



MINUTES OF MEETING OF THE ADMINISTRATION & FINANCE COMMITTEE

Date: Wednesday 28th November 2012
Venue: The Blackpool Sixth Form College
Room: Committee Room
Time: 1700hrs - 1855hrs

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

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)

49.2012 Apologies

Mr T Bateson and Ms H Harrison.

50.2012 Declaration of Interest

None.

**51.2012 Consideration of any items of urgent business
Breach of Data Protection.**

The Vice-Principal alerted Governors to a serious breach of data protection that occurred on 21st November 2012 involving incorrect additional attachments containing student information being sent to approximately 500 parents. An email apology had been sent immediately after the discovery of the error and an explanatory apology sent the next day. The mistake was thought to be a system-based problem and additional security checks have been put into place to prevent any re-occurrence. The College has notified the Information Commissioner's Office and internal investigations are ongoing.

**52.2012 Minutes of the meeting on the 26th September 2012
(Paper A)**

52.2012. D1 Resolved: that the Minutes be approved.

**53.2012 Matters arising from the Minutes of the Meeting held on the 26th
September 2012 not covered elsewhere**

38.2012 Holland Building Fire

Action

The Chair enquired about the outstanding insurance claims relating to the Holland Building Fire.

Action
Director of
Finance
To action

All other matters had been actioned.

54.2012 Report and Financial Statements for the year ending 31st July 2012

(Paper B)

The Director of Finance explained the reconciliation from the Management Accounts reviewed at the last meeting to the present final position. Although this only amounted to a £4k increase in the surplus, to £1,163k, it covered a wide range of items. She also alerted Governors to a couple of minor corrections that had been identified at the Audit Committee last week.

Director of
Finance
To action

54.2012 D1 Resolved: that, subject to the minor amendments previously identified, the Annual Report and Financial Statement for the year ending 31st July 2012 be approved and recommended to the next meeting of the Corporation.

55.2012 Audit Completion Report for the year ending 31st July 2012

(Paper C)

The Director of Finance advised Governors that the Financial Audit had been completed very smoothly and Mazars had provided a comprehensive review of their findings. There was only one significant item to highlight, which related to the fact that the College was within 2.3% of a potential breach of a bank covenant on the new loans. In part, this had arisen following the receipt of funds for the refurbishment of the Sports Hall. However, an additional reporting mechanism had now been added to the Management Accounts in case this issue re-occurred.

55.2012 D1 Resolved: the Audit Completion Report for the year ending 31st July 2012 be received & recommended to the Corporation.

Ms Greeves joined the meeting

56.2012 Revised projection of staff costs

The Director of Finance detailed, with the benefit of a tabled paper, the factors accounting for the revised projection of staff costs compared to the original budget. Net savings of some £214k had been identified along with the release and use of £68k contingencies.

The forecasted cost of a pay rise had been removed and Governors explored a possible “one – off” single payment of a small bonus to all staff in lieu of any cost of living increase. This would recognise, for example, the efficiencies secured in moving to 21 sessions and the significant rise in success rates.

56.2012 D1 Resolved: the Revised projection of staff costs be received.

56.2012 D2 Resolved: subject to a zero-pay announcement following national negotiations, a discretionary award of £250 per employee, be recommended to the Corporation.

57.2012 Management Accounts & projected cash balances for the period ending 31st October 2012

(Paper D & E)

The Director of Finance was pleased to report that the management accounts 31st October 2012 were showing a surplus of £472k. The notes relating to the accounts were discussed.

The £500k on a fixed 12month deposit was due to mature shortly and Governors agreed to continue to hold this sum on deposit, with a suitable institution, for a further 12 months.

Director of
Finance
To action

57.2012 D1 Resolved: that the Financial Report for the period ending 31st October 2012 and the Projected Cash Balances for the year ending 31st October 2013 be received.

Mr Welsh left the meeting and Mr Davies took the Chair.

58.2012 Education Funding Agency Agreement – Part 1

(Paper F)

The Funding Agreement with the College replaces the previous LSC Financial Memorandum and along with the letter dated 1st August 2012 forms the basis of the terms and conditions for funding education from central government. (Part 2 of the agreement is available to Governors on request).

In addition, Governors received a copy of the letter from the EFA confirming the summary financial assessment of the College's Financial Health based upon the three year plan submitted earlier in the year.

58.2012 D1 Resolved: that the Education Funding Agency Agreement 1st August 2012 – Part 1 and Financial Health Assessment 29th October 2012 be received.

59.2012 Property Re-development Strategy

The Vice Principal reported that negotiations with ISG on the disputed items in Phase 3 were about to commence. Legal advice, shared with the Chair of the Corporation, suggested that the College had a strong case on the two major items and the College Management's position was that it would not pay for these works opting instead to seek adjudication. This exposes the College to risks of fees and legal costs of approximately £20k.

Water leaks were still a problem in both Phase 2 and 3. Visits and planned works by both sets of contractors were ongoing in an attempt to address these problems.

The Sports Hall refurbishment was nearing completion and would be handed over within the next week. Whilst it looked very attractive, the Principal noted that further expenditure might be necessary to improve the acoustics. The Spend Analysis and Forecasted Outturn – Report no 3 (*Paper H*) presently indicated a projected overspend of £28k, but there were hopes that this would be reduced.

59.2012 D1 Resolved: that the Sports Hall Refurbishment Spend Analysis 3 be received.

60.2012 Room Utilisation Report 2012

(*Paper I*)

The Vice-Principal reported that the overall room utilisation for 2011 at 44.9% was overstated by some 4%. Therefore, the report for 2012 indicates a drop in utilisation of 1.5% to 39.4%. This reduction reflects the opening of the new facilities and the creation of additional space / flexible areas to introduce innovative teaching and learning methods.

Governors studied the “heat map”, which illustrated the utilisation for every room over each session of the day over a sample week. The space norms used in the Report are some 15 years old. Overall, it was felt that the College was using its accommodation resources very efficiently and that they provided outstanding facilities to engage and develop learners.

60.2012 D1 Resolved: that the Room Utilisation Report 2012 be received.

61.2012 Health & Safety Report No 2 2012/13

(*Paper J*)

The Vice-Principal highlighted a number of points and actions within the Report. The unplanned evacuation on the 25th September 2012 was not satisfactory and was repeated again in November. On this occasion it was exceptionally smooth and very quick at 3.5mins. The College intends to conduct another planned evacuation in the Spring Term. Should that be unsatisfactory, a repeat exercise will be ordered.

Two separate incidents of bike thefts have prompted the College to improve security and deploy a CCTV camera. Governors warmly congratulated the Head of Estates on the Student Driver Induction initiative. Overall, the College remains a safe and healthy environment in which to learn and work.

61.2012 D1 Resolved: that the Health & Safety Report No 2 2012 be received.

62.2012 Governor Assessment of the Committee Skills
(Paper K)

Governors collectively reviewed the 34 skill areas and identified the top seven which they considered essential for the Administration and Finance Committee. The Search Committee, at a later meeting, would review these.

63.2012 Estimation of Risk

Governors reflected on the issues discussed and noted that the Data Protection breach threatened financial and reputational damage; the possible future national funding formula presented financial challenges, whilst the negotiations with contractors on the disputed items in the property re-development strategy presented potential adjudication costs.

64.2012 The next scheduled meeting is Wednesday 13th March 2013

Mr Boyle observed that from his perspective as an attendee at the recent Association of Colleges National Conference, the College had a high reputation and its senior Management were well known for all the right reasons.

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

Members
Please note

Signed: _____

Chair: _____

Date: _____