

CARDINAL NEWMAN COLLEGE

BOARD OF GOVERNORS – FINANCE AND PREMISES COMMITTEE

A meeting of the above Committee will be held at **4.00 p.m.** on **Wednesday 23 November 2016** in the Conference Room at the College.

Members present:

Richard Ainscough, Chair (F)
Nick Burnham, Principal
Matthew Ainge
Len Hampson (F)
James Keen
Helen Seechurn (F)
Bill Noblett (F)

Officers in attendance:

Bob Deed, Clerk
Mille Kozuszkiewicz

MINUTES

1 Opening prayer

The meeting commenced with a prayer

2 Welcome, introductions and apologies

Apologies were received from Andrew Wygladala and Katie O'Reilly.

3 Declarations of interest

There were no declarations of interest but both Bob Deed as Clerk and Matthew Ainge as Staff Governor noted that they were members of the Local Government Pension Scheme (LGPS).

4 Minutes of the last meeting

The minutes of the meeting of the committee, the Search Committee, held on Wednesday 15 June 2016 were accepted as a correct record and signed by the Chair (file copy entered).

5 Matters arising from the minutes

The were no matters arising not covered elsewhere on the agenda.

A member asked about financial modelling. The Principal explained that the Senior Management Team had been doing work on funding including demographic changes. The Clerk noted that the Director of Corporate Resources would be bringing a paper on budgeting to the next meeting of the Committee. This was expected to include five year financial projections.

6 Risk presentation

Discussion

The Premises Manager introduced her presentation by setting out her role and explaining the responsibilities of her team. She outlined how she managed her three top gross risks.

The Premises Manager elaborated on the risk of a significant part of the college due to fire or flood or other emergency. She noted key mitigation measures including:

- Fire alarms are serviced twice yearly and monitored through with automated mobilization.
- Evening, weekend and Christmas close down tours are carried out by security.
- The programme of servicing and maintenance.

She gave examples when these such arrangements prevented losses.

The Premises Manager outlined how the College managed the risk of a major accident or incident involving death or serious injury to staff or students on field trip or minibus journeys. She noted that the College had a robust visits and trips procedure in place which involved use of CEDAR and the College has an effective minibus booking system in place with a list of approved drivers.

The Premises Manager explained how the College deals with the risks of failing to comply with Health & Safety Legislation. She explained that she was NEBOSH qualified as was her Deputy. She explained that she used local networks, consultants etc to stay abreast of legislative and policy changes.

The Chair asked about how the College would respond to loss of buildings. The Principal noted that the College's exposure was reduced by the College's multiple sites. He noted that the College would respond flexibly to any building loss through use of temporary classrooms and other facilities. There was a Plan which set out how to respond to a disaster although it did not set out specific sites.

7 Premises manager report

The Premises Manager presented her report. She highlighted recent developments including the use of the new St Teresa's Building, the creation of a Mac suite in St Augustine's and the phased opening of the fitness suite for staff and later students.

The Chair asked about the asbestos re-inspection. The Premises Manager confirmed that this was routine.

The Principal confirmed that the fitness suite fire escape was in use although there had to be some negotiations with the Diocese.

8 Health & safety reports

The Premises Manager introduced her reports, the accident summary and the Health & Safety Committee minutes. She highlighted that several of the accidents were off-site so these are separately shown. There had been two RIDDOR incidents recently: a breakage due to a slip by a member of staff and another slip where a staff member was carrying boxes down stairs. These has been followed-up.

The Chair asked about the number of apologies at the Health & Safety Committee. The Principal said that this was unusual as the meetings were generally well attended.

The Premises Manager outlined the work on training on Health & Safety for both staff and students.

The Premises Manager noted that the drafting of the Asbestos Management Plan, with support from specialist consultants, was close to completion. This will replace the existing policy.

The Chair thanked the Premises Manager for the thorough reports.

9 Policy review: health & safety policy

The Premises Manager outlined the changes to the policy. There were no substantial changes.

The Clerk noted that there were several appendices to the policies. These were detailed procedures which would be considered and approved by the Senior Management Team. In order to enable the members of the Committee and other governors to feedback comments and suggestions, the drafts would be shared on the Governors area.

The Chair queried one sentence in the statement of intent as there appeared to be a missing word.

