

CARDINAL NEWMAN COLLEGE

BOARD OF GOVERNORS

A meeting of the Board of Governors of the College was held at 4.00 p.m. on Wednesday 26 February 2020 in the Conference Room at the College.

Members present:

Richard Ainscough (F)
Charu Ainscough
Nick Burnham
Amy Baines
Bernadette Davies (F)
Bob Eastwood (F)
Peter Halpin (F)
Len Hampson (F)
Bill Noble (F)
Helen Seechurn (F)
Barbara Smith
Peter Towers (F)
Andrew Wygladala (F)

Officers in attendance:

Vicky Bryant, VP – Teaching, Learning and Staffing
Bob Deed, Clerk
Katie O'Reilly, VP- Finance and Resources
Claire Riding, College Accountant

MINUTES

1 Opening prayer

The meeting commenced with the opening prayer.

2 Welcome, introductions and apologies

The Chair noted apologies from Ashley Gomes, Osama Harhor, Nigel James, Adrian Metcalf and Canon Tanner. Paul Vaughan also sent his apologies.

The Principal noted that the College, along with other Lancashire colleges, had been asked to respond to the Structure and Prospects Appraisal for St Mary's College Blackburn. He said that the College was in discussions. There was a discussion of the situation.

3 Declarations of interest

There were no declarations of interest.

4 Minutes of the previous meeting

The minutes of the meeting held on Wednesday 4 December 2019 were approved subject a minor amendment

5 Matters arising

There were no matters arising not dealt with on the agenda.

6 College events

The Chair noted the calendar of College events in the pack of papers for the meeting.

7 Governing Body membership

[Bob Eastwood left the meeting.]

The Chair noted that Bob Eastwood's term of office as a Foundation governor was coming to an end in March 2020. The governors discussed Bob's contribution to the College and the skills and experience which he brought to the meetings of the Governing Body and the Audit Committee.

The Governing Body resolved to ask the Diocese to re-appoint Bob Eastwood as a foundation governor.

[Bob Eastwood returned to the meeting.]

8 College preparedness for a potential Coronavirus (COVID-19) pandemic

The Principal updated governors on the College's preparations for a COVID-19 pandemic including ordering supplies before half term, disseminating government guidance and good practice, and considering the ramifications of an outbreak locally.

The Principal noted that a limited number of students have self-isolated after ski trips. He also observed that a local school had closed after a ski trip.

The Principal said that the College is considering contingency planning. He noted that the College would, if necessary, activate the Major Incident Policy and closure arrangement.

A governor said that he had attended a lecture by an academic expert on viruses. This had highlighted the importance of basic hygiene in slowing infections. The Principal said that the College was raising awareness of this.

9 College Finance Report – January 2020

The College Accountant noted that the forecast operating surplus was £45k compared with a budgeted surplus of £115k. This is an improvement of £22k on the forecast reported in October. She also noted that Maths Hub income and staffing incurred directly by the College was now included in the forecast.

The College Accountant noted work on financial benchmarking showed that the College's pay:income ratio was close to the 2018/19 average for Roman Catholic sixth form colleges.

The College Accountant highlighted the £4½m in cash and short-term investments which compared favourably with the previous year. There were no developments with treasury management although projected cashflow was being monitored given the cash requirements of the Carr Street project. It was confirmed that the Carr Street cashflows were included in the cashflow forecast.

In response to a query from a governor, the Chair clarified that the cash reserves were only part of the total reserves. He noted that the College had over the years invested its accumulated surpluses in building improvements and new build.

A governor asked why the College was rolling forward this year's Devolved Formula Capital allocation. The College Accountant noted that the rules allowed a degree of flexibility in when the funding could be used. The Vice Principal confirmed that this would be used on eligible activities when the College finances might be under greater strain.

The College Accountant noted no major developments with the College's trading subsidiary, Newman Business Limited.

A governor asked about the pause in CEDAR's business development. The Vice Principal noted that there had been a change in the team so a temporary pause was agreed. She said that a new senior developer had been appointed in January and had settled in well. The Principal said that the College was pleased with the appointment and noted that the College had managed the transition with some input from the outgoing senior developer. He said that a new strategy was planned for later in the year.

A governor asked about the intellectual property associated with CEDAR. The Vice Principal said that the College had considered this issue and taken action to safeguard its intellectual assets.

10 Strategic Plan

The Principal noted that minor changes had been made to the approved Strategic Plan at the request of the previous Governing Body meeting relating to environmental issues and the loan covenant. He also noted the Plan was being considered alongside the financial plan.

