

**BARTON PEVERIL SIXTH FORM COLLEGE**  
**Finance and Employment Committee**  
Minutes of the meeting held on  
Tuesday, 16 May 2017 at 7.00 pm

**Present:**

Mrs K Everett (Chair)  
Mrs S Anderson  
Mr D Blenkarn  
Cllr K House  
Mr J Prest

**In attendance:**

Mr M Chart (Assistant Principal (Finance and Resources))  
Mr G Miles (Director of Finance)  
Mrs J Miles (Clerk)

**Apologies:**

Mr G Ashton

**Absent:**

None

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	<b>Action</b>
<p><b>363 Declaration of Interests</b></p> <p>No member of the Committee had anything to declare relating to the items on the agenda.</p>	
<p><b>364 Equality and Diversity Issues arising from the agenda</b></p> <p>The Chair reminded members to consider Equality and Diversity issues when considering items on the meeting's agenda.</p>	
<p><b>365 Financial Strategy update – CONFIDENTIAL PAPER</b></p> <p><b>365.1</b> The Principal thanked everyone for their attendance at short notice and apologised for the need for an extra meeting, the reason for which was the short turnaround between tendering for the building work and awarding of the contract in time for the work to be started in two weeks' time and finished before the start of the Autumn term. A multi-million pound contract would have had a longer lead-in. Whilst the Corporation had given the Finance and Employment Committee authority to vary the amount spent on the capital projects planned and the amount of early repayment on borrowing, the Finance Regulations stated that the Corporation should approve large building contracts. The Principal suggested that if the Finance and Employment Committee members were happy with the proposals they could ask the Chair to take Chair's Action and ask for ratification at the Corporation meeting in July.</p> <p><b>365.2</b> The Principal explained that the project had developed as it became apparent that the kitchen area would not be suitable to serve the needs of the new social space. The</p>	

kitchen refurbishment had added to the costs as had the proposed increase in the Student Social Area (not just a refurbishment of the area) and the knock-on re-configuration of the offices. It had become a more sophisticated and higher quality proposal than initially anticipated. The arguments for undertaking the project remained strong as the students needed more space and a good social area would attract new students. The Principal pointed out that making one payment fewer of the three early repayments intended would result in the College remaining in good financial standing.

- 365.3** The Assistant Principal (Finance and Resources) (APFR) presented his paper and tabled an appendix which contained the tendering details. He confirmed that the initial estimate, made by a contractor, was approximately £775,000. In answer to a question he confirmed that after the kitchen refurbishment there would be significantly improved catering options for students. Interviews for a new Catering Manager and Head Chef were imminent. A catering consultant had been employed to design the new kitchen area (which included new ventilation and extraction). Students had been involved in the design discussions. In addition, the cost of new furniture had been underestimated but the initial high quote had been reduced from £230,000 to £150,000. Walls were being removed, lighting would be replaced and an ongoing acoustic problem in the Social Area would be addressed.
- 365.4** Members asked questions about:
- whether there was enough time to complete the work without compromising operational matters at the start of the Autumn term
  - how the current level of debt was scheduled
  - whether there was the possibility of moving College borrowing from the Government rather than commercial banks but it was noted that this was not available for the sector
  - what other potential work was in the property Strategy (the largest items being the extension of the Science Block and the recladding and re-fenestration of the Hampshire Wing)
- 365.5** It was noted that there was sufficient time to complete the project if the work could commence as planned. Social facilities across the whole campus had been included at the beginning but proposed improvements to the Atrium and the Rose and Nobel cafes had been rejected for inclusion in this project. The construction of a café in the old Rose gym was part of this project (the gym had already been relocated).
- 365.6** The Principal explained that the loan was currently £6M with a variable rate and a scheduled repayment of one twentieth of the loan each year, with a built-in, no-cost option to make early repayments of up to £800,000 at a time. The last three points for these early repayments were November 2017, 2018 and 2019. The loan would be renegotiated every five years and if additional money could be repaid before the end of the five-year period this would place the College in a better position for renegotiating the loan.
- 365.7** Members agreed that the new pricing seemed more realistic. They also noted the need to be cautious with regard to cash in the bank as well as renegotiation of the loan. It was suggested that no decision was made at this meeting regarding the early loan repayments; these should be reviewed in the Autumn term when three key sets of data were available:
- 1 new student numbers
  - 2 implications of the General Election
  - 3 the wider macro-economic climate

**365.8** Members went on to consider the tenders as described in the tabled paper. Various questions were raised regarding the preferred tenderer Ascia, ie:

- were they credit-worthy
- were any accounts available
- did they have any CCJs against them
- were there any penalty clauses in place
- was a contract yet available

**365.9** It was noted that Ascia had undertaken the work on the English department the previous year but that they had only been trading for 18 months (the two Directors having broken away from Amiri Construction, with whom the College had worked on the two previous building projects) so accounts had not yet been lodged at Companies House.

**Agreed Actions**

**Members unanimously AGREED:**

- to recommend to the Corporation that the College agreed the £1.6M cost of the work to the Student Social Centre, kitchens and offices
- to recommend to the Corporation the approval of the tender from Ascia to carry out the proposed work
- to request that the Chair takes Chair's Action on the above points, on behalf of the Corporation
- that Mr Peter Boote (Chair of the Audit Committee) would be sent the meeting papers and asked for his opinions on the proposals and the questions raised by the Committee
- that the Clerk would advise Corporation members of the above at the earliest opportunity
- that a paper explaining the above would be presented at the next Corporation meeting
- that further consideration would be given to the early repayments off the loan in the Autumn term (the date of the Finance and Employment Committee meeting might need to be changed)
- some modelling on the cashflow would be presented at the next meeting

Chair

Clerk

Clerk

APFR

APFR  
APFR

**366 Information Exchange**

There was none.

**367 *Date and time of next meeting: Monday, 5 June 2017 at 5.30 pm in the Conference Room***

The meeting closed at 7.50 pm.