

## **CARDINAL NEWMAN COLLEGE**

### **BOARD OF GOVERNORS – FINANCE AND RESOURCES COMMITTEE**

The Committee met at 4.00p.m. on Wednesday 20 November 2019 in the Boardroom at the College.

#### **Members present:**

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

#### **Officers in attendance:**

Bob Deed, Clerk  
Katie O'Reilly, Vice Principal – Finance & Resources  
Millie Kozuszkiewicz, Premises Manager  
Claire Riding, College Accountant

### **MINUTES**

#### **1 Opening prayer**

The meeting commenced with a prayer.

#### **2 Welcome, introductions and apologies**

Apologies were received from Len Hampson and Helen Seechurn.

The Chair noted the Premises Manager's retirement and thanked her for her work at the College.

#### **3 Declarations of interest**

There were no declarations of interest. Nigel James noted his register of interests entry disclosing his employment with Tribal.

#### **4 Minutes of the last meeting**

The minutes of the meetings of Finance and Premises Committee held on Wednesday 12 June 2019 and Thursday 20 June 2019 were accepted as a correct record subject to correction of grammatical errors.

#### **5 Matters arising from the minutes**

The Chair noted that the document mapping the Committee's activities against its revised terms of reference had been completed but would be put on the agenda of the March meeting.

## 6 Premises manager annual report

The Premises Manager outlined the work on maintenance and summer works including:

- Upgrading and refurbishing the language lab
- Room re-modelling and upgrading
- Creation of open IT space for the English area
- Refurbishing and relocating offices
- Improvement to the catering facilities

The Premises Manager also noted that the College had acquired the old Children's Home on Carr Street which would be demolished once planning permission had been secured.

A Committee member asked about the College's catering arrangements. The Vice Principal explained that the College had a 50% share of the contractor's profits. She also noted the contractor's own investment in facilities.

The Premises Manager highlighted the work on value-for-money with savings secured through tendering and other procurement practices.

## 7 Health & safety reports

The Premises Manager introduced her Health & Safety update. She noted that the Health & Safety policy and procedures would be reviewed in the Spring.

The Premises Manager noted the Health & Safety Committee minutes for 19 June 2019. She said that the meeting planned for November 2019 had been postponed.

The Chair asked about the fall in the number of incidents shown by the summary of accident records. The variability of weather conditions, including snow and ice, was noted. The Principal suggested that the change in timetable may have reduced incidents.

The Premises Manager noted the work training staff on Health & Safety. She also highlighted the work on asbestos risk management. The Chair asked about the role of governors. The Principal suggested that the Committee should receive a report on this work.

[The Premises Manager left the meeting]

## 8 Property strategy update

The Vice Principal presented her property strategy update. She confirmed that the acquisition of Carr Street was on 25 October 2019 – not 25 November in the report. She updated the Committee on the ESFA approval for the funding of a three-storey building and the ESFA award of £177k of Specialist Equipment Allocation for T Levels.

The Principal highlighted the work of the Vice Principal in progressing the T Levels Building on Carr Street. The Vice Principal said that the Building would include 11 classrooms, meetings and open IT space and offices. She said that a meeting with the planners that week had been positive about approval for a three-storey building.

The Chair asked about the sustainability of the building. The Principal said that the College would ensure that the building would match high BREAM environmental standards but the College would not incur the costs and work of seeking formal BREAM accreditation.

The Vice Principal noted the appointment of the Design Team and the work on developing plans for the T Levels Building to meet the needs of staff and students. The challenging timescales were noted.

The Chair asked about the contract award in March which would require a delegation of authority. The Clerk noted that that a decision paper would be brought to the Governing Body in December.

The Vice Principal outlined the plans for a Condition Improvement Fund bid in December 2019. These would probably involve an extension to the St James building for Arts provision. A Committee member asked about the likely cost. The Vice Principal suggested that the cost would be about £1million for a single-storey building and more for a two-storey. She indicated that the College would make a 15% contribution. The Principal said that the College would explore the feasibility of an ambitious approach.

The Chair noted the timescales. The Vice Principal said that a decision paper would be brought to the Governing Body.

**9 Risk register: termly update**

The Vice Principal presented the risk register updating noting that the register was in transition following the SLT review of the risks. She noted that an updated version had been tabled.

