



TRURO AND PENWITH COLLEGE CORPORATION



Finance and General Purposes Committee

Minutes of the Finance and General Purposes Committee
held on Tuesday 22 March 2022 via Teams

Members Present: Mr P Callen, Mr D Collins, Mr M Cooper, Mr M Tucker (Principal) and Mr A Young (Chair)

Also Present: Mr J Burnett (Chair of Corporation), Ms J Cashmore (Director of Operations), Mr S Cryer (Finance Director), Mrs L Langdon (Finance Officer), Ms L Maggs (Director of Operations, Penwith College), Mrs H McKinstry (Director of Partnerships and Apprenticeships) and Mrs A Winter (Clerk to the Corporation)

Apologies: Sir Robert Owen and Ms K Prosser
Also, Mrs L Bradley (Director of Quality), Mrs L Briscoe (Director of Student Experience), Mrs A Bull (Director of Curriculum Development) and Vicky Pearson (Director of Teaching and Learning)

Item	Discussion/Decision	Action
22/15	<p>Declaration of Interests</p> <p>Governors were reminded of the requirement to disclose any potential interest and to withdraw from the meeting if a matter under consideration could give rise to a conflict of interest - none were declared.</p>	
22/16	<p>Minutes</p> <p>The minutes of the meeting held on 25 January 2022 were APPROVED as a correct record.</p>	
22/17	<p>Matters Arising</p> <p>17.01 Annual Curriculum Costing Review (Minute 22/07)</p> <p>The Director of Finance was looking into the financial efficiency of non-teaching activities and sourcing benchmarking information. A report to the Committee would be provided once data had been collated, which it was hoped would be the June meeting so it could be considered as part of the budget setting process.</p> <p>17.02 Transport (Minute 22/10)</p> <p>In response to questions about the potential impact of rises in fuel costs, Governors noted that students were now using the public bus network and fares were usually reviewed on an annual basis. No information had been received about price increases and it was hoped that the Cornwall Council Low Fares Bus Pilot might offset any rise.</p>	SC to report

22/18	<p>Management Accounts 2020/22</p> <p>The Committee considered the management accounts for the period from 1 August 2021 – 28 February 2022 and noted that income and expenditure generally remained close to the revised budget figures.</p> <p>The key variations included additional grants for EU projects and the Skills Development Accelerator Fund pilot (to develop a business centre and green technologies initiative with the Cornwall College Group) which would be matched by delivery costs. Increases in expenditure related to additional staff costs, increased IT, College trips, administrative and professional fees.</p> <p>Due to ongoing uncertainties, predicting the final expenditure in some areas (eg. utilities) was difficult and there could be further changes to the projected outturn. The variations had caused a deterioration in the end of year position and a deficit of £173k was currently forecast.</p> <p>The Committee asked about the potential impact on the ESFA Financial Health Grading and noted that the College would be assessed this year on the basis of new, amended methodology and a grading of ‘Good’ was likely, despite a deficit outturn.</p>	
22/19	<p>Cashflow Projections</p> <p>The Committee considered the confidential cashflow projections to July 2023 which incorporated the revised budget for 2021/22 and other adjustments. Potential expenditure for the Stadium had been removed and the expected increase in costs for Ottery had been included. A significant reduction in the value of the managed investments had occurred in recent months and the market continued to be volatile.</p> <p>In response to questions, the Principal clarified:</p> <ul style="list-style-type: none"> • Ottery - a two-phase approach was being taken forward and MAW MPS had been appointed to oversee phase 1 (installation of roofing, glazing, insulation etc) to make the building watertight. This first phase was expected to cost £900k and was due for completion by the end of May 2022. The deadline for accessing grant funding via the LEP had been met by commissioning the phase 1 work. A re-tendering process was being prepared for completion of phase 2 (the core of the building). • Stadium – in total the College had written off expenditure of £300k on the project and no further investment would be made before the stadium was completed, at which point the College would have an opportunity to be involved. • Managed Investments – some investments would be encashed in July 2022 in order to improve the cash position at the year end and achieve the maximum score for the ESFA financial health grading. This would be considered by the Investment Panel at its meeting in June. <p>Governors NOTED the cashflow forecast remained positive throughout the coming 18 months.</p>	AY for Investment Panel

22/20	<p>Financial Outlook and Efficiencies Review 2022/23</p> <p>The Director of Finance summarised the financial outlook and key factors which would impact on budget planning for 2022/23. Student recruitment across FE and HE was likely to remain flat due to the buoyant job market, utility costs were expected to rise further and staffing costs would increase with changes to National Insurance employer contributions, an increase in the National Minimum Wage as well as the Local Government Pension Scheme deficit.</p> <p>Although core funding would increase next year, delivery hours were also being increased so in order to maintain a positive financial health grade and afford a pay award, efficiency savings were necessary. When considering efficiencies, the key priority was always to ensure minimal impact on the quality of the student experience. Overall savings of around £1m could be achieved by not replacing all vacant posts, carefully managing group sizes, reducing contact hours for Level 3 vocational courses to the sector norm and making a number of smaller operational adjustments.</p> <p>The Committee discussed the disparity in funding between schools and colleges which was impacting staff recruitment and retention. The DfE's plans to ensure a minimum starting salary of £30k for all teachers by 2024 would be very difficult for colleges to match, although it was noted that a focus on this meant that equivalent salaries at the College were now close to £29k.</p> <p>Overall, the objective for the 2022/23 budget was to achieve an 'outstanding' financial health grade, and to enable a reasonable 'cost of living' award for staff. It was highlighted that the budget was likely to show a deficit of around £500k, but that the financial health grading was based on EBITDA, which stripped out depreciation.</p> <p>The Committee NOTED the financial outlook and key factors.</p>	
22/21	<p>Cleaning Procurement Update</p> <p>The Committee NOTED that following an evaluation of the three bids, Churchill had been appointed for a further period of 3-5years to provide cleaning services at the Truro campus. In-house cleaners would continue to operate at Penwith.</p>	
22/22	<p>Financial Procedures Review 2022</p> <p>The regular review of internal Financial Procedures had been completed to ensure processes remained consistent with latest requirements.</p> <p>The Committee APPROVED the proposed changes, subject to one further amendment to the wording of 3.5.2 to clarify that the Investment Panel did not have delegated authority to set Investment Policy, but to implement the approved Policy.</p> <p>In reply to questions, the Head of Finance confirmed that the College would still accept cash as significant numbers of students still needed to use this method of payment.</p>	Finance Officer to amend

