

CARDINAL NEWMAN COLLEGE

BOARD OF GOVERNORS – FINANCE AND PREMISES COMMITTEE

The Committee met at 4.00 p.m. on Wednesday 21 November 2018 in the Conference Room at the College.

Members present:

Richard Ainscough, Chair (F)
Nick Burnham, Principal
Len Hampson (F)
Andrew Wygladala (F)

Officers in attendance:

Bob Deed, Clerk
Katie O'Reilly, VP – Finance & Resources

MINUTES

1 Opening prayer

The meeting commenced with a prayer.

2 Welcome, introductions and apologies

Apologies were received from Nigel James, Bill Noblett and Helen Seechurn.

3 Declarations of interest

There were no declarations of interest.

4 Minutes of the last meeting

The minutes of the meeting of Finance and Premises Committee held on Wednesday 6 June 2018 were accepted as a correct record subject to minor corrections.

5 Matters arising from the minutes

The Chair asked about the suggestion at the last minute that Lancashire County Council should be contacted to explore opportunities to use their treasury management function. The Clerk as Vice Principal said that he had emailed Mike Jensen at LCC but had not had a reply. He was doubtful that LCC would be interested in managing the College's excess funds.

The Clerk apologised that he had not brought back to Committee a document showing how the Committee addressed each element of its terms of reference. He asked that the action be rolled forward.

The Committee asked the Clerk to bring back a paper on the Finance & Premises Committee terms of reference. Clerk

6 Premises manager report

The Premises Manager updated the Committee on the maintenance work during half term and the successful completion of the Factory Lane drainage works. She also noted that following tendering of several service contracts a saving of £18k has been achieved.

There was a discussion of the options for Factory Lane, including the scope to bring back into use the pitches which could no longer be used.

7 Health & safety reports

The Premises Manager presented the health & safety update with the health & safety committee minutes. She noted that the annual review of the Health & Safety Policy Statement was in progress. It will be reviewed by the College's Senior Leadership Team before being considered by the next Finance & Premises Committee in March 2019.

A Governor asked what action was being taken to address staff members who have not completed their health and safety training. The Principal said that for staff persisting in failing to complete the training, HR would have to be involved.

The Principal updated the Committee on work following the recent major incident training and briefing by police Counter-Terrorism Advisors. He said that the College was updating and combining policies for major incidents. He confirmed that there was no need for urgent action although this was being progressed.

The Premises Manager explained the work on adapting the evacuation policy on a "double knock" basis following the discussions within College and with the relevant agencies.

The Chair asked about the case of student self-harm mentioned in the report. The Premises Manager said the immediate response was first aid but this was followed up with pastoral support and care. The Principal explained that the College was reviewing its response to such cases. He noted that there had been an increase of students with serious mental health issues enrolling.

[The Premises Manager left the meeting]

8 Property strategy update

The Chair commented on the impressive new entrance. The Principal said that it was an asset at the recent Open Day. He also said that it had facilitated a tightening of site security.

The Principal thanked the Vice Principal and the Premises Manager for their work on the project including completion on time and on budget.

The Vice Principal said that the College was planning to apply for condition and expansion funding from the ESFA's Condition Improvement Funds. The expansion funding bid would, if successful, allow the College to revive the building in the grounds project. The maximum allocation of £4 million could be matched by £1m from College cash reserves with a further £1m from other sources. In addition, the College was seeking a smaller allocation of conditions funding for lift replacements.

The Vice Principal planned to bring a paper to the December meeting of the Governing Body.

The Vice Principal noted that there was national capital funding for T-levels although the details of this funding was not yet published.

The Vice Principal updated the Committee on the consultations about the Stoneygate Masterplan and other discussions with local stakeholders in the area.

9 Risk register: termly update

The Vice Principal introduced the risk register. The Committee noted that there were no major changes in the risk profile facing the College.

10 College Finance Report for October 2018

The Vice Principal outlined the College Finance Report for October 2018 including the favourable movement in the forecast outturn against the budget for 2018/19.

The Principal explained the recent developments with the Catholic Teaching Alliance with the College joining their School Direct scheme from September 2019. He noted that there were 11 trainee teachers this year in the current School Direct scheme with Edge Hill University.

The Chair commented on the financial performance of Newman Business Limited. The Vice Principal said that there had been further successes with both new and existing customers.

The Vice Principal drew the Committee's attention to the appendix showing progress objectives including the strong performance against both financial health metrics and loan covenant measures.

The Chair asked about the College's involvement with higher apprenticeships. The Vice Principal said that a higher and degree apprenticeship in leadership and management was being considered as the College was now on the Apprenticeship Register.

11 Correspondence with the Education and Skills Funding Agency

The Vice Principal introduced the ESFA letter confirming that the College had outstanding financial health. The Committee noted how this contrasted with the deteriorating financial health of the sixth form college sector shown in the dashboard from the ESFA.

12 Draft Annual Report and Financial Statements 2017/18

The Vice Principal introduced the College and Newman Business Limited accounts. She noted the College's performance had been close to the budget. She also noted how well the College performed against the sector benchmarks.

The Chair commented that there was considerable informative financial and non-financial information in the Annual Report and Accounts. The Clerk confirmed that he had made a number of minor amendments to the narrative of the Governors' Report section following the Chair's detailed review. He also highlighted that there was likely to be an additional disclosure note required by the external auditors following a recent legal cases which was likely to affect liabilities of pension schemes.

The Committee:

Clerk

- **noted that further amendments were required; and**
- **agreed to join the Audit Committee in recommending the financial statements for the College to the Governing Body for approval.**

The Committee noted the financial statements of Newman Business Limited.

13 External audit completion report

The Chair noted that the external audit completion report was positive with only minor points made. The Vice Principal noted the hard work by the College Accountant and the rest of the Finance Team. The Committee asked for their thanks be recorded.

The Committee noted the external audit completion report.

The Committee agreed to join the Audit Committee in recommending the letter of management representation to the Governing Body for approval.

Clerk

14 Annual insurance report

The Vice Principal asked that the report be brought back to the next meeting as the member of the Finance Team who prepared the report was not able to present it.

15 Briefing note on pensions

The Clerk as Vice Principal summarised the key theme of the briefing as the main pension risk for the College was around the cash contributions associated with the two pension schemes rather than the estimate of the support staff pension scheme liability on the balance sheet. He noted that the shortfall shown was significantly higher in the actuaries' annual accounting valuation than the actuaries' triennial funding valuation used to set contribution rates. He said that the College's balance sheet liability was relatively low for the college sector but inflated by factors such as quantitative easing.

The Clerk highlighted that there was a risk that the increase in Teachers' Pension Scheme employers contributions from 16.48% to about 23.6% in September 2019 might not be fully funded after April 2020.

16 Feedback from Link Governors

The Health & Safety Link Governor noted his attendance at the recent Health & Safety meeting. There were no other verbal reports from Link Governors.

17 Determination of any items to be treated as Confidential

There were no items deemed to be confidential.

18 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 6 March 2019.