



MINUTES OF THE MEETING OF THE ADMINISTRATION & FINANCE COMMITTEE

Date: Thursday 27th November 2014
Venue: Sixth Form College
Room: Committee Room
Time: 1700hrs – 1830hrs

Present: Philip Welsh
John Boyle
Felicity Greeves
Christine Bellamy
Nathan Wilson

Together with: Amanda Pickup (Director of Finance and HR)
Alan Lloyd (Vice Principal: Information Services and Resources)

Kath Buddle (FCAT Governance Administrator - Minutes)

Apologies Apologies were received from Ash Goodinson.
Kathy Clowes did not attend.

		Action
30.2014	Preliminaries The Chair welcomed everyone to the meeting.	
31.2014	Declarations of Interest None.	
32.2014	Consideration of any items of urgent business. None	
33.2014	Minutes of the meeting held on 11th June 2014 The minutes of the meeting held on 11 th June 2014 were approved.	
34.2014	Matters arising from the minutes not covered elsewhere on the agenda <ul style="list-style-type: none">• Changes to interest charges (Item 22.2014) – the Director of Finance and HR confirmed that interest charges were falling annually by between £8k and £9k. This was included in the accounts.• Circulation of letter from insurers re the claim for injury (Item 26.2014) – the letter had been circulated to governors.• Dates of meetings for the next academic year (Item 29.2014) – dates had been circulated to governors.	

35.2014 Committee Terms of Reference

Governors reviewed the Committee Terms of Reference. Following a brief discussion these were readopted without change.

Governors were reminded of the Committee's requirement to review the Environmental Sustainability Policy. It was felt that there was a gap in terms of knowledge in this area and the Clerk agreed to contact appropriate officers in order to bring an update on developments to the next meeting.

KB

36.2014 Annual Accounts 2013-2014

The Director of Finance and HR presented the Annual Accounts 2013 – 2014 (Paper 7.1).

Auditors had made the following three low level recommendations in respect of the College's financial procedures:

- The development of a fixed asset register to be maintained and reviewed on a timely basis to ensure that only assets held by the College are recorded.
- A system to collate 'goods received notes' and the reconciliation of these with invoices.
- A signed contract to be returned to the HR Department by new employees before the commencement of employment.

These actions had already been identified by the College. Auditors were satisfied that the recommendations were being given consideration and the accounts had been signed off.

Governors' attention was drawn to the operating surplus of £140k after the exceptional write down of the buildings demolished to make way for Phases 4 and 5 of the property Development Strategy. The accelerated depreciation charge in respect of this is £777k offset by a release of capital grants of £193k which reduces the surplus by around £584k.

Challenges

Asked about the £180k transfer of costs from expenditure to capital, the Director of Finance and HR explained that this comprised funding for equipment, including IT, for the new Phase 4 buildings.

In response to a question about the percentage of students taking up apprenticeships rather than Higher Education (HE) opportunities, the Principal reported that information on student destinations would be taken to the next Corporation meeting.

Alan Lloyd joined the meeting.

37.2014 Management Accounts for the period ending 31st October 2014.

Governors considered the latest management accounts (Paper 8.1). The Director of Finance and HR highlighted salary costs. These were slightly under budget due to later employment commencement dates for some new staff, changes in numbers of hours worked by others and a current vacancy.

The 1% pay award and incremental pay rises were included in the accounts. Support Staff Standards Payments have been put through the November 2014 payroll and this will increase pay costs by c£18k in November just for that month. In addition, performance related pay for 8 members of the teaching staff will be paid in December 2014 and back dated to September 2014. The half yearly review will provide further detail on the actual costs.

In terms of exceptional income, £71k had been carried forward from 2013-2014. This included money for the Devolved Capital Formula received in May 2014.

The way in which the College accounts for the Bursary income had been altered to match expenditure across the year more closely.

The College had yet to be recharged from Taylor Shaw for free school meals.

Governors discussed metred water costs which had seemed to be significantly lower than expected over the past six years. There had been some concern that the College might be asked to make up under payments at some time in the future. The Director of Finance and HR reported that she had contacted the auditors to ask for advice on the matter and been reassured that it was unlikely that the water company could request reimbursements for a period more than six years ago.

Challenge

Asked why the exceptional income had not been included in the budget, the Director of Finance and HR explained that this was discrete funding ring-fenced for specific projects and it was not necessary to include it in the budget.

38.2014 Property Development Strategy – Phase 5

a) Strategy Update

The Vice Principal provided an up-date on the Development Strategy. Harry Fairclough Ltd had been appointed as the contractor for Phase 5 of the new build. Work would formally start week beginning 1st December 2014 and was scheduled to finish by 4th September 2015.

Challenges

In response to a question about risks involved should the project overrun on time, the Vice Principal explained that this should not impact too much on the start of the new academic year. The College had other classrooms that it could utilise if the new building still needed completion. A risk register was also in place to address specific issues.

Asked about the facilities for Fylde Coast Academy Trust (FCAT), the Vice Principal confirmed that office space had been identified for FCAT staff on the ground floor of the new build. There was also potential to provide a separate entrance for FCAT. In the meantime, FCAT staff would move to Montgomery High School until the new building was ready.

