



MINUTES OF MEETING OF THE ADMINISTRATION & FINANCE COMMITTEE

Date: Wednesday 19th June 2013
Venue: The Blackpool Sixth Form College
Room: Committee Room
Time: 1830hrs - 2015hrs

Present: Mr P Welsh (Chair)
Mrs C Bellamy
Mr J Boyle
Mr G Canning
Mr S Davies (Vice-Chair)
Ms F Greeves

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

15.2013 Welcome & apologies

The Chair welcomed members and apologised for the rescheduled start time of the meeting. Ms Helen Harrison and Mr A Goodinson had sent apologies.

16.2013 Declaration of Interest

None.

17.2013 Consideration of any items of urgent business

None.

18.2013 Minutes of the meeting held on the 13th March 2013

(Paper A)

18.2013. D1 Resolved: that the Minutes **be approved.**

19.2013 Matters arising from the Minutes of the Meeting held on the 13th March 2013 not covered elsewhere on the agenda

9.2013 Financial regulations – use of local suppliers

Governors agreed the proposed additional paragraph to be insert into the Financial Regulations to encourage the use of local suppliers. The Chair questioned how this was to be achieved and the Director of Finance proposed that it would be discussed with budget holders at the next Management Forum meeting.

7.2013 Update on Disputed item with ISG Phases 3 & 3a

It was confirmed that the College had reached an agreed settlement with ISG on the disputed items within the limits set by the Corporation.

Action

Director of
Finance
To action

The Director of Finance confirmed that the project was £93k under-spent against the initial budget and £223k under-spent against the initial budget and the additional £130k contingency. There was approx £210k to pay in retention fees in due course.

19.2013 D1 Resolved: that the additional paragraph regarding local suppliers be added to the College Financial Regulations.

20.2013 Matters arising from the Accommodation Working Party – 25th April 2013

3.2013 Problems at Lloyds Bank

The cause of the erroneous stopping of 60 cheques by Lloyds Bank had been traced back to a lost chequebook seven years ago when a stop had been placed on the missing cheques. When the same numbers were activated, via new electronic cheques, the Bank automatically placed a stop on these numbers. A total of nine cheques had to be re-issued.

21.2013 Management Accounts Period 9 ending 30th April 2013

(Paper B)

The Director of Finance advised that the May 2013 accounts were to be reviewed by the Finance Panel later in the week. The College's Management Accountant was currently away on maternity leave. There had been no significant changes since the January 2013 accounts and that the current surplus for the year to date was forecast to be £332k. The April Accounts showed a surplus to date of £544k.

Indications from the May 2013 accounts are that a number of expenditure areas, e.g. Examinations and Reprographics are now in line with the budget and others such as Computer costs will adjust by the end of the year. The extended period of cold weather had caused high utility costs. Governors were interested in the operation of the ipad scheme and welcomed the increase in the College subsidy to encourage parents and students to purchase the equipment outright. It was noted that the £500k investment in Yorkshire Bank is due to mature in December 2013.

21.2013 D1 Resolved: that the Management Accounts Period 9 be received.

22.2013 Proposed Budget 2013 – 2014 & protections for 2014/15 and 2015/16

(Paper C)

The draft Budget summary for the next financial year currently indicates an operating surplus of £158k. It was anticipated that a number of small changes would be made over the next couple of weeks as the Education Funding Agency (EFA) return is completed. The main source of the College's income from the EFA is based upon their best advice.

Action

Governors explored in some detail the thinking behind the Teaching School income of £30k, which is comprised of core funding and monies earned by the deployment of National and Senior Leaders in Education. The Chair wondered whether it might be prudent to move to a more transparent approach that also included the actual apportioned staffing costs of the Teaching School collaboration. The Director of Finance added that certain ring-fenced grants from the National College are not featured in the budget, as they are subsequently re-allocated in full to the designated projects.

Director of Finance
To review

With forecasted staffing costs currently at 69.2% of income, the Chair was keen to determine the approach to the contingencies within the staffing budget. A more realistic and cautious methodology had been adopted which had resulted in a contingency of 2.4% of the total pay costs. A cost of living pay increase of 1% had been included, however, emerging evidence from the negotiating body (SFCA) is that this could be lower. Concern was registered that there was a widening disparity between teachers in schools and those in 6th form colleges, which was now impacting upon the College's ability to recruit and retain the best staff.

In reviewing the non-pay expenditure the SMT had adopted a rigorous approach to looking for savings and securing operating efficiencies. The Chair questioned whether there could be a negative impact upon students, for example, in respect of reducing printing allocations for students. The Vice-Principal drew attention to the move towards digital teaching, learning & assessment and reassured Governors that the College still had one of the most generous print allocations in comparison to other local colleges.

