



## MINUTES OF MEETING 89 OF THE ADMINISTRATION & FINANCE COMMITTEE

**Date:** Wednesday 24<sup>th</sup> November 2010  
**Venue:** The Blackpool Sixth Form College  
**Room:** Committee Room  
**Time:** 1630hrs - 1800hrs

**Present:** Mr P Welsh (Chair)  
Mr T Bateson  
Mr J Boyle  
Ms F Greeves  
Mr M Kimber  
Mrs S Walsh MBE

**Together with:** Mr A Lloyd (Vice Principal Information Systems & Resources) – For items 8 and 9.  
Mrs A Pickup (Director of Finance & Personnel)  
Mrs JA Trainor (Assistant to the Clerk to the Corporation)  
Dr J Burgess (Clerk to the Corporation)

		Action
47.2010	<b>Apologies</b> Mr S Davies.	
48.2010	<b>Declaration of Interest</b> None were declared.	
49.2010	<b>Consideration of any items of urgent business</b> The Principal requested the opportunity, under the Property Re-development Strategy, to brief Governors on the SMT's latest thinking and activities regarding a possible Phase 4 initiative.	
50.2010	<b>Minutes of the meeting on the 13<sup>th</sup> October 2010</b> (Paper A) <b>50.2010. D1 Resolved:</b> that the Minutes be approved.	
51.2010	<b>Matters arising from the Minutes of the Meeting held on the 13<sup>th</sup> October 2010</b> <i>24.2010 Policy on Examination Fees</i> The Principal advised that this Policy had been revised in line with the advice from the Committee and had been implemented  <i>42.2010 Absence Report</i> The clarification requested had not been actioned due to the departure of the Personnel Officer and the interregnum before the start of the new Personnel Manager in January 2011.	Director of Finance

*Update on the implications from the Comprehensive Spending Review*  
The Principal observed that there was no clear conclusion yet on the impact of the Government announcements on the level of Student Funding. It was anticipated that this would be clarified by the time of the next meeting. The College was lobbying local MPs regarding the ending of the Educational Maintenance Allowance in December 2010, which will result in increased levels of student hardship and may affect future student enrolments.

**52.2010 Report and Financial Statements for the year ending 31<sup>st</sup> July 2010**

*(Paper B)*

The Director of Finance alerted Governors to a number of corrections that had been identified at the Audit Committee earlier in the week. A reconciliation from the Management Accounts reviewed at the last meeting to the present position was provided. The treatment of the pension valuation gain of £167k resulting from the move to the Consumer Price Index was explained. A very respectable £773k surplus on continuing operations had been achieved, prior to costs relating to the property strategy.

**52.2010 D1 Resolved: that, subject to the minor amendments identified, the Annual Report and Financial Statement for the year ending 31<sup>st</sup> July 2010 be approved and recommended to the next meeting of the Corporation.**

**53.2010 Management Report on the Audit of the Financial Statement for the year ending 31<sup>st</sup> July 2010**

*(Paper C)*

The Director of Finance provided Governors with a comprehensive review and explanation of the key features of the Management Report, and was pleased to report no matters of weakness were identified during the audit. In addition, in respect of the Regularity Audit, RSM Tenon anticipate issuing an unqualified regularity opinion, with no significant issues to report.

**53.2010 D1 Resolved: the Management Report on the Audit of Financial Statements for the year ending 31<sup>st</sup> July 2010 be received & recommended to the Corporation in December 2010.**

**54.2010 Management Report Annexes for the year ending 31<sup>st</sup> July 2010.**

*(Paper D)*

These Annexes are for internal management information only. They feature national averages and benchmarking data and provide Governors with some interesting national perspectives along with some useful insights into sector developments and future uncertainties.

**54.2010 D1 Resolved: that, the Management Report Annexes for the year ending 31<sup>st</sup> July 2010 are received.**

**55.2010 Management Accounts for the period ending 31<sup>st</sup> October 2010  
(Paper E & F)**

The Financial Director was pleased to report that the management accounts until 31<sup>st</sup> October 2010 were showing a surplus of £465k. Staff costs were under-budget, however, licences were more expensive than anticipated, as was the level of staff advertising. A new Management Accountant has commenced work and is undertaking detailed work on the Pay Budget to improve the accuracy of Budget Re-forecast in February 2011 and subsequent business planning projects.

