revised date.</b></p>	

Signed \_\_\_\_\_

Date \_\_\_\_\_