

Tuesday 27<sup>th</sup> February 2018, 5.30pm

MINUTES

**PRESENT:**

Mr C Garvey, Foundation Governor, Chair of Governors  
Mr M Belfourd, Foundation Governor, Chair  
Ms J Town, Staff Governor  
Mrs S Flannery, Principal

**NOT PRESENT:**

Mr J Opara, Foundation Governor

**IN ATTENDANCE:**

Mr A Taylor, Strategic Director Financial and Physical Resources  
Mrs M Searle, Head of Finance  
Mrs E Lewis, Clerk to the Governors

**The meeting was opened by Mr Belfourd at 5.30pm and was quorate throughout**

1. **Opening Prayer:** offered by Mrs Flannery
2. **Welcome new members:** Ms J Town and Mr C Garvey were welcomed as members of the committee.
3. **Apologies:** none received
4. **Declarations of Interest:** there were none
5. **Election of Vice Chair:** Ms Jess Town was unanimously elected as Vice Chair to serve a term of two years from the date of this meeting.
6. **Minutes of meeting held on 21<sup>st</sup> Nov 2017:** Previously circulated and included in the papers for this meeting were agreed to be a true and accurate record and duly signed by Mr Belfourd.
7. **Review of Confidential minutes:** It was noted that no minutes had been classified as confidential since March 2013.
8. **Matters Arising** (other than agenda items): Mr Garvey reflected on the process of dealing with the finances and funding of the college and the on-going programme of cost cutting that had been agreed. He supported the sensitivity with which staff and governors were being informed about reductions in expenditure and staff numbers.
9. **Actions outstanding from previous meetings:** there were none
  - 9.1. **Review of Rateable Value:** Mrs Searle advised that the most recent correspondence from the consultant reviewing the rateable value of the college had suggested that the rating was reasonable and lawful. This was yet to be confirmed. The rateable value of

the Nursery was being checked. Mrs Searle confirmed that the higher rate is already being paid.

9.2. **Submission of bids:** It was noted that, as agreed, details had been circulated via email and submission of the bids approved using deferred capital as agreed. Would be reported under item 10.

10. **Premises and Accommodation project reports and plans [BAF 7 & 10]:** Mr Taylor introduced the report “Capital Projects, Accommodation and Premises – Update for F&R Committee (27<sup>th</sup> Feb 2018)” which had been provided in the papers. The report reviewed the Annual Plan of Works for the current year, 2017 – 18 from which the committee noted that the spreadsheet of costs had been updated with some final sign-offs. Mr Taylor confirmed that costs were not expected to be over budget when reconciled for the June meeting. He informed the committee that works on the plan which had not yet been undertaken would be likely to be deferred beyond the coming summer. A £10k contingency amount included for roofing works was not expected to be accessed.

Reporting against strategic issues, Mr Taylor confirmed that the Care Home Development remained the major issue. He advised that the Diocese had re-opened negotiations regarding an appropriate “right to light” compensation award. It was hoped that settlement would be reached swiftly. Mr Taylor highlighted his concerns about the rapidity of the development and how time-critical and complex the logistics were becoming for the college to relocate teaching accommodation for Art and other curriculum areas that would be affected by the new Care Home and, in the meantime, disrupted by the demolition and construction works. He emphasised that, whilst the Diocese was funding the drawing up of architectural plans, decisions on the emerging options could not be finalised until it was known how much the compensation award would be. It was reported that Diocesan officials had given assurance that the full amount of compensation received would be passed on to the college. In response to Ms Town, Mr Taylor explained what could be achieved with a minimum settlement to ensure that all departments affected benefitted in some way.

Mr Taylor stated that the development of a synthetic sports pitch with floodlights was subject to the grant of planning permission from Wandsworth. An application had been submitted to which some light and noise pollution objections had been lodged by neighbouring residents. Mr Taylor reported that two bids had been made for funding for the project but one (to Sport England) had been rejected the previous week. The outcome of the other (CIF) bid would be known at the end of March / early April 2018. The committee was aware that development of the sports pitch was critical to both the curriculum and for income generation.

The outcome of the CIF bid for roofing works was expected by the end of March / early April 2018. *[Subsequent to the meeting the college was informed that it had been successful in the CIF roofing bid and a grant of £404,302 would be received]*. The committee was advised that, should the funding be granted, the monies would be required to be used within the year by March 2019. Logistics of the project were being formulated provisionally but tendering could not commence until the outcome of the bid was known. Planning and timescales would be brought to the June meeting.

Mr Garvey requested that governors be given a tour of the areas involved.

It was agreed that the committee would be kept up to date with developments by email between meetings. The Project Management Group (PMG) would be re-constituted in due course and minutes shared with the committee if the works go ahead.

11. **Tender for College Insurance [BAF 10]:** Mr Taylor introduced the papers circulated to the committee and advised that the contract in place with Marsh since August 2013 would conclude at the end of July 2018. Preliminary discussion had embraced cyber insurance and terrorism insurance not currently covered. It was understood that extending the cover in these areas would likely increase the premium. A re-evaluation of the estate had been reported to the committee in June 2017 and reflected in the premium for the current year.

Mr Taylor confirmed that, as agreed previously, a full tender process would be used to procure a new insurance contract. As in 2013, Risk 2 Value<sup>1</sup> had been engaged to provide the Tender Management Service (TMS). A copy of the proposal to provide an Insurance Tender Management Service had been included in the papers for the meeting. A comprehensive education risk check had been undertaken on site the previous week by Mr Graham Peck from Risk 2 Value details of which had been provided to the committee in the papers. Mr Taylor highlighted a new onus on the insured to make correct declarations (Insurance Act 2015). The combined fee for the TMS and the risk check cost of the check was noted to be £2,600 plus VAT.

Companies on the CPC<sup>2</sup> framework would be invited to bid for the contract. The college had used the framework for about 10 years. Following consideration by college Management recommendations for letting of the contract would be made to this committee.

**Recommendation to be presented to next scheduled meeting in June 2018.**

12. **Health and Safety Annual Report [BAF 7]:** The committee received the routine annual report prepared by the College Health & Safety Co-ordinator which had been included in the papers for the meeting. Mr Taylor introduced the report and affirmed that policies and procedures were up to date. The contract to provide security staff on site throughout the college day was working well - it would be kept under cost review. Staff health and safety training and fire drills were noted.

**Report accepted for reference to full Governing Body.**

13. **Financial Report [BAF 13]:** Mrs Searle

13.1. **Monthly commentary and accounts:** Monthly commentary and accounts up to and including January 2018 had been circulated to all governors on 8<sup>th</sup> February 2018. Mrs Searle advised the committee that the accounts were on profile apart from the apprenticeships scheme which would be reviewed later in the meeting. She confirmed that costs were being tightly monitored and savings in expenditure made wherever possible. Mrs Searle confirmed to Mr Belford that agency costs remained high. Mrs Flannery explained how salary levels were being addressed. Mr Taylor advised the impact of severance costs on the salary budget. Mr Taylor commented that the teachers pay settlement announced earlier in the day of 1% backdated to September 2017 with 2% to those on pay points 1 to 6 would put further pressure on the staffing budget. Provision for an increase of 1% had been made in the budget.

13.2. **Banking review:**

13.2.1. **Loan:** Mrs Searle advised that the outstanding balance on the loan was £94k. Mrs Searle recapped that review of the loan had been prompted by a note in the post audit management report for the year ended 31<sup>st</sup> July 2017 which warned of

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<sup>1</sup> An insurance broking and risk consultancy firm in the education sector – a subsidiary company of the University of Sheffield

<sup>2</sup> Crescent Purchasing Consortium

a [technical] breach of one of the bank loan covenant requirements to submit quarterly accounts to the bank. The view of the bank with regard to the breach was recorded in the audit report. The committee had resolved to review the outstanding loan reinforced by the views of other governors concerned about the rates of repayment and interest; impact on the financial health scoring for the college and the balance sheet.

Mrs Searle advised that the cost of repaying the outstanding loan amount would be a £50 settlement fee plus three months' interest (approx. £800). In return, approximately £6,000 would be saved over the remaining period.

**It was unanimously agreed that a recommendation would be made to the full Governing Body on 21<sup>st</sup> March 2018 that the outstanding loan be paid back in full plus associated charges and interest funded by money currently on deposit in the Scottish Widows account.**

13.2.2. Banking Services: Mrs Searle explained changes being made by AIB to cash services and described the impact of not having a local branch. It was agreed to revisit banking arrangements once the loan had been cleared.

13.3. **St Francis Xavier Friends Fund:** Mrs Searle advised that the current balance was £236.22. The bank (AIB) waived charges on the account but an annual audit fee of £48 remained payable. The impact on awards to former students was discussed – the remaining disposable amount of £188.22 would fall short of a further Keohane Fund prize (currently £300) and the Egesi award (£50). The committee hoped that interest in sponsoring the continuation of awards would be pursued. A reduction in the amount awarded was also suggested as a way forward.

**It was agreed that funding the awards (Keohane and Egesi) would be incorporated in the college budget pending new sponsorship. (Mr Taylor / Mrs Searle)**

13.4. **Treasury Monitoring Report:** The investments summarised in the report were reviewed with regard for the decision made in item 13.2 to use funds from the Scottish Widows account to pay off the bank loan. Mr Belfour confirmed with Mrs Searle that no other funds would be needed to be drawn down during March 2018 to support cash-flow.

**It was agreed that, due to low interest rates, there would be little benefit in moving deposits around and therefore no changes would be made to maturing accounts.** Mr Taylor advised that factors influencing the financial plan such as severance payments would be clearer by the summer term meeting when the treasury investments would be reviewed again.

14. **Funding update & financial projections / plan [BAF 1]:** Mr Taylor and Mrs Flannery introduced the detailed illustrative funding & financials report which had been included in the papers for the meeting and updated with some in-year data. They explained progress with cost-savings plans since the previous meeting in November 2017. The committee discussed the mechanics, process and phasing of moving from voluntary severance to compulsory redundancy and structural re-organisation to achieve the on-going necessary, agreed reduction in staff posts and salary budget whilst causing the least impact on the students. Mr Taylor announced that the ESFA grant funding allocation for next year (2018-19) would actually drop by £707k and explained why this was more than £600k initially anticipated. He explained that the financial plan would need to show the ESFA how the college would address the drop in student numbers. The target for 2018 – 19 would be based on 1297 (recruited for the current year).

It was agreed that protecting the "Good" status of the financial health of the college was critical. Publication of the good Ofsted inspection report was imminent.

Ms Town enquired about the availability of additional potential funding streams which

might be open to the college to bid for. This opened a discussion about funding already in place; opportunities being pursued and the possibilities which may or may not unfold with the development and introduction of T-Level qualifications.

Mr Garvey clarified that conversion to an academy was not possible for Catholic colleges without legislation to correct a legal anomaly.

Mr Taylor advised that the budgetary planning process would be particularly complex this year and invited the committee to consider holding an interim meeting to review the draft financial plan and budget in depth. This, he suggested, would allow time for evaluation and response to decisions before the scheduled meeting at the end of June.

**It was agreed that an interim meeting to review the financial plan would be held on Monday 4<sup>th</sup> June 2018 at 5pm for 5.30pm.**

15. **Non-Core business / income generation update [BAF 8]:** ATa introduced the report which had been included in the papers for the meeting with a commentary and details income summary of the activity and performance of the Trading subsidiary, SFX Corporate Services Ltd incorporating all non-core areas of income generation including Lettings, Community Education and the nursery. including apprenticeships. Mr Taylor noted that the profile and income of activity was down against the target for the year and explained the reasons for this by reviewing each area of activity. A slightly increased profit was predicted. The Apprenticeship provision would be closed once all the apprentices had completed their apprenticeships. All income streams would be reviewed early in the summer term as part of the budget-setting process.

16. **Tuition and other Fees [BAF 1, 8, 13]: (ref Article of Government 20)**

16.1. **Charging Policy:** – Mr Taylor introduced the annual routine review of the policy and explained the updates that had been made for 2018 – 19.

**The policy was approved and would be presented to the full Governing Body for ratification on 21<sup>st</sup> March 2018.**

16.2. **Community Education full cost recovery course fees:** Mrs Lewis advised that there were no plans to increase course fees or charges for 2018 – 19. As required by a change in the law in January 2018, the fee charged for payment by credit cards was scrapped.

17. **Any other business:** there was none

18. **Review of meeting [BAF 12]:** It was agreed that informative reports and participative discussion throughout the meeting had covered the agenda items in depth

19. **Date of next meeting:**

19.1. Interim meeting for budget review: Monday 4<sup>th</sup> June 2018 (as agreed in item 14)

19.2. The meeting scheduled for Tuesday 21<sup>st</sup> June 2018 would be moved to Thursday 28<sup>th</sup> June 2018.

Both meetings to be held at the usual time of 5.30pm – refreshments available from 5pm.

**The meeting closed at 7.07pm.**

**SIGNED:** \_\_\_\_\_

**DATE:** \_\_\_\_\_