

NOTRE DAME SIXTH FORM CATHOLIC COLLEGE

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

WEDNESDAY 22 JUNE 2022 AT 5.00PM

PRESENT David Wright (Chair) Principa
Matthew DiClemente Chris West

IN ATTENDANCE: Susan Francis – Clerk to Corporation
Director of Finance and Operations (DFO)
Health and Safety Officer for item 5 only (HSO)
International Students Officer for item 5 only (ISO)

1.00 APOLOGIES FOR ABSENCE AND MEMBERSHIP MATTERS

The meeting was opened with a prayer.

1.01 There were no apologies, everyone was present.

2.00 DECLARATION OF INTERESTS

2.01 There were no declarations relating to any agenda item.

3.00 MINUTES OF THE LAST MEETING

3.01 Minutes from the Finance and Physical Resources meeting on 9 February 2022 had been circulated as part of the meeting bundle. They were agreed as a true record and the Chair was authorised to sign them.

4.00 REVIEW ACTIONS AND MATTERS ARISING

4.01 Minute 4.02 – Risk Appetite Training

Ongoing: TIAA had promised to provide training on risk management and risk appetite to the College free of charge.

This would be added to the first Full Corporation meeting in October 2022.

4.02 Minute 5.08 – Staff Costs

Completed: Information on staff costs was included in a finance report that had been shared with the committee ahead of the meeting.

4.03 Minute 5.16 – Visualisation of Variances

Completed: The main variances were highlighted in the in the key variances report been shared with the committee ahead of the meeting.

4.04 Minute 7.01 – Verbal update on Outsourcing Catering Procurement

The Director of Finance and Operations notified the Committee about the catering contract which had been won by Chartwells following a procurement process.

The following details were shared:

- Investment would be made to the refurbishment of the kitchen infrastructure by Chartwells.
- Students and staff had been consulted on their needs and suggestions welcomed.

ACTION

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- A remodelling of the refectory counter and installation of new vending machines were part of the plans, which included Starbucks.

A governor suggested that the inclusion of Starbucks be discussed with the Student Executive and their views sought given the multinational reputation of the company.

5.00 COLLEGE REPORTS

5.01 HSO provided the following highlights from her Health and Safety Annual Report which had been received by governors prior to the meeting.

- The College Health and Safety (H and S) Committee meets every half term to discuss health and safety matters and any issues of concern reported by colleagues. There was strong support from all members of staff with regards health and safety.
- This academic year there had been nine accidents. Two incidents were reported under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations), neither of which required further action. No claims had been made against the College. A student required treatment at hospital on a few occasions due to a medical episode.
- All departments completed a Self-assessed Health and Safety audit. All were found to be compliant.
- A comprehensive assessment of emergency lights including repairs, replacements, and additional lighting had been undertaken all year.
- An external portable appliance testing (PAT) was carried out annually by an external contractor.
- An external organisation would conduct a Fire Risk Assessment in Summer 2022.
- Work on the new build was running to schedule with no immediate H and S concerns.
- The Site Manager and Head Cleaner carried out daily monitoring of the site and any issues found, dealt with immediately.
- The on-line training and record keeping software (Smart log) had resulted in a much higher compliance rate for training.
- The number of Emergency Aid qualified staff had increased.

5.01.1 The plans to improve the facilities for staff and students in the College to aid mental health and wellbeing were discussed. The fact that the space on site was limited and what impact this could have on H and S was considered. HSO noted that all students receive a H and S induction at the start of the year, the Student Executive and all students knew who to contact with any H and S concerns they may have.

5.01.2 A governor asked if there were any specific needs with regards targets for the next 12 months, to which HSO replied that some summer works were planned to some external areas to reduce hazards. (further discussed under item 8).

5.01.3 The Committee noted how calm the site felt and that the small number of incidents reported in the appendices clearly showed that H and S was being

taken very seriously by all. They thanked HSO and the rest of the team for their ongoing work in this area.

HSO left the meeting at 5.17pm.

5.02 ISO pointed out the following information from her International Student Activity Report which had been received by governors before the meeting.

- Covid continued to have an impact on the number of International Students.
- The College would have ten fewer students on roll than pre-pandemic levels.
- Families from Hong Kong and China had been interested in sending their children to the College, but the uncertainty of travel restrictions and the potential increase of Covid restrictions meant that they were educating the 16 – 19-year-old students in their own country.
- The International Department had been very proactive in trying to recruit new students, this had been hampered by the lack of real-life connections with people as all meetings had taken place virtually.

5.02.1 The governors understood the difficulties of overseas recruitment following the pandemic but added that with the Outstanding Ofsted judgement and new build, the College was in a very strong position to attract new overseas students. R Lou promised to prepare a brief position paper for the next committee meeting.

