



TRURO AND PENWITH COLLEGE CORPORATION



Finance and General Purposes Committee

Minutes of the Finance and General Purposes Committee held on Tuesday
15 November 2022 via Teams

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

Also Present: Ms J Cashmore (Director of Operations), Mr S Cryer (Director of
Finance), Ms L Langdon (Head of Finance) and Mrs A Winter (Clerk to
the Corporation)

Apologies: Sir Robert Owen

Item	Discussion/Decision	Action
22/56	<p>Declarations of Interest</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. No new interests were declared.</p>	
22/57	<p>Minutes</p> <p>The minutes of the meeting held on 11 October 2022 were APPROVED as a correct record.</p>	
22/58	<p>Matters Arising</p> <p>58.01 College Budget 2022/23 and Pay Award (Minute 22/46.01)</p> <p>The Principal provided an update on the ongoing industrial action. The UCU had announced six further days of strike action during December/January, to include dates when a twilight interview session and progress evening were taking place. The NEU was likely to call on members to strike on the same dates. The Principal was continuing to maintain communications, to manage the impact and minimise disruption to learners.</p> <p>58.02 Haven House Update (Minute 22/54)</p> <p>Options were being explored with a view to presenting proposals to the Committee in the New Year.</p>	
22/59	<p>Management Accounts 2022/23</p> <p>The Committee reviewed the management accounts for the first two months of the 2022/23 financial year and 30 September balance sheet.</p>	

	<p>The Finance Director provided an update on likely budget variations:</p> <ul style="list-style-type: none"> • an in-year reduction of £77k ESFA funding was expected due to re-banding of courses and delivery hours • some late invoices relating to summer works had been received after the 31 July and were included in 2022/23 • the additional 1.25% pay award from 1 November 2022 would result in net costs of approximately £130k • energy prices remained uncertain and further detail was awaited on the energy support scheme • a full re-budgeting process would be undertaken in January. <p>At this early stage the budget projections remained close to forecasts and an end of year operating deficit of around £900k was expected.</p> <p>In response to questions, the Director confirmed that gas usage for autumn 2022 was lower than previous years due to milder weather and that energy efficiencies were being identified and implemented where possible.</p> <p>The Committee also noted that the College had successfully bid for OfS capital funding to invest in HE activity, including a mezzanine floor and specialist equipment within Ottery (STEM and Health Skills Centre, Bodmin).</p> <p>The Committee NOTED the current budget position.</p>	
<p>22/60</p>	<p>Cashflow Projections</p> <p>The Director of Finance explained the confidential cashflow forecast to July 2024 and assumptions on which it was based.</p> <p>The Committee NOTED an expected low point early in 2023 due to the Ottery development. Funds would be released from the managed investment portfolio to maintain operational liquidity at this time.</p>	
<p>22/61</p>	<p>Draft Final Accounts 2021/22</p> <p>The Committee considered the draft final accounts, Key Issues Discussion Document (KIDD) and auditor’s letter of representation.</p> <p>The Committee discussed the reconciliation between the latest management accounts and final accounts and noted an income over expenditure deficit of £1.25m for 2021/22. However, following the recent Local Government Pension Scheme actuarial evaluation and other accounting adjustments, an end of year surplus of £21m was reported in the statement of comprehensive income.</p> <p>Governors reviewed the strategic report and notes to the financial statements and given the size of the pension scheme revaluation adjustment proposed amendments to wording to provide a fuller explanation and improve clarity around the reserves on p5, as well as reference from the Statement of Changes in Reserves on p31 to the pensions note in the accounts.</p> <p>The Committee was pleased to note that no material issues had been raised during the audit, no audit adjustments were necessary and an unmodified audit was expected.</p> <p>Following consideration, the Committee agreed to RECOMMEND to the Corporation approval of the final accounts for 2021/22, underlying</p>	<p>MT/SC/LL to amend as discussed</p> <p>Recommendation for Corporation</p>

	accounting policies and letter of representation, subject to further scrutiny by the Audit Committee.	
22/62	<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 2021/22 and for 2022/23.</p> <p>Governors were aware that the current methodology disregarded investments which impacted on the College’s ratings. The ESFA was proposing changes and a new scoring system would run alongside the existing methodology this year. If the new scoring system was adopted a negative operating position would become a limiting factor and the College’s financial health grade could drop to ‘Requires Improvement’.</p> <p>The ESFA dashboard comparisons with sector benchmarks across a range of measures were discussed and explained. The College continued to compare favourably to other colleges.</p>	
22/63	<p>Student Association Accounts and Fund Raising 2021/22</p> <p>The meeting received the Student Association accounts for 2021/22 and NOTED no activity for accounts at Truro or Penwith this year.</p> <p>A range of fundraising activities had taken place with more than £2,500 raised (£1,000 in 2020/21) for a range of charities.</p> <p>Trips to Eswatini were recommencing in 2023 and students were re-engaging with fundraising activities to support the Boom Shewula Wula charity (part of the Truro and Penwith College Trust).</p>	
22/64	<p>Premises Matters</p> <p>64.01 Ottery (STEM and Health Skills Centre, Bodmin)</p> <p>Governors NOTED that Fox Construction were making good progress with Ottery and additional funding had been secured to add a mezzanine floor. The revised completion date was July 2023. Changes to personnel at Capita meant that a new project manager was now overseeing the project.</p> <p>64.02 Automatic Number Plate Recognition (ANPR)</p> <p>Governors NOTED the new ANPR parking system at the Truro campus had been operating for 2 weeks. More than 50,000 entrances/exits had been recorded and 59 breaches occurred (although fines had not been issued while staff and students adjusted to the new system). An external company would be monitoring parking and the College would not receive income from fines.</p>	
22/65	<p>Environmental Sustainability</p> <p>The Director of Operations provided a summary of the many of environmental developments taking place across the College. These included operational initiatives in support of the Race to Zero campaign (eg. recycling, energy efficiencies, wildlife habitat etc) as well as curriculum developments (eg. renewables skills, electric vehicle courses etc). It was hoped that a new appointment would soon be made to develop an overarching College sustainability</p>	

	strategy, pulling together the various strands of work and to drive forward developments.	
22/66	<p>Investment Panel Update</p> <p>The Chair summarised the outcome of the meeting earlier in the day and explained the Panel's decision to release funds from the managed investments in early 2023 to support the Colleges cashflow requirements. Also, (following this withdrawal of funds) the Panel was intending to close one account (Brewin Dolphin) and retain investments with a single investment company (Quilter Cheviot) which would reduce fees and charges. The rationale for moving from two investment firms was ENDORSED by the Committee.</p>	
22/67	<p>Draft Cycle of Annual Business for 2023</p> <p>The Committee APPROVED the proposed cycle of business for 2023, subject to adding regular monitoring of environmental sustainability.</p>	AW to amend
22/68	<p>Date of Next Meeting</p> <p>The Committee would next meet at 5.00pm on Tuesday 24 Jan 2023.</p>	ALL to note