

## NOTRE DAME SIXTH FORM CATHOLIC COLLEGE

Minutes of the **Finance and Physical Resources Committee** meeting held via Teams on:

**WEDNESDAY 9 FEBRUARY 2022 AT 5.00PM**

**PRESENT** David Wright (Chair) Principal  
Matthew DiClemente Chris West

**IN ATTENDANCE:** Susan Francis – Clerk to Corporation  
Director of Finance and Operations (DFO)

		<b>ACTION</b>
<b>1.00</b>	<b>APOLOGIES FOR ABSENCE AND MEMBERSHIP MATTERS</b>	
	The meeting was opened with a prayer.	
1.01	There were no apologies, everyone was present.	
1.02	There were no declarations of interest.	
1.03	It was agreed that the Committee would not currently look for a replacement following the retirement of A. O'Malley from the Governing Board.	
<b>2.00</b>	<b>DECLARATION OF INTERESTS</b>	
2.01	There were no declarations relating to any agenda item.	
<b>3.00</b>	<b>MINUTES OF THE LAST MEETING</b>	
3.01	Minutes from the joint Finance and Physical Resources /Audit meeting on 8 December 2021 had been circulated as part of the meeting bundle. They were agreed as a true record and the Chair was authorised to sign them. These minutes would also be looked at on 10 March 2022 at the Audit meeting.	
<b>4.00</b>	<b>REVIEW ACTIONS AND MATTERS ARISING</b>	
4.01	<u>Minute 7.02 – Year End Management Variance Report</u> <b>Completed:</b> Wylie and Bisset had provided evidence of staff cost changes. Details of this had been shared with governors after the meeting.	
4.02	<u>Minute 12.07 – Board Assurance Framework Review</u> <b>Ongoing:</b> TIAA had promised to provide training on risk management and risk appetite to the College free of charge. Further information on this would be supplied by DFO and then sent to all Governors by the Clerk.	<b>DFO Clerk</b>
4.03	<u>Minute 13.08 –Management Accounts Potential</u> <b>Ongoing:</b> It was stated that lots of modelling and financial forecasting continued to take place. Scenarios and cash flow details had been shared at the extraordinary meeting on 27 January 2022.	

## **5.00 MONTHLY MANAGEMENT ACCOUNTS TO DECEMBER 2021**

5.01 The monthly management accounts had been sent out to the Committee in advance of the meeting. These were also shared on the screen and the following points highlighted:

- The key performance indicators showed lots of green ticks with very few warning signs.
- The Financial Health Grade was Good to Outstanding.
- The weakest areas were highlighted and explained to the satisfaction of the Committee.

5.02 The Chair commented on the overall positive financial picture five months into the academic year.

5.03 It was reported that the total staff costs were currently higher than the Department for Education (DfE) benchmark proposal of 70% of the total income. It was important to note the specific needs and requirements of the College with regards its catholicity. The Chair explained that during a recent webinar, the 70% directive from the DfE had caused a great deal of concern with Further Education (FE) establishments across the country. That feedback from this had been shared with the FE Commissioner.

5.04 The impact of Covid on staff absence and supply teacher costs was discussed, this was a national issue. It was hoped that the overall cost would not impact unduly as the financial health score stood at 77.53% (December 2021) compared with 73.67% for the previous year.

5.05 It was pointed out that the summary income stood at £4.7 million, which was £126k more than the profile budget. There was £322k more expenditure which included the extra pension contribution costs, leading to a deficit of £147k after five months.

5.06 The income from Funding Body Grants stood at £104k ahead of the budget profile as of December 2021. The main reasons for this were explained:

- 16 – 19 Tuition fund showed a positive variance
- Free School Meals (FSM) funding showed a positive variance but mirrored by an adverse variance on expenditure.
- the £46k grant release on specialist T-Level equipment was shown as a variance as it had not been factored into the original budget
- the £8k for International students was higher than the numbers currently on roll.

5.07 From miscellaneous costs, Governors were notified that the exam fees was being closely monitored. This included work with the Exams Manager to manage and forecast exam costs.

5.08 A governor asked about the increase in staff admin costs, to which it was explained that this had partly been due to additional mental health and safeguarding staff needed to support students as they returned after the

lockdowns. It was agreed that this would be looked at in more detail at the next meeting in order to ensure costs were kept down.