<p>22/23</p>	<p>Premises Matters - Proposed Summer Works</p> <p>The Director of Operations explained the list of proposed works, some of which had been delayed or were out of timing with the usual schedule due to the pandemic. The key emphasis was on maintaining the high standard of facilities and continuing the rolling programme of redecoration, lighting upgrades and maintenance. Other modifications were planned to meet curriculum and technology needs.</p> <p>The Committee noted that the Helford lift had become increasingly unreliable and was becoming obsolete - the repair/replace options were being assessed. This was likely to be a significant cost.</p> <p>As part of the focus on improving safeguarding procedures for all sites and buildings, a new number plate recognition system would be introduced for car parking which would be synchronised with a wider electronic sign-in system for visitors.</p> <p>As previously, temporary student employees would be employed to conduct portable appliance testing (PAT) and other work over the summer.</p> <p>The Committee NOTED the minor capital works proposed.</p>	
<p>22/24</p>	<p>Purchases and Contracts Over £50,000</p> <p>Members noted that the College's Financial Regulations required orders and contracts for the provision of goods, works or services over £50,000 in value to be reported to the Corporation through the Finance and General Purposes Committee.</p> <p>The meeting received a schedule summarising all purchases and orders over £50,000 from 1 February 2021 to 31 January 2022 and the tendering or appointment process in each case. Most larger items were building contracts and services (eg. catering, cleaning, utilities, IT). In each case an appropriate tendering process had been followed to ensure best value for money.</p> <p>In response to a question about any snagging or residual issues with Valency now that the contractor, Midas had gone into administration, the Principal indicated that all work had been completed but if any issues did emerge they were likely to be minor defects which could be offset against retentions or rectified by the College.</p> <p>The Committee NOTED the various transactions which had been completed in accordance with the Financial Regulations.</p>	
<p>22/25</p>	<p>Bad Debts</p> <p>Members noted that under the College's Financial Regulations, the Director of Finance, after consultation with the Principal, had authority to write off debts up to £500. Any debt in excess of £500 could only be written off with the authorisation of the Committee.</p> <p>Governors noted that 6 small debts totalling £818 had been written off during the 12 months to March 2022 (compared to 14 debts totalling £2,287 last year).</p> <p>Details of twelve debts in excess of £500, totalling £67.4k were discussed (a rise from 24k last year). Most related to HE tuition fees and problems with the complex HE student funding process. Also, a</p>	

	<p>significant debt of £16k (due to a misunderstanding with Cornwall Cricket Board about service charges for lettings in 2019) was now deemed irrecoverable.</p> <p>Following consideration and clarification, the Committee AGREED to authorise writing off the twelve debts in excess of £500.</p>	
22/26	<p>Inventory Write-Offs</p> <p>Members noted that in accordance with the College's Financial Regulations any inventory write-offs with a value over £500 should be reported to the Committee and any over £2,000 required approval.</p> <p>The Committee NOTED there were no inventory write-offs this year.</p>	
22/27	<p>Truro and Penwith College Trust Financial Statements 2020/21</p> <p>The Committee received the annual accounts for the charity which was established to alleviate hardship amongst students. The Trustees had intentionally encouraged dispersal of more funds in recent years and awards had been made to 89 College students (compared to 134 in 2019/20).</p> <p>Governors were reminded that the Trust also encompassed the charitable activities of the Boom Shewula Wula scheme in Eswatini, providing education and support to orphans. Due to the pandemic, no student trips to Shewula had been possible during 2020 or 2021 and fund raising had been stalled. Funds to maintain ongoing support had been provided from the charities reserves.</p> <p>Members NOTED the Trust remained in a sound financial position.</p>	
22/28	<p>Callywith College Trust Financial Statements 2019/20</p> <p>The Committee received and NOTED the financial statements for Callywith College which indicated that the academy trust had achieved an operating surplus and remained in a sound financial position.</p>	
22/29	<p>Truro and Penwith Academy Trust Financial Statements 2019/20</p> <p>The Committee received and NOTED the financial statements for TPAT which had continued to grow and was operating 26 primary and 3 secondary schools across Cornwall. The accounts indicated that the multi-academy trust remained in a sound financial position with significant reserves.</p>	
22/30	<p>Date of Next Meeting</p> <p>The Committee would next meet at 5.00pm on Wednesday 8 June 2022 at Truro College, Valency Building.</p>	ALL to note