



TRURO AND PENWITH COLLEGE CORPORATION



Finance and General Purposes Committee

Minutes of the Finance and General Purposes Committee held on Tuesday
14 November 2023 at Truro College

Members: Mrs K Ashworth, Mr P Callen (in the Chair), Mr D Collins, Ms K Prosser,
Mr R Van de Velde, Mr M Tucker (Principal)

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

| Item | Discussion/Decision | Action |
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| 23/57 | <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> | |
| 23/58 | <p>Minutes</p> <p>The minutes of the meeting held on 17 October 2023 were APPROVED as a correct record.</p> | |
| 23/59 | <p>Matters Arising</p> <p>59.01 Haven House</p> <p>Management confirmed that the College was not liable for the maintenance of the river embankment at the rear of Haven House and insurance cover was in place.</p> | |
| 23/60 | <p>Management Accounts 2022/23</p> <p>The Committee reviewed the management accounts for the first two months of the 2023/24 financial year and the Head of Finance provided an update on likely budget variations.</p> <p>Governors noted that a full re-budgeting process would be undertaken in January. At this early stage the overall position remained close to budget projections, although staff costs were higher than expected and would need very carefully monitoring. An end of year operating deficit of around £2.2m was still forecast.</p> <p>The Committee asked about student enrolments, retention and early drop out. Governors were advised that the year had started with approximately 5150 full time 16-19 learners and there had been around 100 early withdrawals, which was similar to previous years. Retention from Yr1 to Yr2 had slightly improved this year.</p> | |

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| | <p>The Committee enquired about demographic changes in Cornwall and potential for growth. The Principal confirmed that the College was maintaining its market share of 45% of 16-19 learners in Cornwall. The demographic rise in some parts of the County were not evident in West Cornwall which was impacting the Penwith campus. Also, fewer young people were progressing into FE and a larger proportion were opting for employment or an apprenticeship. Some were not participating in education, employment or training (NEET).</p> <p>Governors sought clarification on the service agreement charges to Callywith College and was informed that a costing mechanism had been agreed. Indirect costs associated with delivery of services were also being incorporated into the charges this year.</p> <p>The Committee queried the process to ensure best energy prices and was assured that the College worked hard to secure a good deal, working with the Energy Network.</p> <p>The Committee NOTED the current financial position.</p> | |
| <p>23/61</p> | <p>Cashflow Projections</p> <p>The Committee reviewed the confidential cashflow forecast to July 2025 and assumptions on which it was based. The projections included the recent uplift in ESFA core funding, revised pay award for 2023/24 and capital expenditure.</p> <p>Expenditure associated with European Social Fund (ESF) projects (eg. PAYE) was being brought forward to ensure the ESF funding claim deadline of 31 December was met. As a result of capital commitments and other outgoings, an increase in working capital would be needed in mid-December.</p> <p>The Committee asked about any likely capital projects and noted the College currently had no additional accommodation requirements and was being more selective about funding opportunities due to the considerable time involved in making bids and developing new projects. Also, most capital projects were now funded in arrears which negatively impacted cashflow. The next project would be the replacement of the Seaton roof canopy, funded by a Construction Skills Hub grant.</p> <p>The Committee NOTED the expected low point in December 2023. Funds would be released from the managed investment portfolio to maintain operational liquidity at this time.</p> | |
| <p>23/62</p> | <p>Draft Final Accounts 2022/23</p> <p>The Committee considered the draft final accounts, Key Issues Discussion Document (KIDD) and auditor's letter of representation.</p> <p>Governors reviewed the reconciliation between the latest management accounts and final accounts and noted an income over expenditure deficit of £2.13m for 2022/23. However, following the Local Government Pension Scheme actuarial evaluation and other accounting adjustments, an end of year surplus of £2m was reported in the statement of comprehensive income.</p> | |

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| | <p>Governors asked about the Reserves Policy and noted that in line with other colleges there was no specified target set for overall levels of reserves as this could potentially restrict the College's flexibility to respond to change. The statement in the accounts matched the standard 'Casterbridge' template for the sector. Governors were content that fixing a specific target for reserves would not be useful.</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>The Head of Finance was particularly thanked for the efficient preparation of the accounts.</p> <p>Following consideration, the Committee agreed to RECOMMEND to the Corporation approval of the final accounts for 2022/23, underlying accounting policies and letter of representation, subject to some minor editorial corrections and final scrutiny by the Audit Committee.</p> | Recommendation for Corporation |
| 23/63 | <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 2022/23 and forecast 'Requires Improvement' for 2023/24. Governors were aware that the current methodology disregarded investments which impacted on the College's grading.</p> <p>Governors asked about the implications of potential Requires Improvement financial health grade for 2023/24 and noted that this could lead to greater external scrutiny but with no debt, implementation of further efficiency savings and careful budget management it was hoped that the position could be improved.</p> <p>The ESFA dashboard comparisons with sector benchmarks across a range of measures were discussed and explained. Governors supported staffing expenditure above the benchmark to invest in the curriculum and prioritise high quality teaching and learning.</p> | |
| 23/64 | <p>Student Association Accounts and Fund Raising 2022/23</p> <p>The meeting received the Student Association accounts for 2022/23 and NOTED no activity at Truro or Penwith this year.</p> <p>A range of fundraising activities had taken place with around £2,500 raised (similar to 2021/22) for a range of charities.</p> <p>Trips to Eswatini had recommenced 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 Ltd).</p> | |
| 23/65 | <p>Premises Matters</p> <p>Governors NOTED that:</p> <ul style="list-style-type: none"> • Ottery (STEM and Health Skills Centre, Bodmin) Not yet handed over by contractor – final work being completed and recent storm damage rectified. | |

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| | <ul style="list-style-type: none"> • Fal HE lecture theatre Successfully completed and in use, providing improved facilities and larger space for group delivery. • Allen reception area Improvements nearing completion. • Maintenance Team College now employing in-house electrician, plumber and carpenter to attend to repairs/maintenance more efficiently. • Haven House Agreement reached with the prospective tenant to undertake minor works but not all jobs requested – negotiations continuing. <p>Following discussion, the Committee AGREED that if an agreement with the prospective tenant could not be finalised by Christmas that the agent should go back out to market to lease or sell Haven House.</p> | Committee to review progress at next meeting |
| 23/66 | <p>Environmental Sustainability – FE Climate Road Map</p> <p>The Director of Operations reported on the work of the Sustainability Committee and the many projects and sustainability developments taking place across the College. These included a range of 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). The process of assessing the College’s carbon footprint was underway, as a starting point to track progress.</p> <p>The Committee recognised the positive progress but was keen to see the development of an overarching strategy and a more joined up approach to all aspects of sustainability. Senior management would be working on this.</p> <p>Also, Governors would consider implementing a new Climate Action Governance Toolkit which could help to progress the College’s sustainability strategy.</p> | <p>Management to take forward</p> <p>S&G Cmtee to consider toolkit</p> |
| 23/67 | <p>Investment Panel Update</p> <p>This confidential item is separately minuted.</p> | |
| 23/68 | <p>Draft Cycle of Annual Business for 2024</p> <p>The Committee APPROVED the proposed cycle of business for 2024.</p> | |
| 23/69 | <p>Date of Next Meeting</p> <p>The Committee would next meet at 5.00pm on Tuesday 30 Jan 2024.</p> | ALL to note |