



# TRURO AND PENWITH COLLEGE CORPORATION



## Finance and General Purposes Committee

**Minutes** of the Finance and General Purposes Committee held on Tuesday 12 October 2021 via Teams.

Members: Mr J Burnett, Mr P Callen, Mr D Collins, Ms K Prosser, Sir Robert Owen, Mr M Tucker and Mr A Young (Chair)

Also Present: Mrs L Bradley (Director of Quality), Ms L Briscoe (Director of Student Experience), Ms A Bull (Director of Curriculum Development), Ms J Cashmore (Director of Operations), Mr S Cryer (Director of Finance), Ms L Langdon (Finance Officer), Ms L Maggs (Director of Operations, Penwith College), Mrs H McKinstry (Director of Partnerships & Apprenticeships), Mrs V Pearson (Director of Teaching & Learning), and Mrs A Winter (Clerk to the Corporation)

Apologies: Mr M Cooper

Item	Decision	Action
21/50	<p><b>Minutes</b></p> <p>The minutes of the meeting held on 22 June 2021 were <b>APPROVED</b> as a correct record.</p>	
21/51	<p><b>Matters Arising</b></p> <p><b>51.01 Investment Policy (Minute 21/46)</b></p> <p>The proposed changes to the Investment Policy would be <b>RECOMMEDED</b> to the next Corporation (Appendix A).</p>	Recommendation to Corporation
21/52	<p><b>Management Accounts 1 August 2020 – 31 July 2021</b></p> <p>The Committee reviewed the accounts for 2020/2021 and noted they remained 'draft' as summer transactions were still being finalised. The auditors were in the process of preparing the end of year financial statements for the next meeting.</p> <p>The key variations to the budget projections were discussed and explained, including:</p> <ul style="list-style-type: none"> <li>• writing off the Stadium expenditure, as previously agreed</li> <li>• exam fee rebate delayed until 2021/22</li> <li>• investment income higher than forecast</li> <li>• an increase in pay costs (related to Covid and new projects)</li> <li>• increased depreciation</li> </ul> <p>Overall, the variations had reduced the projected surplus from £900k to around £450k which remained a very positive outturn.</p>	

	<p>The balance sheet demonstrated that the College remained in a very healthy position and although the pension deficit had increased, this was based on an annual valuation. Pension contribution rates would be determined by the more accurate, 3year valuation due in 2022/23. In response to questions, Governors noted that some 3 &amp; 4year EU-funded projects were continuing but would be gradually phased out over the next couple of years. Although the projects were financially neutral, they brought significant community benefits for employers, businesses and individuals.</p>	
<b>21/53</b>	<p><b>Cashflow</b></p> <p>The Committee considered the cashflow projections to July 2023 which had been revised to include changes to capital projects and grants. The overall position remained positive over the coming 2yrs.</p> <p>FE and HE enrolments this year would impact on income in 2021/22 (HE funding) and 2022/23 (lagged FE funding). At this stage student numbers were settling and budget implications were being assessed. It was likely that a close to breakeven position would be achieved in 2021/22 and a potential deficit in 2022/23.</p> <p>A low point was indicated in spring 2022 due to capital projects and a withdrawal of cash from the managed investments in March 2022 was already planned. Governors debated a proposal to release cash from the managed investments at an earlier date and to withdraw a larger sum.</p> <p>The Committee concluded that it was a good time to crystalize gains as investments had performed well recently, it would address the imbalance in working capital/ investments and improve the College's ESFA financial health grading. Subject to approval by the Investment Panel, the Committee <b>SUPPORTED</b> the encashment of £3m from the managed investments prior to March 2022.</p>	Clerk to consult Investment Panel
<b>21/54</b>	<p><b>Draft Operating and Financial Review</b></p> <p>The Committee reviewed the draft Operating and Financial Review sections of the Financial Statements for 2020/21 and the main changes this year were highlighted.</p> <p>A number of editorial changes were raised and Governors were invited to forward comments/corrections to the Finance Officer.</p>	ALL to note
<b>21/55</b>	<p><b>Review of College Insurance for 2021/22</b></p> <p>The Committee noted that following a tendering process using the Crescent Purchasing Consortium framework for FE, the College insurance had been awarded to FE Protect from 1 August 2021. As part of the process, a reinstatement valuation for all buildings as well as additional quotes for cyber security were obtained.</p> <p>A comparison in the costs and cover between the 2020/21 arrangements and new contract from 2021/22 was provided and discussed. The Committee was pleased to NOTE that a significant saving had been achieved and the relationship with the new provider was working well.</p>	