A governor asked about financial benefits from energy-saving. The Vice Principal outlined actions taken in the past and the work now being commenced on greater roll-out of energy-saving LED lights.

The Chair highlighted the intention to have a more formal annual review of progress against the Strategic Plan.

The Governing Body formally noted the changes to the approved Strategic Plan in line with the resolution at the last meeting.

11 Integrated Financial Model submission to the ESFA

The Vice Principal explained the changes made by the ESFA in financial returns with the Finance Record and the Financial Plan being combined into the Integrated Financial Model which was focused on cash movements and levels. She noted the time and difficulties caused by the ESFA's introduction of the new Model due to the bugs in the Model, its structure and the repeated re-issue of different versions.

The Chair noted regulatory changes, including a cashflow-based Model, were the result of the cashflow problems at some colleges.

The Vice Principal presented on the Model. She noted that the underlying financial plan was showing modest but growing surpluses which complied with the loan covenants. She noted that this resulted in cash balances over £2.6m over the plan and Outstanding financial health.

The Principal noted that the surpluses were relatively low compared with income in an uncertain world.

The Vice Principal stressed that the income figures were based on prudent growth reflecting school cohorts.

A governor asked if the revised Carr Street costings were reflected in the plan. The Vice Principal confirmed that this was included. She clarified that the St James project was not included at this stage as the College was not optimistic about the Condition Improvement Funding application to the ESFA being successful and the project happening.

The Vice Principal noted that the College was planning on the basis of known funding rates for 2020/21. She noted that the increased funding offset some of the loss of Formula Protection funding. The Principal said that there were hopes of a further Funding Rate increase in 2021/22 but this was not assumed in the plan.

The Vice Principal outlined the assumed pay rises in the plan as well as the other cost pressures on the College.

The Vice Principal highlighted the levels of cash generated in the Model by the forecast values. She noted that the cash balance varied but was always over £2.5m over the planning period.

The Principal noted the hard work of the Vice Principals and, particularly, College Accountant.

The Governing Body approved the submission of the Model based on the forecast values.

12 Property strategy

The Vice Principal outlined the property strategy developments including the design work and the planning permission issues. She said that the College was hopeful of a positive outcome to the planning permission process in coming weeks.

The Vice Principal highlighted the improved visuals as a result of the design work. The Vice Principal circulated the floorplan drawings.

The Vice Principal said that the College was using a procurement framework compliant with EU rules. There had been issues external to the College which meant that the procurement and the build process may be elongated. The Vice Principal noted the implications of this delay. She said that the Deputy Principal had confirmed that T Levels could be accommodated within the existing buildings until December 2020.

There was a discussion of the implications for the neighbourhood of the works and the building. The Vice Principal said that planning conditions would be set, and complied with, as with the recent demolition works.

The Vice Principal presented the T Level Building costings document. She referred to the significant enhancements to the design which now included:

- a purpose-built Extended Project Qualification classroom and a further Education & Childcare classroom to allow for growth in this provision;
- a much needed workshop/meeting room for the College's developing employer engagement strategy and employability programme;
- office space for the College's growing work placement team alongside the T level curriculum delivery; and
- improved visuals consistent with the St Francis building.

The Governing Body approved the following financing for the £3.3m Carr Street project (in addition to the ESFA T level Capital funding of £868k and the previously approved contribution from College funds of £1,732k):

- **The allocation of £175k from the approved capital expenditure budget to this project,**
- **The allocation of £50k of ESFA Specialist Equipment Allocation funding to this project, and**
- **An additional contribution from College reserves of £475k towards the project.**

The Clerk noted that the December meeting of the Governing Body agreed in principal that there should be submitted a Condition Improvement Fund (CIF) application for an expansion project. The approval for this proposed St James' building project envisaged a £1m to £1.6m new build including a £350k College contribution involving the use of cash reserves. However, it had not been practical for the Chair to review the submission to the ESFA due to the timescales and problems with the ESFA portal.

The Vice Principal said that it would be fantastic if the CIF application was successful but the CIF process was normally over-subscribed with bids from schools and colleges. The Principal said how the consolidation of art and design into an improved building would enhance the College's offer as well as provide space for other growing subjects.

The Governing Body approved the Condition Improvement Fund application relating to the St James building.

13 Determination of any items to be treated as Confidential

There were no items were deemed to be Confidential.

14 Date and time of the next meeting

The next meeting of the Governing body was the extra meeting arranged for 25 March 2020.