

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 15th June 2016** in the **Conference Room at the College.**

Members present:

Richard Ainscough, Chair
Andrew Wygladala, Vice Chair
Nick Burnham, Principal
Len Hampson
Bill Noblet

Officers in attendance:

Bob Deed, Clerk
Katie O'Reilly, Director of Corporate Resources
Paul Vaughan, Deputy Principal
Claire Walbank, College Accountant

MINUTES

1 Opening prayer

The meeting commenced with a prayer.

2 Welcome, introductions and apologies

There were no apologies.

3 Declarations of interest

There were no declarations of interest.

4 Minutes of the last meeting

The minutes of the meeting of the Committee held on Wednesday 7th October 2015 were accepted as a correct record and signed by the Chair (file copy entered).

5 Matters arising from the minutes

The Chair asked about the current progress with emergency planning. The Principal confirmed that this was progressing.

6 College Finance Report for May 2015

The Director of Corporate Resources introduced the College Finance Report including the forecast outturn in line with the budget. She noted that the College subsidiary was expected to incur a trading loss this year as a result of an investment of resources in the CEDAR system and the change in pricing model. However, next year the company is expected to generate a trading surplus of £39k, reflecting in part the higher recurring income resulted from the new pricing structure. This had been discussed with the external auditors who raised no concerns.

The Committee asked for clarification on the College's Skills Funding Agency income forecast to be £27k at year-end. The Director of Corporate Resources confirmed that this almost entirely related to the College's courses English for Speakers of Other Languages. The future of this provision and funding allocation is being discussed with Preston College.

The Chair highlighted the importance of managing and generating cash following the College's recent significant investment of operating cashflow in new buildings.

7 College strategic plan (2013-2016): update report on progress related to key financial objectives/indicators

The Committee reviewed the performance indicators report including the EFA financial health metrics.

8 The impact of FRS102 for college accounting

The Committee considered the report. The Chair noted that the main changes were presentational. The College Accountant highlighted the new "holiday pay accrual" and indicated that the charge to the income and expenditure account this year was in the region of £40k.

The Committee:

- **Noted the implications of FRS102.**
- **Agreed that the College does not wish to revalue the land and buildings for accounting policies.**

9 Property strategy update

The Director of Corporate Resources introduced the report. The Principal updated the Committee on the change in plans as a result of the Diocese withdrawing from discussions about the sale of the Presbytery. Initial difficulties with the locating of a fire escape from the new fitness gym have been resolved with the Diocese's help.

The Principal highlighted the College's plan to generate cash and explore opportunities for capital funding.

The Director of Corporate Resources updated the Committee on the progress with Enviro who are constructing the St Teresa's modular building. She also drew the Committee's attention to the details of the procurement process involving the use of the delegated approval agreed at the last meeting.

The Committee approved the awarding of the contract to Enviro for the construction of the St Teresa's building (including enabling works) with a contract value of £806k.

10 Update on other property related matters

The Committee noted the work on maintaining and improving the College estate set out in the update report.

11 Health & safety report

The Committee noted the report. The Director of Corporate Resources noted that the reduction in incidents. The Committee commented that the frequency of panic attacks at the College. The Principal outlined his discussions with the about responding to the issue of mental health including stress.

12 Risk management update

The Committee reviewed the risk register. The Committee queried the change of colour-coding. This will be raised with the Audit Committee.

The Committee asked whether the College had suffered any cyberattacks. The Principal highlighted the strength of the College's IT security. He noted that there had been attacks on JISC, the internet provider for universities and college, which had been disrupted by a sustained attack recently.

13 Maple Group benchmarking

The Principal noted that the Maple Group was comprised of colleges with similar curriculum and performance. The Chair observed that the College compared favourably on most financial measures. The Committee noted that the College's low cash days and current ratio reflected the investment in buildings during 2015.

14 Correspondence with the Education Funding Agency

The Committee accepted the letter from the EFA on the financial statements confirming the College's financial health as Good. The minor issue with a page of the statements not being signed was noted. The Director Corporate Resources noted that this has now been resolved.

15 College budget 2016/17 and financial forecast 2016-19

The Director of Corporate Resources introduced the paper. She noted the key assumptions about College's funding income growth and cost reductions. She also drew the Committee's attention to the external cost pressures increasing pay costs.

The Chair asked about the reduction in maintenance. The Director of Corporate Resources explained that this reflected a reduction from a high base as the College had been bringing forward planned maintenance and investing-to-save in recent years.

The Director of Corporate Resources asked the Committee to consider the appendix showing the financial planning checklist which the Education Funding Agency had asked the College to complete and share with Governors in a recent letter.

The Director of Corporate Resources informed the Committee that she had done some indicative financial modelling beyond the forecast period. This would be discussed with Governors in the near future.

In a response to a question, the Principal confirmed that the draft budget and financial forecast would be shared with the unions, as the management accounts are.

The Director of Corporate Resources noted the draft set of revised financial objectives was a consolidation of the previous one.

The Committee resolved to:

- **recommend to the Governing Body the draft budget 2016/17 and the draft three year financial forecast to 2019 including the key assumptions and proposed financial objectives; and**
- **note the financial planning checklist.**

16 Fees framework

The Director of Corporate Resources confirmed that the fees framework was in line with last year's

The Committee approved the proposed fees framework.

17 Financial Regulations review

The Director of Corporate Resources outlined the minor changes to wording in the Financial Regulations including the changes in procurement.

The Committee approved the changes to the Financial Regulations to take effect from 1 August 2016.

18 Policy review: Acceptable Use policy

The Director of Corporate Resources noted the minor additions to the existing Acceptable Use Policy for IT.

The Committee approved the changes to the Acceptable Use Policy.

19 Determination of any items to be treated as Confidential

The Committee agreed that no items were Confidential.

20 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 23 November 2016.