21/56	<p><b>Green Energy Update</b></p> <p>The Committee received the annual assessment of the College's three major renewable energy projects - wind turbine (Penwith), biomass heating system (Tregye) and photo-voltaic panels (Truro and Penwith). These systems contributed around 10% of the College's energy requirements and each element had achieved significant efficiencies. The full costs had been recovered and the College was continuing to benefit from the feed-in tariff.</p> <p>In response to questions, the Principal reported that renewables were considered for every new build and maintenance project, including the potential use of ground source heat pumps (which had been utilised in buildings at Penwith) and upgrades to LED lighting.</p> <p>The Committee noted that an active Sustainability Group had been established to champion green initiatives throughout the College. An invitation to attend a Group meeting was extended to Committee members. Also, the College would be working on a Sustainability Policy, an area emphasised in the revised Code of Good Governance for FE Colleges and referred by the Corporation to this Committee for review.</p>	Governors to contact Director of Operations if interested
21/57	<p><b>Annual Review of College Banking and Legal Services</b></p> <p><b>57.01 Banking</b></p> <p>The Finance Director reported that HSBC continued to provide a good service and transaction charges remained low.</p> <p>The Committee <b>AGREED</b> that banking should remain with HSBC.</p> <p><b>57.02 Legal Services</b></p> <p>In relation to legal services, the College did not have a standing arrangement with one law firm but used an appropriate specialist as needed. Stephens Scown were generally used for property matters, Ramsay Patterson provided employment advice and Michelmores had advised on academy issues.</p> <p>The Committee <b>AGREED</b> that it was effective and economical to engage specialists according to the particular issue and there was no reason to change this approach.</p>	
21/58	<p><b>Premises Matters</b></p> <p>An update was provided on the key projects:</p> <ul style="list-style-type: none"> <li>• T Levels – new science laboratories at Truro and Penwith and additional capacity for Construction provision had been completed. Around 100 students were now studying T Levels making the College one of the largest T Level providers nationally.</li> <li>• Valency – the new mezzanine floor was being equipped to provide accommodation for the Business Centre and delivery of renewable technology skills training. The outcome of a collaborative bid to the Skills Accelerator Fund with the Cornwall College Group (TCCG), the LEP and Cornwall Council was awaited.</li> </ul>	

	<ul style="list-style-type: none"> <li>• Stadium – a submission had been made to central government to match fund a revised project. A decision was expected in the government’s autumn budget.</li> <li>• Ottery (Bodmin) - construction work had been delayed by supply issues and an agreement had been reached with the LEP to ensure the government’s deadline of March 2022 to spend the allocated funds would be met. Despite the slippage in the schedule, completion was expected in time for the Skills Centre to be operational by September 2022. The Project Manager was monitoring progress and payments very closely.</li> </ul>	
<b>21/59</b>	<p><b>Any Other Business</b></p> <p>The Chair consulted colleagues on arrangements for future meetings and the consensus was that in person meetings were preferable and hybrid meetings (with a mix of participants in person and online) should be avoided, if possible. However, the facility for individuals to join remotely should be made available if the need arose.</p>	
<b>21/60</b>	<p><b>Date of Next Meeting</b></p> <p>The Committee would meet at 5.00pm on Tuesday 16 November 2020 at 5.00pm at Truro College.</p> <p>The Investment Panel would meet beforehand at 2.30pm with the Investment Managers joining the panel online.</p>	ALL to note