**DFO/Finance meeting**

- 5.09 The committee looked at the catering charges, which showed a net cost of £13k compared to the £8k on the original budget. The reasons for this were explained and it was added that the catering provision was being reviewed and would be addressed later on the agenda.
- 5.10 The operational costs of gas and electric were scrutinised and Governors informed that College had a long term agreement for gas up to September 2026. That one element of the electric costs had been re-procured which had led to a significant increase in costs, as was the case nationally. The two electric agreements were valid until Autumn 2023.
- 5.11 Maintenance costs showed an active variance of £43k, as work was ongoing to maintain the Estate.
- 5.12 In terms of assets, the College had £2.6 million in the bank as of December 2021, with a commitment of £1.1 million being made towards the capital build project. A Governor enquired about the cash position in the bank currently, and the Finance Director shared the cash flow chart details on the screen. He explained that the spike in September was due to an overpayment from ESFA (Education and Skills Funding Agency) which had subsequently been re-paid.
- 5.13 The investment costs of £408k had been spent principally on professional fees related to the capital build project, a refurb of parts of the Cuvilly building, T-Level equipment and some IT investment. The Principal mentioned that there remained some emergency work needed on the older parts of the Estate and that a long term refurbishment would be required in the future.
- 5.14 It was explained that the ESFA would provide exceptional in-year funding for increased student recruitment, that last year the College had received £456k grant funding for an additional 96 students. College had just been notified that a funding grant of £778k for 167 students would be received by the College between now and the end of the academic year.

**Q** – So, there will be an income of £10.7 million assuming there are no significant changes?

**A** – Indeed, the January accounts will look very different from these as the additional ESFA grant allocation is spread over a 12-month period.

All the Committee agreed this was a very good position to be in, and that it was indicative of the effective leadership and management of the College.

5.15 The Chair asked if further detail on this could be shared at the next meeting, to ensure College didn't end the year with a big surplus, to which the Principal replied that this would be looked at with SLT (Senior Leadership Team) and any plans would be shared with governors in due course. The Chair reiterated the positive financial health of the College.

5.16 A suggestion for future meetings was that the main variances be visualised using arrows or something similar, that there was a lot of information on the dashboard, but that Governors really needed to see the main variances highlighted in future.  
Governors thanked DFO for his presentations, that they were very useful in giving a true picture of the financial health of the College, which allowed governors to monitor it effectively.

**DFO**

**6.00 CAPITAL DEVELOPMENT PROGRAMME UPDATE AND PROGRESS (verbal report)**

6.01 The Principal gave an update on the progress of the capital build project since the Extraordinary meeting that took place on 27 January 2022.

- The Triton deadline had been extended to 11 February 2022.
- The Letter of Intent would be heavily caveated to mitigate any risk to the College.
- The Letter of Intent to engage Triton would have a maximum amount of £246,878 that the College would be liable to pay if the project did not go ahead.
- Planning permission had been granted in principle (via email) and the legal paperwork would now need to be drawn up.
- A condition of the planning was a £50k contribution from the College to the Highways department at Leeds City Council for the upgrade of the Woodhouse Lane cycle way.
- The proposed start date for the work was 21 March 2022 and would take 47 weeks.

6.02 The Chair clarified all the points for pre-condition with regards land contamination and asbestos. That no further tests had been carried out so far in this regard.

6.03 The Principal shared the draft Letter of Intent on the screen and explained that it had been compiled collaboratively with the College, AHR and Triton. That it was a standard document.  
The Chair verified what would happen in the event of the worst-case scenario and that the purpose of the Letter of Intent was to put a ceiling on the expenditure and minimise the risk to the College.

6.04 After further discussion, the Committee agreed that, on balance, it would be prudent to sign the Letter of Intent notwithstanding the risk of exposure to the maximum amount of £246, 878. Given the earlier with regards to in year funding, this would help to mitigate by the increase in funding as previously mentioned, that the additional students brought.

6.05 College had received on 8 February 2022, a Memorandum of Understanding (MOU) from the Diocese which formalised the arrangements around the Chapel and Chaplaincy accommodation. The purpose of the MOU was to ensure clarity for both parties in light of the capital build project.  
The Principal shared the MOU on the screen and Governors went reviewed the document, making suggestions and amendments which were then added.  
**Resolved:** The Committee were happy for the MOU to be sent back to the Diocese with the suggested amendments.

6.06 The Chair asked the Clerk to inform Governors via email of the updated position with regards the capital build project. To ask for their agreement to proceed with the Letter of Intent and the MOU, given the plans had plans had been approved at a previous Corporation meeting and again at the Extraordinary meeting in January 2022.

UPDATE: The Clerk emailed all Governors immediately after the meeting. 9/13 replies were received by lunchtime the following day indicating their approval of the Letter of Intent and the MOU, and that the capital build project was to proceed.

## 7.00 OUTSOURCES CATERING PROCUREMENT UPDATE (verbal report)

7.01 The Director of Finance and Operations notified the Committee that the contract for the outsourced catering provision had expired. The contract had gone out to tender through the procurement framework. The following details were shared:

- Four caterers visited College
- Three put forward tender submissions
- All three of whom had been invited into College the following week to present to SLT/staff and students
- The result of this process would be reported at the next Committee meeting.

## 8.00 POLICY REVIEW

8.01 The International Department Policy had been shared in advance of the meeting. Governors were happy to approve it.

**Resolved:** That the International Department Policy be adopted.

## 9.00 DATE AND TIME OF NEXT MEETING

9.01 The next meeting would be held on - Wednesday 22nd June 2022 at 5pm

**Clerk**  
(actioned  
9/02/22)

**DFO/FPR  
Committee**

The meeting closed at 7.00pm.