

AQUINAS COLLEGE
FINANCE AND BUILDINGS COMMITTEE

Date: 14 October 2008
Time: 5.30 pm
Venue: The College

GOVERNORS PRESENT

Mr J Beckitt, Miss M Braithwaite, Mr P Feehily Mrs P Lynch, and Dr A Smith.

Miss M Braithwaite in the Chair.

IN ATTENDANCE

Mr G Hill	Assistant Principal
Mr D Pearson	Assistant Principal
Mrs D Blackburn	Assistant Principal
Mr T Conlon	Clerk to the Governing Body

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mrs H C Dove and Cllr T P McGee.

2. DECLARATION OF INTERESTS

Governors and Staff were asked to declare any interest, which they may have in any of the items on the Agenda for this meeting. No interests were declared.

3. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 20 June 2008 were agreed as a correct record.

4. MATTERS ARISING FROM THE MINUTES

a) Authorisation of Three Year Financial Plan – Minute 9

Mrs Blackburn confirmed that the Three Year Financial Plan had been signed by the Chair of Governors and submitted to the LSC by 31 July 2008. In addition Dr Smith reported that the Three Year Development Plan had also been approved by the Chair of Governors and submitted to the LSC within the last month.

5. MANAGEMENT ACCOUNTS

Mrs Blackburn circulated the Management Accounts for September 2008. A discussion took place on the September Accounts with particular reference to the following:

- a) The accounts cover two months
- b) The accounts show a small deficit of £52,000 for the full year, (line 23)
- c) The purchase of Stockport Sunday School has been completed
- d) Expenditure to date on the capital scheme is £4.7m
- e) A capital grant request of £2.2m has been submitted to the LSC. The LSC are now paying in the second month after submission of the claim and the £2.2m claim should be paid in November 2008. A capital claim will be made each month.
- f) There will be a need for a further drawdown of the loan facility as the valuations have to be paid about one week before the LSC pay.
- g) The existing loan is being paid off covering capital and interest. The new loan is interest only.

If Members had any questions on the September Accounts they were asked to contact Mrs Blackburn.

RESOLVED: That the Accounts for September 2008 be received.

6. BUDGET UPDATE 2008/2009

Members were reminded that the LSC Income budget of £8,720m for 2008/2009 would not change because it is now based on plan led funding. There had been a slight increase in staffing costs because of increased student numbers. Dr Smith advised members that it may be possible to recoup some of this additional cost if staff leave in the summer term 2009.

Mrs Blackburn advised Governors that the budget would be re-calculated in January 2009.

For 2009/2010 the LSC will compare actual delivery in 2008/2009 with the funding position. In view of the fact that the college has more students than it is being funded for in 2008/2009 it will help in the discussions for 2009/2010. At the moment the LSC software is not working so it is not possible to make any predictions on funding levels.

RESOLVED: That the budget position be noted.

7. DRAFT STATUTORY ACCOUNTS 2007/2008

Mrs Blackburn introduced the draft Statutory Accounts for 2007/2008 that had been circulated previously to members. It was noted that the Audit Committee has a corporate governance role in approving the Statutory Accounts.

A number of amendments had been identified at the Audit Committee and a revised set of Statutory Accounts would be issued to all members incorporating these changes. In addition all members were asked to check the draft Statutory Accounts for any further mistakes or typing errors and to advise Mrs Blackburn accordingly.

There would be no need for a special meeting of the Committee to approve the Draft Statutory Accounts, the accounts remain draft until they are approved by the Governing Body and signed by the Chairperson.

The draft Management Letter from the external auditors indicates that subject to carrying out a post balance sheet events review there will be an unqualified opinion on both the Financial Statements and Regularity Audit for the year ended 31 July 2008. There were no management letter points that required to be drawn to the attention of Governors.

RESOLVED: That the Draft Statutory Accounts, subject to any amendments be recommended to the Governing Body for approval.

8. CAPITAL BUILDING PROJECT

A paper prepared by Mr G Hill and Mr D Pearson was circulated that summarised the latest position in respect of the following areas of work.

