



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

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

Date: Thursday 24th June 2021
Virtual Meeting
Time: 4.00-5.40pm

Present: _____
Ms D Taaffe (Chair)
Ms J Gray (Principal)
Ms W Middlemas
Mr A Burr
Cllr C Baxter
Mr D Gascoigne

Together with: _____
Ms A Crumblehulme (Assistant Principal: Business Support)
Mr C Jackson (Head of HR)
Mrs S Hawitt (FCAT Governance Administrator)
Ms L Gates (Head of Finance)

Apologies: Ms L Gates (Head of Finance)

		Action
01.2021	Preliminaries The Chair welcomed everyone to the meeting, especially Curtis Jackson, Head of HR who attended for the first time to present the HR report. Apologies were noted	
02.2021	Declarations of Interest There were no declarations of interest	
03.2021	Consideration of any items of urgent business. In response to the Clerk's request about which Upper 6 student director to recruit to this committee, it was agreed to invite both students to join the A&F committee from September 2021	Clerk
04.2021	Confirmation of Quoracy It was noted the meeting was quorate	
05.2021	Minutes of the meeting held on 9th March 2021 The minutes of the meeting were approved	
06.2021	Matters arising from the minutes not covered elsewhere on the agenda	

- a) **Management Accounts**-(item 07.2021 from the previous minutes) the calculation of surplus number of staff in relation to the 73.9 p% staff costs as a % of income – the Principal explained the college would need to lose the equivalent of approximately six (FTE) teaching staff to reach the challenging target of 70%. Asked how we compare with other colleges, Mazars had confirmed Blackpool Sixth does not stand out from other colleges. It was noted that the target is always going to be challenging for the college considering many staff are at the top of their pay scale.
- b) **Benchmarking**- (item 08.2021 from the previous minutes) directors had asked for further clarification on how the revised benchmarks relate to the college's financial health rating - this was provided in the budget paper 7.1

07.2021 Management Accounts

Draft Budget - Directors received and considered the draft budget 2021-22 (paper 7.1) and future financial forecasts (paper 7.2) presented by the Principal in light of the absence of Head of Finance. Directors were informed that the Head of Finance had done an incredible job of preparing the budget despite her personal circumstances.

It was noted that Covid-19 closures had generated operational savings and additional costs of implementing the testing and additional cleaning have been offset by ESFA funding and had placed college in a stronger position than expected. In the longer-term, forecasting presents a challenge due to some uncertainty on student enrolments and on national funding rates. Directors were informed that the budget has been based on reasonable assumptions, for example, income for college catering and lettings, annual staff pay award (budgeted at 2.5%), examinations. It was noted that changes to transport regulations could have a significant impact on costs if the college have to provide PSVAR compliant buses which cannot be provided by local coach companies.

Directors were informed that the plan will be updated in the Autumn term after enrolment numbers are known and when more is known about the impact of Covid-19 over the Autumn/Winter 2021.

WM joined the meeting

Questions from Directors

In response to a question about how transport fits into the marketing budget it was noted that providing free transport for students from Lytham, Wesham and Kirkham is a successful marketing strategy that encourages students to the college who might otherwise go elsewhere. It was noted that savings could be made in this area, however there is the assumption that less students will enrol resulting in lost income.

Asked about green energy, it was noted that the college had made significant steps with sustainability over the years. The new Head of Estates will be looking at all aspects of sustainability moving forwards.

Asked about the tuition fund for 16-19 year olds, it was noted that overstaffing in some curriculum areas have been used to deliver the support required to the targeted group of students.

In response to a question about lettings income, it was noted that the college is trying to determine a cost benefit analysis to see if lettings out of hours is cost effective in terms of extra staffing and facilities required.

Asked about the government's announcement to remove funding for Applied Generals and how this will impact on the college, it was noted that final decisions by government had not been made, however plans to remove funding for qualifications that overlap T levels had been talked about. It was noted that T levels would not be suitable for the vast majority of students at Blackpool Sixth.

Directors asked for further clarification on the 'Requires Improvement' projection for 2022/23, it was noted that a change in the financial health calculation is being piloted by the ESFA. This calculation gives points on debt service cover, rather than borrowing as a percentage of income which disadvantages the college and projects a requires improvement grade. It was also noted that college would argue a self-assessment score of good for these years based on cash balances projected to be twice the balance of the loans.

Further discussion took place about the pension funding, (valued at approximately £300k). It was noted that no clarification from government had been received regarding future pension funding, therefore the funding has been assumed to cease from July 2022 in line with the latest government announcements. The loss of this income presents a significant challenge for 2022-23 and beyond.

In response to a question about further cost savings in general, it was noted that SLT discuss ideas every September and always build in a worst-case scenario. Directors were informed costs had been cut as much as possible over recent years but further cuts would negatively impact the quality of provision. The Principal stated that the college are dependent on healthy recruitment and more funding for students.

Asked if the increase in expenditure for Administration and Finance can these be reduced in any way it was agreed to ask for further clarification from the Head of Finance.

The Principal informed the committee of a change to the Audit Code of Practice (currently being discussed with Audit Committee) which could have a significant impact on the finances; this additionally cost is not currently in the budget.

