



TRURO AND PENWITH COLLEGE CORPORATION



Finance and General Purposes Committee

Minutes of the Finance and General Purposes Committee held on Tuesday 16 November 2021 at Truro College

Members: Mr P Callen, Mr M Cooper, Sir Robert Owen, Ms K Prosser, Mr M Tucker (Principal) and Mr A Young (Chair)

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

Apologies: Mr D Collins
Also, Ms J Cashmore (Director of Operations)

Item	Discussion/Decision	Action
21/61	<p>Minutes</p> <p>The minutes of the meeting held on 12 October 2021 were APPROVED as a correct record.</p>	
21/62	<p>Matters Arising</p> <p>62.01 Investment Policy (Minute 21/51.01)</p> <p>The proposed changes would be recommended for approval by Corporation at the December meeting.</p> <p>62.02 Cashflow (Minute 21/53)</p> <p>The early withdrawal of funds from the managed investments to boost working capital had been completed.</p> <p>62.03 Environmental Sustainability (Minute 21/56)</p> <p>The Chair had been invited to the College's Sustainability Group, established by staff to promote green initiatives throughout the College. An overarching environmental sustainability strategy was being developed, identifying College's priorities and actions.</p>	For Corporation
21/63	<p>Management Accounts 2021/22</p> <p>The Committee reviewed the management accounts for the first two months of the 2020/21 financial year and the Finance Director provided an update on variations.</p>	

	<p>Additional income was expected from various sources, including ESFA Catch Up funding, Council funding for HNS, positive Apprenticeship recruitment and savings on transport subsidy. HE income was below budget due to disappointing recruitment as well as a decline in continuation rates. An overspend on staffing costs was due to the increases in the national minimum wage, National Insurance employer contributions and additional Learning Support Assistant to meet student support needs. The encashment of managed investments would produce an in-year gain.</p> <p>In response to questions, the Director confirmed that potential efficiency savings for 2022/23, which would have minimal impact on the learner experience, were being identified for review by the Teaching, Learning and Assessment Committee and the Finance and General Purposes (F&GP) Committee.</p> <p>The Committee NOTED that a budget re-forecast would be prepared for the next meeting and a close to breakeven end of year position for 2021/22 was anticipated.</p>	
21/64	<p>Cashflow Projections</p> <p>The Director of Finance explained the cashflow projections to July 2023 and assumptions on which the figures were based.</p> <p>The Committee NOTED the expected low point in July 2022 at which point all capital projects were due to be completed. The College would continue to hold substantial reserves and remain in a sound financial position throughout this period.</p> <p>Governors asked about the Stadium and the Principal explained that a bid to the Shared Prosperity Fund was being prepared and no further financial contribution had been made by the College.</p>	
21/65	<p>Draft Final Accounts 2020/21</p> <p>The Committee received the College's draft final accounts for 2020/21 and letter of representation.</p> <p>The Committee noted that an income over expenditure surplus of £455k had been generated during the year, although a deficit of £4.4m was reported in the statement of comprehensive income once the pension valuation and other accounting adjustments were applied. As previously discussed, the Local Government Pension Scheme was due to undergo a more accurate, actuarial evaluation in March 2022 which would determine contribution rates from April 2023.</p> <p>The Committee noted the Key Issues Document (KIDD) confirmed that no material issues had been raised during the audit, no audit adjustments were necessary and an unmodified audit was expected. KIDD to be circulated to Committee.</p> <p>Following consideration, the Committee agreed to RECOMMEND to the Corporation approval of the final accounts for 2020/21, underlying accounting policies and letter of representation, subject to further scrutiny by the Audit Committee.</p> <p>Governors commended the Finance Team for their excellent work.</p>	<p>LL to circulate</p> <p>Recommendation for Corporation</p>

21/66	<p>ESFA Financial Health Grading</p> <p>The Committee NOTED that following submission of the College Financial Forecasting Return (CFFR), the ESFA had confirmed a financial health grading of ‘Good’ for 2020/21 and for 2021/22.</p> <p>The ESFA dashboard comparisons with sector benchmarks across a range of measures were discussed and explained. Governors were aware that the ESFA methodology disregarded investments which impacted significantly on the College’s ratings.</p> <p>The Committee discussed the reasons why the College’s staff costs were higher than the sector norm and acknowledged this was largely due to the decision to direct resources to staffing to ensure high quality teaching and learning was maintained.</p>	
21/67	<p>Student Association Accounts and Fund Raising 2020/21</p> <p>The meeting received and NOTED the Student Association accounts for 2020/21. There had been no activity through the accounts at Truro or Penwith this year, apart from a small expense on student prizes by the Truro association.</p> <p>A range of fundraising activities had taken place during the year raising in over £1,000 for charities.</p>	
21/68	<p>Premises Matters</p> <p>Governors noted that completion of the STEM Skills Centre (Ottery) had been put back to May/June 2022 as a result of supply issues and delays due to the pandemic. Progress was being closely monitored particularly as some concerns had been reported regarding the financial standing of the contractor.</p>	
21/69	<p>Investment Panel Update</p> <p>The Chair summarised the outcome of the meeting earlier in the day and reported that the Panel:</p> <ul style="list-style-type: none"> • was continuing to monitor fees and the potential advantages/disadvantages of using a single investment firm • was discussing environmental and ethical approaches to investing with the investment managers • SUGGESTED that the F&GP Committee should consider the appropriate proportion of cash to be held in long term investments (as the balance had shifted considerably since the managed funds were established in 2013). 	<p>SC to prepare paper for consideration at next F&GP meeting</p>
21/70	<p>Draft Cycle of Annual Business for 2022</p> <p>The Committee APPROVED the proposed cycle of business for 2022, subject to amalgamating the proposed May and June meetings to a single early summer meeting.</p>	<p>AW to revise Calendar of Meetings</p>
21/71	<p>Date of Next Meeting</p> <p>The Committee would next meet at 5.00 pm on Tuesday 22 January 2022.</p>	<p>ALL to note</p>