



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

**Date:** Wednesday 28<sup>th</sup> September 2011  
**Venue:** The Blackpool Sixth Form College  
**Room:** Committee Room  
**Time:** 1645hrs - 1800hrs

**Present:** Mr P Welsh (Chair)  
Mr T Bateson  
Mrs C Bellamy  
Mr J Boyle  
Mr G Canning (Student Governor Designate)  
Mr S Davies (late arrival)  
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)

		Action
43.2011	<b>Welcome &amp; apologies</b> The Chair extended a warm welcome to Mrs Christine Bellamy and Mr George Canning to their first meeting of the Committee.	
44.2011	<b>Declaration of Interest</b> None were declared.	
45.2011	<b>Consideration of any items of urgent business</b> None.	
46.2011	<b>Minutes of the meeting on the 15<sup>th</sup> June 2011</b> (Paper A) <b>46.2011. D1 Resolved:</b> that the Minutes be approved.	
47.2011	<b>Matters arising from the Minutes of the Meeting held on the 15<sup>th</sup> June 2011 not covered elsewhere on the agenda</b> None.	
48.2011	<b>Minutes of the extraordinary meeting on the 5<sup>th</sup> July 2011</b> (Paper B) <b>48.2011. D1 Resolved:</b> that the Minutes be approved	
49.2011	<b>Matters arising from the minutes of the extraordinary meeting on the 5<sup>th</sup> July 2011 not covered elsewhere on the agenda</b> None.	

**50.2011 Future Loan Strategy for the Property Re-Development**

Mr Boyle provided a verbal report of a meeting held earlier in the day with senior representatives from Lloyds TSB and the College's Director of Finance. The Bank were offering a consolidated loan facility, utilising European Union funds, over a 16-year period based upon 85% fixed interest rate element and 15% variable rate element. The total indicative rate on the new funds within the fixed element would be 3.93%. The Chair questioned whether this was the most cost effective way of accessing funds and was re-assured that this route was better than the alternative lending facilities offered by Blackpool Council through the Public Works Loan Board. Mr Boyle believed that the offer represented particularly good rates in comparison to alternative funding avenues but the final details would need to be agreed and concluded in the next few weeks.

It was clarified that the Bank would levy a new arrangement fee in respect of the consolidated loan, and that no additional permission was needed from the YPLA, as this had been secured some time ago from the local authority under the machinery of government framework.

At present the College was reviewing future funding, particularly given the current uncertainties and its likely future cash flow requirements. In addition, it was undertaking an analysis of a number of possible future small-scale projects, which would enhance the student experience as well as make the College more attractive to new students. From the outcome of these studies, the actual loan amount would be finally determined.

Governors were comfortable about the progress being made, thanked the Director of Finance and Mr Boyle for their work and asked that they be kept abreast of final negotiations by email.

Director of  
Finance  
To action

**51.2011 Student Enrolment 2011**

*(Paper C)*

The Principal was pleased to report that current student enrolments total 2,069 in comparison to the funding target of 2,020. Whilst it looked positive that the College would hit its funding target, avoiding penalties, she reminded Governors that the critical census date is normally 6 weeks after courses have commenced. This year the conversion rate from lower 6<sup>th</sup> to upper 6<sup>th</sup> had declined, in part due to under-achievement in Maths and Chemistry and worries about unemployment and the increase in HE fees, with some 120 students opting to follow a vocational skills training route or return home in the case of overseas students.

Governors wondered about the impact of the ending of the Educational Maintenance Allowance, but managers explained the operation of the alternative Student Bursary system now in place.

**51.2011. D1 Resolved:** that the report on **Student Enrolment 2011** be received.

**52.2011 Draft Accounts for the year ending 31<sup>st</sup> July 2011**  
*(Paper D)*

The Director of Finance informed Governors that the current projected net surplus for the year was £1,771k, which was in line with the forecasts in previous Management Accounts over recent months. However, a number of significant changes over the next few weeks will impact upon this figure as a result of the finalisation process and the Financial Audit. A detailed reconciliation will be provided to Governors at the November meeting of the Committee.