Asked about the increase to student services, it was noted that the college require more pastoral mentors due to the increase in student numbers and the growth the college is currently experiencing.

Directors asked for further clarification on staff costs for 2022-23 and what impact this would have on provision. It was noted that 6 full time teachers noted in the budget was for illustrative purposes only. If the college was forced to lose the equivalent of 6 full time staff it would ideally be through natural wastage or end of contracts (across teaching and support staff) which would then not be replaced. It was also noted that staff seem to be staying in post for longer than in previous years. The Assistant Principal: Business Support offered to a further breakdown to AB.

Directors were assured that every post at the college is critically evaluated before appointing ensuring the balance between cost and quality is met.

Directors asked what, if any, trade- offs are being made? What would the money be spent on if not paying for the 6 staff?

The Principal informed directors that any extra funds could help to reduce class sizes and bring back time for staff to plan enrichment and wider-curriculum experiences which have been lost over the last few years.

Directors were informed that the ESFA had been notified of the compassionate leave of the Head of Finance.

07.2021 D1 resolved: recommend to the Corporation for approval the budget 2021-22

08.2021 Use of College reserves-2017 agreement (paper 7.3)

As it is 4 years since the agreement was made and the assurances have been updated annually with progress, the committee were invited to review the agreement and consider the impact of including FRS102 costs on the measureable surplus/deficit and whether the assurances should now be sought in a different way, and if so, what those measures may be.

Principal/
LG

AC

	<p>After a discussion, directors agreed to develop a dashboard of financial health which will include 5-6 indicators in which to make an overall judgement. It was agreed to form a sub-committee of the A&F committee to meet with the Head of Finance to agree some measures in which to make a judgement.</p>	Sub-committee
09.2021	<p>Directors' Financial Report 30th April 2021</p> <p>Directors considered the financial report for the period ending 30th April 2021 (paper 7.4) presented by the Principal. She highlighted that the management accounts show a surplus for the year to date, some of which will be put back into the IT and property maintenance budgets. The Assistant Principal: Business Support informed directors that a clear plan for the estate is in place for the next 10 years with a focus on priority areas in the summer, the surplus budget will fund several projects some of which have been hampered due to the current Covid/Brexit situation causing some issues in the building industry.</p>	
10.2021	<p>LIBOR</p> <p>Directors received the loan transition papers 1.2 and 1.3 and were asked to consider the proposals recommended by Lloyds in agreement with the Principal and Head of Finance</p> <p>The committee discussed the proposal and having considered the documentation in this regard, the committee recommended the transition proposal outlined to replace LIBOR with base rate to the Corporation.</p> <p>10.2021 D1 Resolved: recommend to the Corporation the loan transition proposal for approval.</p>	
11.2021	<p>Health and Safety</p> <p>Directors received the Health and Safety report no 3 of 4 2020-21 (paper 9.1) presented by the Assistant Principal: Business Support, she highlighted the following from the report. No planned evacuations had taken place due to Covid restrictions, however plans are in place to manage evacuations with new students. On 14th June the college had moved to remote learning due to a significant increase in the number of positive tests reported by students, not seen previously at the college. This provided the opportunity to create a break in transmission and to deep clean the college. Significant improvements were made to the number of staff and students undertaking and recording their LFD tests and this will continue to be a priority.</p> <p>Questions from Directors</p> <p>In response to a question about the availability and publicity of the Covid vaccine for students, it was noted that the Principal is working closely with the Public Health Blackpool and as soon as the vaccine is available for college students it will be promoted via all social media platforms.</p> <p>Asked about the promotion of the flu vaccine amongst students, it was noted that discussions had already taken place and dates are yet to be confirmed.</p>	
12.2021	<p>Staffing Update</p> <p>Directors received the Staffing Update June 2021 (paper 10.1) presented by the Head of HR. He noted that a small number of posts are yet to be finalised due to ongoing recruitment, however it is anticipated that a full staff body will be in place ready for the start of 2021-22 with the appropriate skills required by the college. He went onto to explain the support provided to staff which included counselling support and the promotion of flexible working, 15 from 16 requests for flexible working received had been supported.</p> <p>He went onto say that the focus next year will be to continue to enhance diversity in unrepresented areas.</p>	

Questions from Directors

Asked about the types of flexible working arrangements for the 15 members of staff, and how it will affect the college, it was noted that the vast majority of the posts are part time but it is anticipated this may change over time.

Directors were assured that the college is very aware that affordability and the right balance of staff on site is vital and will be monitored.

In response to a question about the end of a fixed term contract being replaced by a full-time contract, it was noted that the previous contract was part-time and the member of staff did not apply for the full-time post.

In response to a question about the quality of candidates applying for roles it was noted that the quality is still very good however there are less applicants for posts than in previous years.

Asked about leavers, it was noted that most people left for new opportunities, however succession planning is strong and the college do promote internally wherever they can.

13.2021 Identification of any new or amended risks

No new or amended risks were identified

Date and Time of next meeting

Tuesday 16th November 2021 at 5.00pm

Signed _____

Date _____