ISO left the meeting at 5.30pm

ISO

6.00 **FINANCIAL PLAN 2022 – 2024/ COLLEGE FINANCIAL FORECAST REPORT**

6.01 *A report from the Director of Finance and Operations had been shared in advance of the meeting and was the management accounts were also shared on the screen.*

The Director of Finance and Operations highlighted the following points:

- The financial health of the College was outstanding in all areas.
- The Department for Education (DfE) stipulated that total staff cost as a percentage of income should equate to no more than 70% and the current benchmark showed the College was at 73%. It was important to note the specific needs and requirements of the College with regards its catholicity. If PTE staff were excluded from this figure, it would bring it to 71%.
- The income summary was healthy with the reasons behind this explained in particular the in-year growth funding awarded by the ESFA. (Education and Skills Funding Agency).
- Details of notable staff costs borne by the College were explained, such as National Insurance and employer pension contributions.
- Following advice from the auditors, the catering charges were more explicit and the change in budgeting records discussed.
- Utility costs were expected to rise significantly in line with the national picture. The College were part of a procurement group which could help get the best deal possible in the future.

- Maintenance showed an overspend as additional repairs had been undertaken in order to maintain the aged estate.
- 6.02 A one-page key variances document had been sent to committee members as per their request at the previous meeting. A summary of these variances was given verbally by the Director of Finance and Operations.
A governor asked about the lag funding model and the ESFA (Education and Skills Funding Agency) in-year growth funding which was awarded to the College for this academic year. The Director of Finance and Operations remarked that it was unlikely to receive more of this funding as there was a limit to the increase in student numbers given the capacity of the site.
- 6.03 **Q** – What are the likely pressures on the budget for next year?
A - (Principal) Possibly supply staff as we are having difficulty recruiting the right calibre of candidate to fill the current vacancies. We have therefore organised supply staff to ensure all classes are covered in September. Teacher recruitment is an issue nationally.
- 6.04 The College Financial Forecasting Return (CFFR) and a supporting commentary had been sent to governors in advance of the meeting. The CFFR was consistent with the College's strategic aims. Furthermore, it represented a financial strategy of generating net cash inflows from operating activities to re-invest to continue to improve the College estate and facilities, whilst maintaining future bank balances to protect liquidity.
The main points to take from this had been:
 - The exceptional allocation of £778k for in-year growth funding, in recognition of the College's significant student recruitment for 2021/22.
 - The £150K of 16 to 19 tuition fund and £71k for Health & Science T Level specialist equipment allocation.
 - The main elements of the adverse staff costs variance were £248k regarding the FRS102 adjustment for current service costs, £89k unbudgeted labour charges for the three-catering service and unbudgeted costs regarding the 16 to 19 tuition fund as noted in the document.
 - Aside from grant funding, other income forecasts were held broadly in line with the 2021/22 forecast.
- 6.05 It was pointed out that student numbers of 2,283 and 2,453 for 2021/22 and 2022/23 respectively were per the latest 16 to 19 revenue funding allocation statements received from the Education & Skills Funding Agency (ESFA). Forecast student outturn of 2,688 for 2023/24 assumed the same Year 13 enrolment level to 2022/23. However, an increase of 150 Year 12 students was forecast, given the additional capacity arising from an existing Post-16 Capacity Fund project due to be completed in March 2023.
- 6.06 The possibility of an increase in staff costs ,as had been mentioned earlier due to the increase in National Insurance and employer pension contributions, was

noted. The possibility of a pay award, given the current discussion nationally about public sector pay, would also impact.

- 6.07 In terms of capital expenditure and capital grant income, the committee were taken through the numbers. The Director of Finance noted that provision had also been made in each year for significant capital investment from the College's reserves in general land and buildings refurbishments and new equipment. This would enable the College to take forward several projects to modernise and enhance the existing estate and facilities for students and staff.
- 6.08 Details of cash balance and loans were shared and it was stated that there were no plans for any changes to existing bank loan terms or for any additional bank borrowing. The CFFR forecasted that the College would remain fully compliant with its existing loan covenants.
- 6.09 The committee were informed that the CFFR reported an automated Financial Health Grade of Outstanding for each of the three years 2021 - 24.
- 6.10 Governors were assured by the Director of Finance and Operations that College had a buffer in place after scrutinising the scenario and cash flow models.
- 6.11 The Chair acknowledged the work that had gone into producing the reports and the importance of being able to take mitigating action as soon as possible should an issue arise, such as increased staffing and utility costs. It was suggested that the management accounts be shared with governors on a monthly basis so they would be kept up to date on the situation. The Director of Finance and Operations promised to send these out.