The Committee agreed to recommend approval of the revised policy to the Governing Body subject to the correction of the sentence noted above.

Matthew Ainge and Mille Kozuszkiewicz left the meeting.

10 Risk register: termly update

The Committee asked about cyber risks. The Principal confirmed that the College took these risks seriously and was aware that other colleges had been subject to attack

The Chair asked about how the College tested the robustness of cyber security. The Clerk confirmed that the Audit Committee was to receive a report on the planned penetration testing by an IT consultant.

11 College Finance Report for October 2016

The Principal introduced the College Finance Report. He highlighted that the College had incorporated the actuaries' estimates of pension provision adjustments into the forecast outturn for 2016/17. The Chair asked whether the forecast pension adjustments could have been identified earlier. The Clerk as the Director of Corporate Resources explained that this changes came to light in September 2016 on receipt of Mercers actuarial report. The only possible indication of the high value of the provision and the adjustments arose late in 2015/16 when bond yields fell, in part, as a result of the June referendum.

The Principal noted that the Sixth Form Colleges Association was asking for central government to act as guarantor from college pension deficits. The Chair noted that the insolvency regime may have consequences in relation to pension funding shortfalls.

The reduction in forecast fees for the year was explained by the Principal as resulting from the closure of the ESOL provision and the under-recruitment of Higher Education and School Direct numbers.

The Principal noted that the Cedar team had incurred additional costs as a result of work using a consultant in the summer. He observed that there were a number of leads which were being followed-up by the new Commercial Manager.

The Committee asked about the cashflow forecast. The Principal noted that the dip was due to the EFA's funding profile.

The Committee noted the appendix which showed strong performance against financial objectives and measures.

12 Correspondence with the Education Funding Agency

The Principal explained the data dashboard from the EFA. He drew the Committee's attention to the rankings: the College was fourth in terms of numbers in 2015/16, sixth for programme funding (as some others have area weighting) and first for Formula Protection Funding.

The Committee asked the Director of Corporate Resources to clarify what was classed as EFA Additional Funding.

**Director of
Corporate
Resources**

The Principal highlighted that the letter from the EFA indicated no issues and no errors with the submitted 2016 Financial Plan.

13 Draft Annual Report and Financial Statement 2015/16

The Committee considered the covering paper on the financial statements, the College's draft Annual Report and Accounts and the Newman Business Limited draft financial statements.

The Principal put the "Good" financial health category in the context of the squeeze on funding and the investment of cash on new buildings.

The Committee agreed to recommend the financial statements for the College to the Governing Body for approval.

The Committee noted the financial statements of Newman Business Limited.

14 External audit completion report

The Chair drew the Committee's attention to the Mazar's recommendations which were relatively minor.

15 Pension provisions and costs

The Clerk as Director of Corporate Resources talked to the paper on pension provisions and costs. He compared the College's position historically and in relation to other colleges. He suggested that the imminent results of the March 2016 funding valuation may not be as adverse as the accounting valuation.

16 Property strategy update

The Principal outlined recent work and discussions about potential sites for expansion in the medium term. He explained the issues associated with the Presbytery including its listed status and health & safety complications. He noted that potential schemes might be blocked at planning while the costs were prohibitively high for both the College and probably the EFA as a funding source. Given the fees incurred and costs involved, the College was likely to pause plans for the Presbytery. The Principal noted that the College could not enter and use the building as it had an asbestos problem.

The proposed public realm improvements were set out by the Principal. These discussions with the local authority were in the context of the bus station development. The Principal noted the plans for approach improvements and changes.

The Principal updated the Committee on discussions about a development on the site with a costs of about £9m to £10m. There were talks with the Local Enterprise Partnership on skills funding and Lancashire County Council on basic need funding. The Chair asked about how demography affected growth. The Principal explained that there was evidence that the College could be over 4000 after 2020.

The Principal put the prospects for growth in the context of the College's position in relation to other local providers and their plans.

17 Annual insurance report

The insurance report was noted.

18 Determination of any items to be treated as Confidential

There were no items requiring treatment as Confidential.

19 Date and time of the next meeting

The next ordinary meeting of the Committee is scheduled to be held at 4.00 p.m. on Wednesday 8 March 2017.