- a) The main contract with Norwest Holst has now been signed
- b) The purchase of Stockport Sunday School was completed on 25 September 2008.
- c) All capital claims to the LSC are up to date; however, it has been necessary to drawdown on the new loan to facilitate the purchase of Stockport Sunday School. A further drawdown of £2.2m will be needed in October as the valuations from Norwest Holst are now close to £2m each month. Once the LSC begin to reimburse the capital claims there will continue to be a need for short term borrowing of between £2m to £3m.
- d) Lloyds TSB have discussed with the college the long term management of the loan facility. It is normal practice to fix some proportion of the loan facility to give certainty of repayment costs. Lloyds TSB have quoted a fixed rate of 5.42%, from the completion of the building for the remaining period of the loan. This quote was given before the current uncertainty in the financial markets and will need to be updated.

It was agreed that Mrs Blackburn should contact Lloyds TSB to see what the latest position is in view of the fact that interest rates are expected to fall in the near future. If a decision is needed urgently then Mrs Blackburn would contact Miss Braithwaite and Mr Beckett for a decision.

- e) The main building work is on programme after some initial delays. Remediation of the ground took less time than scheduled and as a result the piling work started earlier and is nearing completion. The discharge of all the planning conditions has now taken place and the planning register is scrutinised at the monthly design team meetings.
- f) Work on the astro turf sports field was delayed until the purchase of Stockport Sunday School had been completed. This project has now commenced and is scheduled to take 16 weeks, so it should be completed before Christmas 2008 with landscaping taking place later.

g) The newly acquired land has been vested in the name of the Trustees of the Shrewsbury Diocese to be used in the interest of Aquinas College.

h) The college continues to receive Freedom of Information requests related to the capital project. Some of these relate to how Governors are kept informed of developments.

i) The college continues to keep local residents informed of developments. The next meeting involving three local councillors and neighbours is scheduled for 6.00pm on Monday 10 November 2008. A group known as the Heaviley Action Group are monitoring activities on the site closely. A small number of complaints have been received and they have been dealt with as quickly as possible. The planning officer from the local authority is in contact with the college. Dr Smith advised Governors that Andrew Stunnell MP had indicated that he had not received any complaints regarding the work at the college.

j) A Clerk of Works has been appointed by the college to monitor the building work for quality and accuracy. He will liaise with the main contractor and report to the college and the project manager each week.

Mr Pearson advised Governors that he hoped to produce a Newsletter for the Governing Body meeting on 11 November 2008 on the progress of the Capital Building Project.

9. BUILDING REPORT

A paper prepared by Mr G Hill and Mr Pearson was circulated that summarised the latest position in respect of the following areas of work.

a) Existing Building – The establishment of the main building compound, installation of security fencing and the relocation of storage cabins and Music Studio have had some minor impact on the operation of the college on a day to day basis. The amount of space has been reduced and parking could become a problem later on.

The health and safety of students and staff is very important and the college's Health and Safety Adviser and a member of the AAP team responsible for CDM compliance have checked to ensure that all precautions are in place.

b) Classroom Block - An offer in the region of £12,000 has been made by Zurich Insurance as a settlement figure for legal costs incurred by the college. This is short of the original valuation and Hague Lambert have suggested that the college make a counter offer of £13,500, which splits the difference and is about £1,000 short of the original valuation. Mr Hill was asked to pursue this option.

10. ANY OTHER BUSINESS

a) Insurance

A letter from DE Ford, Insurance Brokers had been sent to all Governors prior to the meeting. The purpose of the letter was to re-assure clients of AIG UK Limited, who provide top up insurance on public liability to the college, that despite recent difficulties in the global financial markets AIG continue to trade as normal in the UK and have received the backing of the US parent and the UK regulators.

The letter was noted.

b) IT Acceptable Use - Policy Review

Mrs Blackburn circulated a copy of the draft IT Acceptable Use – Policy and Procedures and asked Governors to review it and let her have their suggested amendments/comments as soon as possible. Mr Feehily and Mrs Lynch undertook to review the policy and procedure and to get back to Mrs Blackburn.

11. DATE OF NEXT MEETING

Tuesday 15 January 2009 at 5.30pm

Signed _____
Chairperson

Date _____