The very positive current cash position results from loans being drawn down and deployed on deposit until required to meet the contractor's invoices. The projected cash balance forecasts until October 2011 were scrutinized.

**55.2010 D1 Resolved:** that the **Financial Report for the period ending 31<sup>st</sup> October 2010 be received.**

**55.2010 D2 Resolved:** that the **Projected Cash Balances for the year ending 31<sup>st</sup> October 2011 be received.**

**56.2010 Property Re-development Strategy – Phase3 Expenditure Report**

The Director of Finance tabled a summary Review of Costs of Phase 3. The projected capital costs for the Phase 3 re-development from the Davis Langdon Report indicated that the £120k contingency had been used and the forecast showed that in excess of £53k was over-budget. Governors sought assurance regarding the £25k for Estates Accommodation and clarification on the latest position regarding Lighting Works. Despite the value engineering being conducted in respect of the theatre fittings, it was agreed that this report should be updated as at December 2010 to include a contingency of approx 5% of the original project, in order that the Corporation can be advised of the current situation and approve any necessary additional sums.

Director of  
Finance

**56.2010 D1 Resolved:** that the **Review of Costs of Phase 3 (November) be received.**

**56.2010 D2 Resolved:** that a revised **Review of Costs of Phase 3 be prepared for the December 2010 meeting of the Corporation with an increased contingency to 5% of the original project.**

**57.2010 Progress update on Phase 3 of the property re-development strategy**

The Vice-Principal reported that the construction of the steel framework was nearing completion and that floor slabs would be in place within the next month. Notwithstanding any adverse weather delays, all indications were that the building would be ready on the 12<sup>th</sup> August 2011. Specifications for the theatre were being finalized.

**58.2010 Update on Phase 3 loan agreement**  
Mr Boyle reviewed the current position with Lloyds TSB and the local Council. Two suggested draft resolutions in respect of the original loan and bridging facility had been supplied by Lloyds TSB and were shared and discussed by Governors. It was agreed, that subject to minor amendments, these should be recommended to the December 2010 meeting of the Corporation.

Action

Director of  
Finance

**58.2010 D1 Resolved: that, subject to minor amendments, the two resolutions regarding loan agreements with Lloyds TSB Bank plc be recommended to the Corporation for approval.**

**59.2010 Property Re-development Strategy – Future thinking - Phase 4**  
Governors were briefed by the Principal on the SMT's latest thinking and activities regarding a possible further campus re-development project in collaboration with Highfurlong School. Initial discussions had taken place and a revised Phase 4 proposal (currently amounting to £8m) had been shared with a variety of key stakeholders. Visiting MPs had been urged to support this important initiative. Governors welcomed this update and were pleased that the momentum of the property refurbishment was being maintained.

**60.2010 Disaster Management Plan 2010**  
*(Paper G)*  
The Vice-Principal introduced the revised and updated Disaster Management Plan (2010) and outlined the main changes and enhancements. Governors were impressed with the document and thanked those involved in its preparation. It was suggested that consideration might be given to including a guidance note on health and safety on home working and a restricted confidential schedule of telephone contact numbers of key personnel.

**60.2010 D1 Resolved: that the Disaster Management Plan 2010 be approved.**

**61.2010 Estimation of Risk**  
The Chair succinctly summarised three key risks from the meeting:-  
- Potential delay & overspend in the completion of Phase 3  
- Uncertainty regarding the outcome of the Spending Review  
- Threats in the Government's new Education White Paper

**62.2010 The next scheduled meeting is Wednesday 16<sup>th</sup> March 2011**  
  
The Chair thanked members for their attendance, contributions and closed the meeting.

**Members**  
Please note

**Signed:** \_\_\_\_\_

**Chair:** \_\_\_\_\_

**Date:** \_\_\_\_\_