



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

MINUTES OF THE MEETING OF THE ADMINISTRATION & FINANCE COMMITTEE

Date: Tuesday 27th June 2023
Location: The Blackpool Sixth Form College
Room: Principal's Office
Time: 4.00-5.40pm

Present: Mr David Gascoigne (Chair)
Cllr Callum Baxter
Ms Jill Gray (Principal)
Mr Alistair Burr
Ms Kirsten Burnett

Together with: Ms Lindsay Gates (Head of Finance)
Ms Amanda Crumblehulme (Assistant Principal: Business Support)
Mrs Sue Hawitt (Governance Administrator-FCAT)

Not attended: Ms Tabitha Davey

		Action
11.2023	Preliminaries The Chair welcomed everyone to the meeting and noted this would be his last A&F committee meeting. There were no apologies received prior to the meeting	
12.2023	Declarations of Interest There were no declarations of interest	
13.2023	Consideration of any items of urgent business. Questions from Directors The staff director noted that in one department a loss of 3.4 members of staff across the year with none recruited to start in September is having an impact on the department in question. He asked if the situation regarding staff departure could have been dealt with differently to avoid staff leaving. It was noted that the retention of staff is monitored closely and all staff are offered an exit interview, however these are optional and not always taken up by staff. It was noted that staff turnover is significantly less in comparison to other colleges. In response to a question about who carries out the exit interview, it was noted that, staff will have a choice of interviewer which is not necessarily their line manager, which can support more open discussions, it was also noted that it could be an option for exit interviews to be carried out by external sources.	

It was noted that education generally has 8000 staff leavers and 300 new staff starters which is having an impact on recruiting staff across the sector. Directors were informed that arrangements for recruiting staff at Blackpool Sixth are creative and appear to be working as well as expected in the current climate, it was also noted that company's such as TES are charging £45K per year just to advertise and market vacant positions and not always with results.

The Principal informed directors that the Fylde Coast SCITT is to be rebranded as the North West SCITT following the partnership agreement with Ambition Institute, this will expand the reach and hopefully bring more trainee teachers into the area and into local jobs.

Directors asked how the welfare and retention of current staff who are under a lot of pressure is being monitored and checked, it was noted that the Principal had met with every department to find out how they are using their flexible working options. Directors asked if more negotiations are required when asking staff to return to full time work, it was noted that the pressure on staff and SLT in making decisions about the future of the college with a challenging budget is difficult and decisions are made with the best interest of the students and staff.

It was noted that college are already seeing the benefits of working together with other schools as part of the impending trust, especially in recruiting and borrowing staff for certain subjects.

14.2023 Confirmation of Quoracy

It was confirmed the meeting was quorate

15.2023 Minutes of the meeting held on 24th March 2023

The minutes of the meeting were approved after a query about the paragraph relating to the percentage of staff not having an impact on the financial health rating, it was noted that the minutes were correct and the Head of Finance explained the reporting of the staff costs as a percentage of income to directors.

16.2023 Matters arising from the minutes not covered elsewhere on the agenda
Format and style of reports-(item 09.2023 from the previous minutes) the Assistant Principal: Business Support agreed to summarise what is already presented to directors and offer some proposals for future reporting for directors' comments.

17.2023 Management Accounts

Directors noted the Financial Management report for the period ending 30th April 2023 (paper 7.3)

Directors considered the draft budget 2023-24 (paper 7.1) presented by the Head of Finance, she highlighted the detail of the budget including income, expenditure and decisions made as regards to the deficit budget.

The Principal informed directors that the college could have set a balanced budget for 2023-24 by removing expenditure lines such as a 5% pay award, however the ESFA would not be aware of any issues and challenges faced by the college due to lack of funding and growing costs. It has become apparent that colleges are receiving more small pots of money instead of a focus being on increasing the base rate. Colleges are hopeful if the ESFA are seeing the real challenges due to lack of funding it may encourage government to address underfunding.

Directors were informed that due to two main factors, a reduced number of students and staff pay awards this was one of the worst budgets set for the college, however there are strategies that can help to reduce the deficit which the Principal shared with directors.

A tabled paper was shared with directors which outlined the 22/23 Outturn, 2-year plan and review of actions taken. Directors were informed that the despite the downturn in student numbers, the planned surplus had been boosted ahead of the lagged funding year. A new deal with Blackpool transport had secured a travel deal for students at no cost to the college resulting in a saving of £200K and the planned maintenance costs for 2023-24 had been reduced by £64K.

Directors were given a variety of options of 'what more can be done' however these options would have a significant impact on staff working conditions, these included the option to move away from the current pay scale, change staff contracts, freeze pay increments, merge departments, increase class sizes and removing 6Xtra and 6advance offers from the curriculum. It was noted that there is much more that the college can do to reduce the budget, however, as retention is up on this time last year by 90 students and the rate of leavers is slower, SLT are mindful of not acting too quickly to reduce costs as this will impact on the college quality and reputation, therefore recommended waiting until at least September to ascertain recruitment levels.

