



Mission Statement: *Inspiring learning, developing character, building futures*

MINUTES OF THE MEETING OF THE ADMINISTRATION & FINANCE COMMITTEE

Date: 26th June 2017
Venue: The Blackpool Sixth Form College
Room: Committee Room
Time: 5.30-6.20pm

Present: Ms J Trembles (Chair)
Mr J Boyle
Ms J Gray (Principal)
Mr M Waterhouse

Together with: Mr A Lloyd ((Vice-Principal, Information Systems and Resources)
Ms L Gates (Head of Finance)
Ms A Crumblehulme (Head of Human Resources)
Ms S Hawitt (Governance Administrator (FCAT))
Ms M Wakefield

Apologies:

		Action
12.2017	Preliminaries The Chair welcomed everyone to the meeting. Apologies were noted	
13.2017	Declarations of Interest There were no declarations of interest	
14.2017	Consideration of any items of urgent business. There were no items of urgent business to discuss	
15.2017	Confirmation of Quoracy It was noted the meeting was quorate	
16.2017	Minutes of the meeting held on 7th March 2017 The minutes of the meeting held on 7 th March 2017 were approved	
17.2017	Matters arising from the minutes not covered elsewhere on the agenda a) Budget- (item 09.2017 from the previous minutes) confirmation Head of Finance clarified the period of time for operating a deficit budget and sent the agreement to the Chair.	

18.2017 Staffing Update

The Head of Human Resources (HR) provided a summary of the HR end of year update (paper 7.1) highlighting the following; she gave Directors a breakdown of the leavers of which there were 35 a similar number to this time last year and gave the reasons for this. It is anticipated that a full staff body will be in place ready for the start of 2017-18 with the appropriate skills to meet the demands of the organisation and customers.

She also summarised the new roles introduced and the restructure that had taken place in light of savings. It was noted that four staff had taken voluntary redundancy and eight staff had agreed to a reduction in hours. There were no compulsory redundancies.

Directors were informed that 14 members of staff compared to 22 in the previous year had accessed support from Occupational Health Counselling and long term sickness had reduced this term.

It was noted that no member of staff had been given a disciplinary warning and there had been no formal grievances raised during this academic year.

Directors were given a breakdown of gender, age range, ethnicity and recruitment. 133 applications for 16 externally advertised posts were received, of those 12 were appointed and the 4 posts remaining were withdrawn.

Questions from Directors

Asked about savings made in relation to those posts not replaced it was noted that in part these contributed to the £155K saved at the beginning of the year, it was not separated out in the budget.

Asked about the resignation of the RSC Coordinator and the external funding attached to the role it was noted that the funding had stopped, however the role is being evaluated and may change in the future. The college are waiting for feedback from this.

In response to a question about funding for the Assistant Principal role for Fylde Coast Academy Trust (FCAT) it was noted this was a fixed term contract funded by the college which shows a commitment to the sponsorship of FCAT.

Asked about support provided to staff it was noted that out of the 14 requests for flexible working 13 had been supported and one decision had not yet been made, however it was noted that support will be in place but not until next year.

The committee thanked the Head of HR for the report and she left the meeting

19.2017 Health and Safety report No 3

Directors considered the Health and Safety Report No 3 (paper 8.1) presented by Vice Principal: Information Systems and Resources he invited questions about the report.

Questions from Directors

Asked about the Education Funding Agency position on fire procedures, policies and testing in relation to the recent public events it was noted that nothing had changed for the college in terms of procedures and testing is carried out on a weekly basis.

Fire Safety Evacuation Report

Directors considered the Fire Safety Evacuation Report (paper 8.2) presented by Vice Principal: Information Systems and Resources he highlighted minor procedural issues which were dealt with very swiftly and that the evacuation itself was well managed in a time of 4 minutes with clearance by Marshals within 5 minutes.

Questions from Directors

Asked about the evacuation time and if there was anything to compare it too, it was noted that all previous evacuations had been carried out within 3-5 minutes. It was noted that anything above 5 minutes would be cause for concern.

Directors thanked the Vice Principal: Information System and Resources for presenting the report and he left the meeting

20.2017 Directors Financial Report ending 30th April 2017

Directors considered the Financial report for the period ending 30th April 2017 (paper 9.1) The Head of Finance reported that the surplus was healthy but that things had moved on since the report. She highlighted the under-spend on non-pay costs and examinations due to changes. Directors were invited to ask questions, there were no questions to answer.

21.2017 Draft Budget 2017-2018

Directors considered the draft budget for 2017-18 (paper 10.1) and Five Year Financial Plan (paper 10.2) presented by the Head of Finance she noted the slight changes to the financial spreadsheet which was not available at present but did not foresee any cause for concern. The approved budget will be transferred onto the new spreadsheet after approval by the Governing Body which will be submitted with the commentary(paper 10.1) by 31st July 2017

She highlighted the huge reduction in income to the sum of £783K and that since January the Senior Leadership Team (SLT) have implemented various cost saving strategies involving a commitment to reducing in year staff costs (largely focused on opportunities within support departments) a redundancy process in teaching areas with overstaffing and other measures to reduce costs for specific budget areas.