Governors were concerned that contractors were using the College's refreshment and toilet facilities. The Vice Principal provided reassurances that this would not happen in the future.

In response to a concern from governors about the viability of the company bearing in mind the fact that the prior contractor had ceased trading, the Vice Principal confirmed that the College had received an additional guarantee from the parent company in respect of the work.

b) Decision making process regarding the re-tender

Governors considered a report on the process put in place for the retender of the Phase 5 contract (Paper 9.2). Due to the short timescales between the return of tender documents and the final report on the recommended supplier from AECOM (the agency managing the process) it had not been possible to schedule a quorate meeting of the Accommodation Working Party. In lieu of this, governors had been asked to reply to an email from the Chair of the Corporation to approve the recommendation from AECOM. A quorate number of governors (8 of the 16 entitled to vote) had approved the recommendation by email on 7th November 2014 that the contract be awarded to Harry Fairclough Ltd in the sum of £1.926m. Subsequently, two other governors also approved the proposal.

Challenges

In response to a question, the Chair of the Corporation confirmed that a full audit trail in respect of the emails had been collated.

Asked if there had been any opposition to the proposal, the Chair of the Corporation confirmed that there had not.

38.2014 D1 Resolved: to ratify the retender process and decision to appoint Harry Fairclough Ltd as the contractors for Phase 5 of the Property Development Strategy.

39.2014

Staffing

Governors considered a report on staff sickness absence from the Director of Finance and HR (Paper 10.1). Staff absence was slightly up on the previous year but still below the national average. The HR Team were beginning to better analyse absence returns and the impact on different departments.

Challenge

In response to a question from governors about the high level of staff absence in the Science Department and the Estates Team, the Director of Finance and HR explained that these figures were due to two specific cases of long term absence. The staff in question had now left the College.

40.2014

Health and Safety Report

The Vice Principal presented the first Health and Safety Report of the academic year (Paper 11.1). There had been two evacuations of the College, one planned and one unplanned, both of which had gone smoothly. First Aid incidents were in line with the previous year.

Challenges

Asked about the ongoing claim for damages against the College, the Director of Finance and HR confirmed that this was being handled by the College's insurance agent.

Asked about whether or not the withdrawal of police response to incidents had impacted on the College's insurance, the Director of Finance and HR agreed to check this out.

AP

Governors asked about lessons learned from the evacuations. The Vice Principal explained that reports from the Health and Safety Manager had been provided to the Senior Leadership Team (SLT) for their evaluation. Following discussion on the reports, two minor procedural issues in respect of evacuations, had been revised.

Asked about the College's policy on e-cigarettes, the Principal confirmed that these were treated as cigarettes and smoking was only allowed in the designated Smoking Area.

41.2014

Disaster Management Plan

Governors considered the College's Disaster Management Plan (Paper 12.1). There were some minor changes (shown in blue on the document). The main revision to the Plan was the addition of responsibilities for the Personnel Manager, the Head of Liaison and Marketing and the Director of the Teaching School under section 4.1 of the document.

Challenges

Asked about the timescales for revision of the document, the Vice Principal confirmed that this was carried out every three years.

In response to a query about responsibilities under Section 4.1 of the Plan, the Vice Principal explained that the Health and Safety Manager and the Head of Estates were the same person. It was recommended that the wording in the document be changed to ensure consistency.

AL

Following a brief discussion from governors, it was agreed that, in the case of a temporary relocation, Montgomery High School was a preferred substitute to Unity Academy. The Vice Principal agreed to make the change at Section 6.4 of the document.

AL

Asked whether the physical changes to the College would impact on future evacuations, the Vice Principal reported that these would be easier and faster to manage.

In response to questions about linking the Plan to external emergency services, the Vice Principal confirmed that contact details and processes relating to the Police and Fire Service were embedded into the Plan. There were currently no links with Blackpool Council's Emergency Planning Team. Following a suggestion from the Chair of the Committee, the Vice Principal agreed to contact the Emergency Planning Officer at Blackpool Council to identify any joint processes that might strengthen the Plan.

AL

41.2014 D1 Resolved: to adopt the revised Disaster Management Plan.

42.2014 Review of the Committee's Performance 2013-14

The Committee reviewed performance against agreed Key Performance Indicators (Paper 13.1) and approved progress.

The same Key Performance Indicators were agreed for 2014-2015.

43.2014 Any Other Business

The Chair of the Corporation circulated copies of a document he had received earlier in the day from the Education Funding Agency, outlining the College's performance against Key (Financial) Performance Indicators.

The figures illustrated a strong performance from the College and an 'Outstanding' financial health score.

The Principal explained that the College's recent growth had made a significant impact on funding and that many other organisations in the sector were struggling financially.

The Clerk agreed to circulate the document to other governors.

KB

44.2014 Estimation of new risks

Property Development Strategy – Phase 5:

- Project overrun: (Likelihood medium, impact low).
- Cost overrun: (Likelihood low, impact medium)
- Contractor going into receivership: (Likelihood low, impact medium)
- College having insufficient financial resources: (Likelihood low, impact high)

Date and time of next meeting

To be confirmed.

Signed:

Chair:

Date:
