

Minutes of the Finance, Estates & Marketing Committee Meeting held on Friday, 26 September, 2008 at 8.00 am

Present: Mr Christopher Ashcroft
Mr Gerry Hill (Vice Chair)
Mr Rod Hill (Chair)
Mr Rob Peacock (Principal)
Fr Felix Stephens
Dr Christine Tyler

In attendance: Mr Nick Burnham (Vice Principal)
Mrs Michelle Williams (Director of Resources)
Mr Brian Coxhead (Chair of Audit Ctte.)

Mr Colin Williams for Agenda Item 17

Clerk Mr John Perry
Minuting Clerk Mrs Alison Fishwick

The Chair welcomed Mr Ashcroft to his first meeting as a member of the Committee

1. **Declarations of Interest**

None.

2. **Apologies**

Mr John Fogarty.

3. **Minutes of the Meeting of 12th June, 2008**

The Minutes were agreed to be a correct record and signed by the Chair.

4. **Matters Arising**

a) Item 8 : Transport Arrangements

b) Item 12 : Letter of Principle

Governors noted the progress made on these items..

Agenda Item 7 – Procurement Report

Governors noted that an update will be presented at the next meeting of this Committee.

There were no other matters arising.

5. **Minutes of the Meeting of 23 June, 2008**

The Minutes were agreed to be a correct record and signed by the Chair.

6. Matters Arising

None.

7. Financial Update 2007-08 Year End Account

The Director of Resources took Governors through key elements of the report and Governors noted:

- a) No details of FRS17 are contained within the accounts; this is presently being prepared by the pension actuary.
- b) The Accounts are draft and have not yet been audited; this will take place at the end of October.
- c) The demolition of B Block shows a significant loss of assets (as detailed under Table 1 of Page 1). The loss on disposal of assets equates to £639k (the valued asset). The £483k (the revaluation reserve) is released but is recorded below the line. The LSC will take this into account when measuring performance for next year.
- d) The College had accrued for the value of the transfer of the mobile masts to the sum of £100k (taken from a quoted figure). However, Auditors may remove this as there is no supporting evidence e.g. letters or invoices. This will affect this year's deficit if this sum is brought forward.
- e) Governors noted the Operating Surplus of £344k.
- f) Table 2 refers to Catering Activity and the VAT Liability payable by the College showing an adverse variance for the year of £3,692 against budget. This was due to Catering selling more items which attract more VAT. The Director of Resources reminded Governors that both internal auditors and COPE Catering have looked at the catering contract in some detail on behalf of the College.
- g) Table 3 (Staffing) shows a payroll favourable, operating in line with budget for the year. The Vice Principal added that at present the College is operating at 71% payroll to income. Although this figure is good it is difficult to compare like for like across the sector as some institutions, for example, may not employ external caterers or key skills staff.
- h) The adverse variance of £137k against a budget of £415k in the Admin and Central Services, as detailed on Page 4, is not a true adverse as this will be recouped from budget areas. A target will be to reduce catering expenditure as the Caterers tend to over-cater for events.

Governors discussed ways of reducing paper usage and the Student Governor referred to the present practice Departments are adopting whereby homework is put on the Intranet system either for printing off or downloading. Governors noted that the Business Department have their courses "on a stick" (Memory Stick).

- i) In respect of Premises Spend Page 8, there was concern about the rising costs of utilities. Governors noted that Groundwork are currently analysing meter usage, providing advice on waste and promoting the turning off of lights. Carmel is presently reviewing who their contracts are with and the Estates Manager is looking at changing the water supply. Governors suggested linking in with the Archdiocese as they are presently challenging a massive increase in the costs for disposing rainwater from churches.
- j) Governors noted the overspend by Finance and MIS in Table 4 Page 9 which relates to transport costs. The Director of Resources explained that the College is currently having discussions with Halton Transport about a cost effective service to Widnes.
- k) Page 10, Table 7, shows an increased profit for capital equipment purchases.
- l) Page 11, Table 8, shows work in progress of £1,551,321 for the Capital Project Spend.
- m) Page 12, Governors noted that the cash balance figure should read £1,388k not £1,385k in the final sentence. There is more cash than anticipated in the bank owing to the slow invoicing by Keir NW, Contractors.
- n) Page 13, Governors noted that £7,461k was the base LSC income target for the year. However, the LIS funding report indicates that the College has generated £7,662k, an over achievement of £201k. Governors noted that this money cannot be reclaimed and that there is currently some lobbying across the sector highlighting the fact that this additional work is being carried out but there is no remuneration for it.