DFO

Resolved: The committee recommended the approval of the CFFR at the next Full Corporation meeting on July 6, 2022.

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7.00 MONTHLY MANAGEMENT ACCOUNTS TO DECEMBER 2021

- 7.01 The monthly management accounts had been sent out in advance of the meeting. These had been discussed under item 6.

8.00 CAPITAL PROJECTS AND GRANT FUNDING

- 8.01 The committee was informed that work on the **capital build project** was going reasonably well at 14 weeks into the project. During the demolition phase, a 15-foot dry well had been located, this had been assessed by professionals, and no issues reported. The well had been filled in following an assessment of the ground conditions which found there not to be any contamination. Regular meetings took place with all concerned parties. There were no reportable accidents, design, sub-contractor or supply issues. The steel frame would be erected over the summer break in order to minimise disruption to the College. Governors were pleased to hear this news and the progress taking place.

8.02 Notification about the **T Level Wave 4 Grant** applications submitted was anticipated in July. In response to a question as to what College would do if the grants were not successful, the Principal replied that the T Level programme would still go ahead, but the grants would present an opportunity to refurbish the buildings, create better facilities and therefore be more attractive to students.

8.03 A detailed paper about the proposed **capital refurbishment summer** upgrade works to enhance both the staff and student experience was presented by the Director of Finance and Operations. These included:

- Essential maintenance to the steps and canopy between the main building and Cuvilly.
- A refurbishment of the staff room to ensure that it was used effectively and enhance the welfare of the staff. Staff had all been given the opportunity to submit their ideas around this.
- Refurbishment of the toilet block, main building, lower study area.

8.04 Due to the short timescales on the proposed works, it was determined that the best course of action would be to negotiate with the incumbent contractor (Triton) delivering the new building works. The pros and cons of going down this particular procurement route were discussed at length. The committee was assured that due diligence had been carried out and the DfE informed. The College had been advised that the tender proposals from the contractor were in line with market value and that the contractor was considered to have the technical ability and available resources to complete the project, subject to instruction without delay.

Governors asked if there were any risks with the tendering process and if deferred, what would be the impact. The Principal explained that all the elements of the works had been individually costed and all due process followed with Triton and that if works were delayed this would have a detrimental impact on the health and well being of staff especially considering all the work they had put in to secure an outstanding Ofsted judgement. It was added that the areas being refurbished also presented health and safety issues which needed to be remedied as soon as possible.

The summer break provided a perfect opportunity for the work to be carried out with minimum disruption to staff and students.

8.05 The Director of Finance and Operations declared that, in accordance with the College's Financial Regulations, *'Three competitive tenders should normally be obtained and a contract authorised by the Finance and Physical Resources Committee must be entered into. Any departure from the above practice must be approved by the Finance and Physical Resources Committee'*.

Therefore, it was recommended that the Finance and Physical Resources Committee give approval for the College:

- to agree a summer capital refurbishment works programme with Triton Construction at a total cost not to exceed £590,314, and to instruct Triton accordingly. The works would be shown as a variation to the new

building contract but would be managed and reported separately to the new building contract.

Resolved: The committee agreed that the programme should go ahead as outlined above, that this was an exceptional situation but that all other tenders would go through the usual procurement process.

In terms of transparency and clear communication, this decision and associated information would be shared with all governors immediately.

UPDATE: All governors were emailed with the relevant information.

9.00 POLICY REVIEW

9.01 The Health and Safety Policy had been shared in advance of the meeting. Governors were happy to approve it.

Resolved: That the Health and Safety Policy be recommended for approval at the next Full Corporation meeting.

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9.02 **Deferred:** Business Continuity Plan was deferred until 14 September 2022 to allow time to combine two policies into one.

F and PR

10.00 ANY OTHER URGENT BUSINESS

10.01 Details of an email received from the Office of National Statistics (ONS) asking for specific information about the College were shared. The reason behind the email was the possible reclassification of Colleges from the private to public sector. The Principal had attended a webinar with the SFCA (Sixth Form College Association) and the Department for Education (DfE) who advised their members not to provide the irrevocable consent for the DfE to communicate directly with the College lenders. That the accounts were audited annually and available for inspection. The SFCA suggested that a College Debt Return and declaration from the Chief Accounting Officer be the only things submitted.

The committee endorsed this decision to follow the SFCA advice.

The Principal would notify governors of any further updates.

11.00 DATE AND TIME OF NEXT MEETING

11.01 The next meeting would be held on - Wednesday 14th September 2022 at 5pm

The meeting closed at 7.20pm.