Governors were keen to make clear the Transport Support item of £265k by unpicking the constituent elements which currently also includes student bursary funds and student hardship funds.

Director of Finance
To review

The Director of Finance reviewed the majority of the remaining main cost headings within the budget outlining the rationale for the proposed allocations.

Governors questioned the start time of the much quoted "three years protection" as they reviewed the budget projections for the following two years (2014/15 – 2015/16). Whilst there was falling income over the next two years, the full impact would be in 2016/17. The Principal commented that staffing economies would be achieved by a creative staffing approaches to address small class sizes.

22.2013 D1 Resolved: that the draft Budget for 2013 - 2014 be received.

22.2013 D2 Resolved: that the draft Budget for 2013 – 2014 and subsequent 2 year projections be reviewed, enhanced and finalised over the next week, and recommended for approval by the Corporation.

Action
Director of
Finance
To action

23.2013 Progress update on the property re-development strategy – Phase 4

The Vice-Principal advised that the opening of the tenders and interviews with the remaining contractors would commence shortly, in order to ensure consistency, prior to tender evaluation. He anticipated that the outcome would be available for consideration by the Accommodation Working Party on Monday 8th July 2013. Both the Chair and Mr Boyle would be kept informed about the emerging contract prices.

Vice-
Principal
To action

**24.2013 Staffing Update – June 2013
(Paper D)**

The Principal highlighted a number of key points from the Report, particularly the challenges in recruiting talented teachers and Curriculum Leaders in English, Maths and Sciences. She described the deployment of four Progression Co-ordinators who are being recruited to support the pastoral system in the College.

Governors agreed to approve the new fast track pay progression policy for individuals after the successful completion of their second year in teaching to recognise prior industry experience.

The growing disparity in reward systems between schools and colleges was highlighted in discussion about career structures in the sectors and the use of *teaching and learning responsibilities* to provide significant salary uplift to younger teachers in schools. The Principal considered it timely for a re-think on pay and reward structures in the College and potentially a break away from national negotiations and the establishment of local bargaining and pay structures. The Chair cautioned that any move in a period of economic restraint has to be sustainable over time in the face of declining income streams. It would be appropriate to explore these issues with the Deputy Chief Executive of the Sixth Form Colleges Association who would be addressing the July 2013 Corporation meeting.

24.2013 D1 Resolved: that the Staffing Update June 2013 be received.

24.2013 D2 Resolved: that the Fast Track Pay Progression Policy be approved.

25.2013 Health & Safety Report No 4

(Paper E)

The Vice-Principal Information System & Resources reviewed a number of matters within the Report. He drew attention to the summary of key data for the year 2012/13 along with the comparable figures for the previous year. Governors noted the insurance claims against the College.

In a second Report 'Review of Fire Evacuation and Fire Safety', Governors were interested to see the adoption of a new grading system with an explanatory criteria applied to the 3 planned fire evacuations undertaken during the year. The procedural issues and problems were identified and the necessary action indicated.

After discussion, they agreed to recommend to the Corporation that the College normally undertakes 2 planned evacuations per year, but if one of these is graded as a 3 (requires improvement), it is repeated until either a grade 1 (excellent) or a grade 2 (good) is achieved.

25.2013 D1 Resolved: that the **Health & Safety Report No 4 and Review of Fire Evacuation and Fire Safety be received.**

25.2013 D2 Resolved: that the **Committee recommends the Corporation to approve that the College moves to two planned grade 1 or 2 fire evacuations per annum.**

26.2013 Education Funding Agency letter 11th April 2013

(Paper G)

Governors were pleased to note the EFA's confirmation of the College's Financial Health at 2012 as 'Outstanding' and that they have no issues relating to the Financial Statements, Management Letter or Internal Audit Annual Report.

The Vice-Principal advised that the College would be the subject of an EFA Property Survey during the period June 24th – 5th July 2013. This could impact upon any subsequent grant application under the buildings improvement scheme.

26.2013 D1 Resolved: that the **Education Funding Agency letter 11th April 2013 be received.**

27.2013 Estimation of new Risk areas

The meeting concluded that any consideration of future pay rises or new pay negotiation machinery needs to be mindful of the downturn in forecasted income streams.

28.2013 **The next scheduled meeting is on Wednesday 2nd October 2013 – 1700hrs in the Committee Room**

Action
Members
Please note

The Chair wished George Canning every success in his higher education studies and thanked him and other members for their attendance, contributions and closed the meeting.

Signed: _____

Chair: _____

Date: _____