The Chair summarised the report by noting that the College is in sound financial health and is operating in line with the plan approved by the Governing Body. The main concerns related to the liability on the funding of pensions and the need to manage the utilities issue.

Governors approved the draft Accounts.

8. Financial Update August 2008

Governors noted that the surplus at the end of August is £696k, a favourable variance of £436k over the anticipated position at this point in the year. The net assets of the College total should read £6,356k not £6,354k.

9. Financial Memorandum 2008-09

Governors noted the Letter of Intent concerning the Financial Memorandum which is the legal contract between the Learning and Skills Council and Carmel College.

10. Learner Support Funds Policy 2008-09

Governors noted that the Learner Support Fund is one of nine strands of support available to students. This particular strand has been publicised much more this year and Governors learned that the allocation from the LSC is based on a funding formula. The Principal referred to the recent problems surrounding EMA payments and how the College took the decision not to lend monies to students, other than those students in particular financial difficulty, in which case monies were drawn from the Discretionary Fund.

Governors noted the Policy.

11. Student Recruitment and Retention Prospects 2008

Governors noted the data which was displayed by gender, religion, LEA and ethnicity. **Governors wished to place on their thanks for the quality of information presented by MIS.**

Governors referred to the low number of students (20) recruited onto the Intermediate programme. The Principal explained that these numbers reflect the rise in GCSE results in St. Helens.

Governors referred to the proposed Federation of two Catholic schools in Warrington. The Principal informed Governors that he has prepared a paper covering this matter and the formation of Academies for the next Full Governing Body meeting.

Governors noted the contents of the report.

12. Loan Arrangements Update

Governors noted the latest position concerning the loan arrangements: that the term loan of £4.1m was fixed on the 30 July to start 1 September 2011 for a fixed full term at 5.15% plus lending margin and mandatory costs. The Director of Resources referred to the LSC's offer letter which contained the incorrect description of the loan as "secured" rather than "unsecured". This has now been changed by the LSC.

Governors noted the latest position.

13. Staff Salary Settlements

The Vice Principal reported that the best that could be agreed through negotiation for teaching staff was 2.45%. As this is a negative outcome, this may be followed by a ballot for strike action.

For support staff the best agreed through negotiation was 2.45%.

The Committee noted the Report

14. Committee Performance Indicators

The Clerk reported that the Committee had met all the requirements; it was recommended that the Review of 14-19 Provision in St. Helens now be removed.

Governors noted that within the Summary the percentage attendance rate should read 94% not 100% - this is still remarkable.

The Clerk reported that the Financial Regulations will need to come before the Committee again within the current year.

Governors approved the report.

15. Accident Report

There were no particular trends to note, although the Principal referred to the concern of the Personnel & Quality Assurance Committee regarding the number of 'slippings' recorded and the need to be vigilant.

Governors noted the report.

16. Staff Absence

The HR Manager was pleased to report a reduction in absences for both teaching and support staff. There is a slight increase in cleaning staff absence but the issues surrounding these absences are being managed.

Governors noted the report.

17. Marketing 2008-09

The Principal was asked whether he had given any further thought about a Carmel College Award for the schools to raise Carmel's profile. The Principal informed Governors that this idea has yet to be pursued however there will be School Prizes for the marketing of the new Art Building.

Governors noted the report and questioned the amount allocated to the marketing budget and whether it was an appropriate allocation. The Director of Resources responded that the Marketing Plan has been costed within the planned budget and that additional monies were allocated for the prospectus this year. The Principal commented that the College may need to look at the marketing budget in response to the proposed Federation in Warrington and the Academies.

Governors noted the report.

18. Accommodation Progress Report and Presentation by the Project Sponsor

The Project Sponsor took Governors through the Progress Report and presented a pictorial history of progress so far from demolition of buildings to the installation of temporary accommodation to the erection of steelwork for the Art Building and the 'three fingered' build.

Governors thanked the Project Sponsor for the presentation noting that at this stage no additional costs have been incurred. The Project Sponsor will present to the Full Governing Body on the 13th October. At this point the Principal referred to the wisdom of appointing both the Project Sponsor and the Clerk of Works both of whom have done a tremendous job.

Governors noted the content of the presentation.

The meeting ended at 9.50 am.

Signed by the Chair

On this day