



MINUTES OF THE EXTRAORDINARY MEETING OF THE ADMINISTRATION & FINANCE COMMITTEE

Date: Tuesday 5th July 2011
Venue: The Blackpool Sixth Form College
Room: M106 Principal's Office
Time: 1630hrs - 1700hrs

Present: Mr P Welsh (Chair)
Mr J Boyle
Ms F Greeves

Together with: Mr G Curry (Observer)
Mr A Lloyd (Vice Principal Information Systems & Resources)
Mrs A Pickup (Director of Finance & Personnel)
Dr J Burgess (Clerk to the Corporation)

		Action
36.2011	Apologies Mr T Bateson & Mr S Davies	
37.2011	Declaration of Interest None were declared.	
38.2011	Consideration of any items of urgent business None.	
39.2011	Proposed Budget 2011 - 2012 The Director of Finance tabled an updated Budget summary, (version 3.1 dated 5 th July 2011) for the next financial year along with projections for 2012 -13 and 2013 - 14. This showed an operating surplus of £335k. Additional income of £45k had been included as well as additional, but more accurate, teaching staff costs. The projected budget for the next two years, assumes cuts of £600k, as the worst-case scenario, which leads to operational deficits of £51k and £115k. However, it was anticipated that: a) The reductions in income would not be so severe b) The deficits would be offset by growth in student numbers c) Management actions to limit the deficits would be implemented well in advance of the next financial year-end. Governors were happy to agree the Budget and recommend this to the Corporation. 39.2011 D1 Resolved: that the draft Budget, version 3.1, for 2011-2012, be approved and recommended to the Corporation for approval.	

40.2011 Future Loan Strategy for the Property Re-Development

(Papers B)

At the last meeting of the Committee, it had been agreed to prepare financial projections and risk assessments in respect of securing a loan for the property re-development through Lloyds TSB in contrast to funds through Blackpool Council. This was due to Lloyds TSB being able to offer access to European Union funds albeit over a shorter time period.

An exemplar comparator prepared by LloydsTSB had been extended to illustrate the cost of a loan from Blackpool Council over a 16 year period and 25 year period, assuming an 80% fixed rate element and 20% floating variable rate element, in all cases. This example had indicated that the Lloyds option provided the lower interest charge. In addition, there were potential advantages in having a single lender should the College wish to develop a further property re-development phase.

The Director of Finance had received assurances from Blackpool Council that there would be no significant financial or reputational loss as a result of a possible move to Lloyds TSB. Governors were advised that the size, split and duration of the loan, along with prevailing interest rates would be decided later in the summer.

The Chair believed it was paramount to ensure that the College secured the most cost effective loan facility. It was recommended that the Corporation extend authority to the Principal, Director of Finance and Mr Boyle to proceed with negotiations with Lloyds to this end. However, should problems arise, it was imperative that the Administration & Finance Committee be advised without delay.

40.2011 D1 Resolved: that the Corporation be recommended to give delegated authority to the Principal, Director of Finance and Mr Boyle to proceed with negotiating the most cost effective Loan Strategies for funding the property re-development.

Director of Finance
To action

40.2011 D2 Resolved: that the Administration and Finance Committee be advised immediately of any problem in securing a cost effective Loan Strategy to fund the property re-development.

41.2011 Estimation of Risk

No new areas of risk had been identified.

**42.2011 The next meeting is:
Wednesday 28th September 2011 – 1645hrs Committee Room**

Members
Please note

The Chair thanked members for their attendance, contributions and closed the meeting.

Signed: _____

Chair: _____

Date: _____