

**SPIRITAN EDUCATION TRUST**  
**FINANCE COMMITTEE**

Minutes of meeting held 8 May 2018

Present

Mary Fulton (Chair)

Tom Whelan

Brian Harvey

Pat Kitterick

Tom Sheridan

Tom Jackson

Garry Lyons (school lease only)

**1. Minutes of last meeting**

The minutes of the meeting of 8 May 2018 were approved

**2. Matters arising**

All matters arising were on the agenda.

**3. Draft lease for schools**

Garry Lyons from the P&F office attended the meeting at the request of the committee. He explained the thinking behind the proposed lease of the schools and emphasised that the P&F and SET has a shared endeavour. He outlined the current situation in that there is no formal agreement between the Libermann Trust and SET. Consequently, the schools had not received clarity on Schedule 1 and there were other matters also affected, such as SET's ability to charge licence fees to the schools. The P&F office has proposed a 3- year lease as a deliberately short- term measure to put something in place, together with the setting up of a Joint Property Group, established between the Libermann Trust and SET. The JPG would consider the longer- term structure and would be informed by the objectives of the new PLT, after the imminent Provincial Chapter. The JPG would have the same lifespan as the 3- year lease. It was felt this was sufficient time to reach a conclusion, while being sufficiently short

to “concentrate minds”. He emphasised that at this stage he did not believe that the Province had a conclusion yet as to what the long- term position should be. The Province would issue a comfort letter regarding entering a process over the lease term with SET to look at the best long- term structure. (Letter received, subsequent to the meeting).

Regarding issues of concern raised by the Finance Committee:

- In Garry’s view it was not necessary for SET to put in place leases with the BOM’s - simply to notify the BOM’s under Schedule 1 of the property which they have the use of. The nature of the lease between the Libermann Trust and SET did not need to be communicated to the BOM’s. Therefore, in his view SET’s consideration did not need to be particularly lengthy.
- The Schedule 1 maps are finalised, and he believes are correct. Generally, the P&F had taken the view that if the school believed they used an area, then it was included. Issuing these maps would defuse the sometimes unhelpful speculation regarding the schools’ position.
- He thinks that this is little risk in signing the lease for SET as this is better than what is place currently, as there was no formal security for the schools.
- P&F is happy to share any relevant professional advice. On the basis of advice, he does not believe there is any VAT implication for either party and has shared this advice with Tom Jackson.
- Regarding risks of obligations falling on SET, such as a major repair, he does not think the lease would affect the response in the sense that, as now, the schools and SET would have to raise the necessary funds and that the Congregation would still stand behind in providing support for bank borrowing.
- The rent of €1.8m would be fixed for the period of the lease and it would be open to SET to determine what overall amount would be charged to the schools. The lease amount would be one of the items to be negotiated in the proposed long -term arrangement.
- Regarding timing, ideally, he would have liked the lease signed by the Chapter, but in any case, he has a strong preference to complete it before the schools go back in September, so that SET can issue the fee invoices.

The committee thanked Garry Lyons for meeting them and the constructive discussion.

Following the discussion with Garry Lyons the committee concluded that independent legal advice was required by SET and that this would be recommended to the board. It is further expected that the Chapter will issue a clear commitment to continuation of the education mission in the schools and this would be helpful in providing comfort to BOM’s.

#### **4. Internal control report - Rockwell**

Tom Sheridan indicated that the IA report has been issued to the Rockwell BOM who had asked to see it. They have been asked to respond. The report and their responses will be provided to the new BOM which will be in place in October. The chair of the BOM has also

committed that there will be no new employee contracts issued without appropriate review. It is planned that Rockwell will be the first school to implement SIMS (see below)

**5. SIMS**

Brian Harvey and Tom Sheridan met Capita following the last finance committee meeting and an agreement reached with Capita. Tom Sheridan circulated a letter issued to Capital which confirmed the outcome of the meeting. The invoice previously issued by Capita was to be cancelled. Tom Sheridan will agree a schedule for implementation of the finance module into each school with Capita and when that agreement is finalised Capita will issue an invoice for 50% of the licence costs (50% of €127000). Once the software is implemented in each school the remainder of the fee relevant to that school will be paid.

Tom reported that he is in the process of agreeing the implementation schedule with Capita. He will obtain estimates from Capita for training and any other costs in advance of being incurred. Tom Jackson and Tom Sheridan had recently attended a conference regarding the system and were impressed with the benefits being obtained by schools which use the system. Tom Sheridan emphasised that it was important that the first implementation went well and was fully operational, to encourage buy in from the other schools. He circulated a draft of a letter to schools regarding the installation process which the Committee agreed be issued.

**6. AOB**

No matters arose