The Chair asked about the possibility of an alternative site in the event of losing use or access to the College's main sites. The Principal said that this had been explored.

**The Committee asked that the Clerk upload the major incident policy and plan be placed on the governors intranet.**

A Committee member asked about the IT risk management. The Principal noted the work on cyber-security, including enhanced password controls. He also noted that the Audit Committee was commissioning an assurance review on IT risks this year.

There was discussion of whether the reputation risks associated with a cyber-attack, such as the recent attack on Loreto College, should be addressed as a separate risk or within the existing risks.

**The Committee asked the Vice Principal to review the IT risk in relation to reputation.**

The Chair asked about safeguarding risks. The Clerk confirmed that these risks were assessed and considered by the Quality, Curriculum and Staffing Committee.

## **10 College Finance Report for October 2019**

The College Accountant set out the key issues in the College Finance Report:

- A reduction in the forecast surplus although the College would still achieve a surplus, including the surplus measure set by the loan covenant.
- An increase in Higher Education income with student numbers over the budget assumption.
- The increased pension provision costs although this was an accounting adjustment with no cash implications.

The Principal noted that likelihood that pay rises may be above this year's budget and more than previously forecast for 2020/21.

The Chair asked whether the College would be in surplus in 2020/21. The Vice Principal explained that the 2020/21 income would be increased substantially by funding rises but the increase in student numbers in 2019/20 was less than assumed in the budget. She noted the significant cost pressures.

The Chair noted strong cash position and asked if the College would be in Outstanding financial health. The Clerk as Vice Principal noted that the College's financial health score was likely to be stronger this year and next year but the financial health categorisation may not change. It was noted that there would be no impact from being Good rather than Outstanding. The Vice Principal said that the latest modelling suggested that the College could be Outstanding in 2021/22.

## **11 Correspondence with the Education and Skills Funding Agency**

The Vice Principal introduced the letter from the ESFA confirming the College financial health categorization in the 2019 Financial Plan. She highlighted that the ESFA had raised no queries or concerns.

## **12 Draft Annual Report and Financial Statements 2018/19**

The Clerk as Vice Principal introduced the covering paper including the financial benchmarking and historic trend analysis.

The Chair noted the strong performance in 2018/19 and previous years.

The Chair asked about the treatment of the transfer of Newman Business Limited's profit to the College. The Clerk as Vice Principal explained that the transfer was by Gift Aid although the external auditors had insisted that it be shown as a distribution rather than equivalent to a tax charge.

[Andrew Wyglada left the meeting]

The Chair noted the success of Newman Business Limited and asked about continued growth. The Principal said that a temporary pause in growth had been required due to staff change.

The Clerk noted that the draft Annual Report and Accounts may be subject to minor changes before it was considered by the Governing Body as there had been a delay in Mazars providing feedback and queries.

The Principal noted the hard work involved with the year-end. The Chair thanked the Finance Team.

**The Committee resolved to recommend the Annual Report and Accounts to the Governing Body.**

## **13 External audit completion report**

The Clerk reminded the Committee that the Audit Completion Report, as well as the draft Annual Report and Accounts, had been reviewed by the Audit Committee.

The Chair noted the positive Audit Completion Report.

**The Committee formally accepted the Audit Completion Report and agreed to recommend the letter of management representation as presented.**

## **14 Annual insurance report**

The Vice Principal presented the annual insurance report.

The Chair asked about how competitive the insurance. The Vice Principal drew attention to the savings in the three year arrangement and outlined the work historically to bring down the premiums. It was noted that the College's insurance costs were lower than if it was an academy and able to access the Department for Education's low cost Risk Protection Arrangement.

## **15 Update note on pensions**

The Clerk as Vice Principal presented the update on pension costs and liabilities and noted the increased pension provision charges borne by the College's income and expenditure account as lower discount rates had inflated the pension liabilities on the College's balance sheet.

The cash benefit of prepaying the College's deficit reduction payments and potentially some of the employers' contributions was discussed. The Clerk as Vice Principal noted that he had raised these issues with the Lancashire LGPS after it was suggested as an option by a member of the Committee.

**16 Feedback from Link Governors**

There were no reports from Link Governors.

**17 Determination of any items to be treated as Confidential**

There were no items deemed confidential.

**18 Date and time of the next meeting**

The next ordinary meeting of the Committee is provisionally scheduled for Wednesday 11 March 2020.