The subsequent discussion explained the key reasons and management actions that have resulted in this positive outcome and the status of a number of the exceptional income projects.

**52.2011 D1 Resolved:** that the **Draft Accounts for the year ending 31<sup>st</sup> July** be received.

**53.2011 Management Accounts Period 1 ending 31<sup>st</sup> August 2011**  
*(Paper E)*

The Director of Finance explained the abridged nature of the first set of Management accounts for the year, pointing out the severe limitations of the non-pay expenditure as the year-end balances have not yet been finalised and the exceptional nature of pay expenditure, due to leavers, in August.

**53.2011 D1 Resolved:** that the **Abridged Management Accounts for the month ending 31<sup>st</sup> August 2011** be received.

*Mr Davies joined the meeting.*

**54.2011 Progress update on the property re-development strategy**

The Vice-Principal reported that the Contractors handed over the Phase 3 building on Tuesday 30<sup>th</sup> August 2011. Since then a number of operational problems had arisen, along with some 150 pages of building snags identified though these were being progressed systematically. The turf in the courtyard was in place making the general appeal of the buildings appear impressive. The next phase of development has commenced with the steel framework being put in place next week and the floor slabs laid before Christmas, however, the project is currently 6 days behind schedule due to a cabling problem. This is not likely to create any inconvenience, as the facilities are not needed until September 2012.

**55.2011 Property Re-development Strategy – Phase 3 & 3a Expenditure Report**

The Director of Finance explained the latest review of costs of Phase 3 and 3a and the sums paid to date. The projected capital costs for the re-development, from the latest Davis Langdon Report, indicated a potential £46k under-spend prior to contract and college contingencies. A number of disputed cost areas have yet to be resolved which could improve the level of under-spend.

**55.2011 D1 Resolved: that the Review of Costs of Phase 3 and Phase 3a be received.**

**56.2011 Staffing Update September 2011 & Absence Report 2010/2011**

*(Paper G)*

The Principal highlighted a number of key points from the Report. The overall increase in sickness absence arises from a number of significant long-term support staff absences. Overall, however, the College's sickness levels are below average in the education sector and public sector as a whole. In respect of the staffing report, the shift over the last seven years towards a younger age profile for the College was noted.

**56.2011 D1 Resolved: that the Staffing Update September 2011 & Absence Report 2010/11 be received.**

**57.2011 Health & Safety Report No 1**

*(Paper H)*

The Vice-Principal Information System & Resources introduced the Report and reviewed a number of important matters within the Report. Both an unplanned and a planned evacuation had occurred with excellent outcomes. During the 3 months, a single recorded accident to a member of staff was noted, along with two meetings of the H & S Advisory Committee and two training sessions. Governors were particularly interested to learn about the enhanced security CCTV facilities.

**57.2011 D1 Resolved: that the Health & Safety Report No 1 be received.**

**58.2011 Committee Performance indicators 2010/2011**

*(Paper I)*

Governors reviewed the Committee's Performance over the previous year noting that the majority of Performance Indicators had been achieved. They agreed to receive a 2011 Room Utilisation Report, along with comparisons with 2010 at their next meeting on the 23<sup>rd</sup> November 2011. After some debate, it was agreed to draft a template and report the broad "returns" to the College resulting from the property re-development expenditure made over recent years. It was proposed to share this at the Governors' residential conference in February 2012.

Vice  
Principal  
*To action*

SMT  
*To action*

**58.2011 D1 Resolved:** that the Report on **Committee Performance indicators 2010/2011** be received.

**58.2011 D2 Resolved:** that a **Report on Resource Utilisation** be available for **November 2011** and the **Report to illustrate Return on Investment** be considered at the **Governor's Residential in 2012**.

**58.2011 D3 Resolved:** that the same **Committee Performance Indicators** be adopted for **2011/2012**.

**59.2011 Estimation of Risk**

After reflection and discussion, it was concluded that no new areas of risk had been indentified during the meeting.

**60.2011 The next scheduled meeting is:**

**Wednesday 23<sup>rd</sup> November 2011 – 1645hrs Committee Room**

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

**Members**  
*Please note*

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

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

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