A request for allocation from reserves up to £750K in total over 5 years was discussed, the committee considered the five year forecast it was noted that throughout the period the college maintained I &E reserves (after FRS102) of in excess of £8.5m and over £4m in cash. The committee noted the forecast deficits for years ending July 2018-21 but that cash flow remained positive throughout.

The committee agreed the request for an investment from reserves of up to £750K over five years based on the plan within the Finance Manager's report subject to the following conditions.

- This request is exceptional
- The college will quickly return to surplus in year budget
- Reserves will be restored in due course
- Cash flow will remain positive (excluding unexpected exceptional expenditure on fixed assets on which the Governing body will be consulted)
- The financial health grade will return to 'Outstanding' by 2020-21
- The college's normal operations will not be put at risk at any time
- The bank loan covenants will not be breached
- There will be regular monitoring and reporting to the Governing Body

The Head of Finance gave Directors a breakdown of the income highlighting the following:

discussions are underway with League Football Education (LFE) to review the terms of contract and a renegotiation of the hourly fee received by the college, it is hoped there may be an increase to this income under the new contract for 2017-18

Income from lettings had been increased, discounted arrangements are under review, and these will be phased out over the next 12 months to ensure that all lettings, as a minimum, break even.

Directors were informed of the redundancy process and the review of fixed term contracts, which has saved college £457,000 in staffing costs for 2017-18. It was noted that teaching agency costs will be closely monitored by the finance panel to ensure that savings are made wherever possible.

It was noted that Local Governor Pension Scheme employer rate was increased by 1.9% to 11.8% with effect from 1st April 2017 these changes have been included in the staff budget.

Directors were also informed that the introduction of the Apprenticeship Levy had resulted in an additional cost to the college. The Levy is held in an account to fund apprenticeship training. It is planned that college will use this fund to cover the training costs of an AAT apprentice in 2017-18. No pay rise has been included in the budget, the forecasts have been prepared on the basis of no annual increase in the coming years.

It was noted that despite savings the college are striving to balance this with ensuring their commitment to quality provision for the students. It was noted that bursary and transport funding is hard to budget without knowing the needs of the students, however contingencies are in place for changes in cost depending on Students needs next year. It was also noted that the Smart Card is now offered to all students in response to positive feedback from students during the trial year, and the 3 mile radius rule which has been in place for some time has now been removed. The Bursary offer has been changed and the bursary split into two, with a transport offer in the form of a ticket/smartcard and a separate cash payment. Only the cash payment is contingent on attendance which will enable students to continue to attend college for support if their cash payments are suspended through non-attendance. Other strategies include bring your own device scheme as opposed to the IPad scheme, hospitality services have been reviewed and the college have benefited from a reduction by 50% from United Utilities.

Questions from Directors

Asked about the historical undercharge from United Utilities it was noted that college holds 6 years of accrued costs on the balance sheet for historic undercharges in agreement with the auditors, and will not accrue any further charges. It was noted that metered water has been budgeted in accordance with the recent invoicing from United Utilities at £3,000 per year.

Asked about the marketing budget £140K the Head of Finance explained the budget was increased last year by £40K in order to try out new recruitment strategies. This increase was awarded in two parts during 2016-17, firstly £20k in the Autumn term, and then a further £20k as part of the mid-year reforecast. Ordinarily this would have reduced back to the original 2016-17 level, but the decision has been made to increase this by £20k for 2017-18 to continue the strategies that have been implemented.

It was noted that planning 5 years ahead was quite complex but was based on what we know now and the current demographics of local high schools. Directors were reassured the five year plan will be reviewed regularly and changes made accordingly.

It was noted that formal intervention from Educating Funding Agency is only carried out if there is an unsatisfactory finance rating. It was highlighted that the positive cash flow situation is excellent.

Asked about student numbers in relation to market share it was noted that there is some evidence that market share is increasing based on the work being carried out by the college especially with the staff working closely with schools.

Directors thanked the Head of Finance for such a detailed report

ESFA Financial Plan Commentary 2017-18

Directors considered the Education and Skills Funding Agency (ESFA) Financial Plan Commentary 2017-18 (paper 10.3) presented by the Head of Finance. She explained that the commentary was a more formal interpretation of the budget and similar to the previous year.

21.2017 D1 Resolved: Recommend to the Corporation for approval that the five year budget be approved on the above basis.

22.2017 Finance Regulations and Procedures

Directors noted slight changes to the Finance regulations and procedures (paper 11.1) which were the change of name to Head of Finance.

Questions from Directors

Asked if the VAT statement should be expanded in the section Taxation 14F of the report the Head of Finance agreed to look at this and make any necessary changes

LG

23.2017 Letter from Education and Skills Agency (ESFA)

Directors noted the letter from the ESFA (paper 12.1)

24.2017 Identification of any new skills

No new skills were identified

25.2017 Date of next meeting

A discussion followed about the date of the next meeting in light of the absence of the Chair, it was agreed to cancel the meeting on 28th October on the understanding that management accounts can be circulated for questions.

Date and Time of next meeting

Thursday 9th November 2017

Signed _____

Date _____