The Principal talked about a plan of action including,

- waiting until September enrolment to ascertain recruitment levels and funded number of students for 2024/24
- reforecast 2023-24 with any known in-year changes, such as (staff vacancies, leavers, pay awards)
- reforecast 2024-25 with known changes
- consider savings from academisation

She also noted that to take-action today would, in her opinion, be the wrong thing to do.

Questions from Directors

The Chair of the Board noted that the budget at first sight was cause for concern, however agreed with the Principal's point of view that now would not be the right time for rash decisions. He noted that it is important to continue doing the very best for students whilst providing essential services to protect staff.

Asked if there was a break- even point for class sizes, it was noted that some of the larger classes balance the smaller class sizes, however it was noted that some of the smaller classes may have to be removed from the curriculum.

Directors agreed that there are tough choices to be made especially when making decisions with many unknown factors. Asked about the deficit budget it was noted that college can only make a deficit in two consecutive years without breaching the bank covenant

Directors noted their reassurance and the honesty in the way the SLT are handling such a difficult situation.

In response to a question about interest rates it was noted that a high proportion of college debt is on a fixed term tariff, it was also noted that college are currently seeing some interest on savings and investments. Additionally, it was noted that there will be some changes to the debt situation if the college goes ahead with academisation.

Asked about electricity prices, it was noted college are on a fixed price until February 2024 and may also be able to negotiate better rates once the trust has been formed.

In response to a question about the changing position in growth, it was noted that the predictions for growth from the Local Authority did not materialise and was very different to the ONS data which indicated no significant growth, this is partly due to the transient state in the town, however some growth is predicted for 2029.

The Chair stated that with staff costs at 88.5% and a deficit budget now would be the time to reduce staff, waiting beyond September would be inadvisable. The Principal stated that reducing staff too soon without knowing what the landscape looks like will have an impact on the quality of the provision and further stress on already overstretched employees.

It was noted that efficiencies may be made within the trust, as a shared service there maybe savings in some areas of support staff as they would be paid by the trust. However, directors and SLT are aware that joining the trust will not have immediate financial benefits.

In response to a question about reducing the number of teaching sessions per student, it was noted that there is a funding threshold that needs to be met. Directors recommended the deficit budget for 2023-24 on the basis that the reserve position is very good, however, it was agreed that in early Autumn a realistic figure needs to be set in how savings can be made. An extraordinary A&F committee meeting will take place in October to discuss the situation in more detail.

17.2023 D1 resolved: recommend (with a caveat) the draft budget 2023-24 to the Corporation for approval

Directors received the commentary to the CFRR 31st July 2023 (paper 7.2) presented by the Head of Finance, she informed directors that the CFRR is a standard excel template to collect information about income and expenditure by financial years, so that it can be compared across colleges, however it was noted that ESFA do not provide colleges with assumptions they must all use, and it is important that the accompanying commentary tells the story so differing assumptions can be identified.

Questions from Directors

Asked about risk 3 on page 9 of the document, it was noted that due to the reliability on the single funding stream and the reduction in recruitment the impact on the budget was significant.

The rating on some of the risks were challenged, however directors were reassured that the risk register and planned amendments had been approved by the Audit Committee.

In response to a question about section 11, it was noted that the budget had to be presented as a SFC as the trust had not yet received an academy order.

18.2023

Health and Safety

Directors received and consider the Health and Safety report No 3 of 4 (paper 8.1) presented by the Assistant Principal: Business Support, she noted that the H&S team are continuing to monitor and continue to make progress and are confident with complying with legislation.

She highlighted some challenges which include further increases to First Aid incidents, however there is a lot of work being carried out to raise awareness of health and safety which usually results in higher reporting, there is an expectation that things will improve over time.

Feedback suggests students do feel safe in college.

Questions from Directors

Clerk

In response to a question, it was noted a student nurse practitioner had been appointed as part of the well-being team.
Directors noted the positive collaboration relating to surveillance and information sharing with neighbouring schools.
Directors noted it was a good report

19.2023

Minor Building Works Contract

Directors received a late paper (8.2) presented by the Assistant Principal: Business Support outlining some building work which will have a positive impact on student support. The report outlined the background, the tender process, the current position and the impact on the budget and asked directors for approval.

Question from Directors

In response to a question about the tendering process, it was noted that the threshold is £2500 and 3 quotes, the Assistant Principal: Business Support informed directors that more than 3 building firms had been approached but only two had committed, it was agreed two quotes is not ideal but due to the short timeframe was acceptable on this occasion. The committee agreed to approve the building work and recommend to the Corporation

19.2023 D1 resolved: approve the building work with DG builders.

Further approval was received from directors via email sent on 29th July 2023

20.2023

Identifications of any new or amended risks

There were no new risks identified not already on the risk register.

Date and Time of next meeting

Extraordinary meeting Tuesday 3rd October 2023

Tuesday 28th November 2023

Signed _____

Date_____