



## **Finance and General Purposes Committee**

**Minutes** of the Finance and General Purposes Committee held on  
Tuesday 17 October 2023 at Truro College

Members: Mrs K Ashworth, Mr P Callen (in the Chair), Mr D Collins, Mr R Townsend, Mr M Tucker (Principal) and Mr R van de Velde

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

Apologies: Ms K Prosser

<b>Item</b>	<b>Decision</b>	<b>Action</b>
<b>23/44</b>	<b>Minutes</b>  The minutes of the meeting held on 7 June 2023 were <b>APPROVED</b> as a correct record.	
<b>23/45</b>	<b>Declarations of Interest</b>  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.	
<b>23/46</b>	<b>Matters Arising</b> <b>46.01 Union Update (Minute 23/37)</b>  The Committee <b>NOTED</b> that since discussion in June 2023: <ul style="list-style-type: none"> <li>• the government had announced an uplift in the core funding rate per learner</li> <li>• the College’s pay award for 2023/24 had been increased from 2% to 5% for staff earning over £25k (or pro rata equivalent) and increased from 5% to 7% for staff earning £25k or less (or pro rata equivalent)</li> <li>• the UCU had sought clarification on the use of the extra funding and the College had provided figures to demonstrate how this had been used for the increased pay award for 2023/24</li> <li>• UCU conducted a ballot on further industrial action which closed on 10 October – this failed to gain the required support for further industrial action at the College (although there were 30 colleges where action was continuing)</li> <li>• regular dialogue would continue with the unions</li> </ul>	

23/47	<p><b>Management Accounts 1 August 2022 – 31 July 2023</b></p> <p>The Committee reviewed the draft accounts for 2022/2023 and noted the year end external audit was underway.</p> <p>The variations to the budget during the final quarter were reviewed and explained. Some late changes to grants, projects, High Needs funding and investment income had increased income. This was offset by corresponding project costs and higher expenditure due to increased activity. Overall, the variations had improved the end of year position and reduced the deficit by around £100k. The resulting EBITDA would enable an ESFA financial health score of ‘Good’ to be achieved for 2022/23.</p> <p>Governors asked for clarification of the Home to College Transport funding. The process for allocating travel bursaries and forecasting award levels was explained. The aim was for transport to be zero cost to the College with bus passes funded from bursaries and student payments.</p> <p>Governors questioned the redundancy expenditure and noted this budget line encompassed a range of costs associated with staff leaving, eg. payment in lieu of annual leave or in lieu of notice or severance payments following a period of long-term sickness.</p> <p>The Committee noted the impact of investment in Ottery on the balance sheet. As no major building projects were planned, current assets were expected to stabilise at this level. The balance sheet demonstrated that the College remained in a sound financial position.</p> <p>In response to a query about the remedial work to the river embankment behind Haven House, the understanding was that the College had no liability, but this would be checked.</p>	MT to check
23/48	<p><b>Cashflow</b></p> <p>Governors reviewed the cashflow projections to July 2025 which had been updated to include the additional funding allocation and subsequent increase in the 2023/24 pay award.</p> <p>Also, the final build costs for Ottery and other capital projects such as the HE lecture theatre in Fal had been incorporated into the projections. Working capital was being closely monitored to ensure adequate funds available to meet short term needs.</p> <p>The Committee <b>NOTED</b> the cashflow forecast and assumptions on which it was based. The overall cashflow position remained positive over the coming 2 years.</p>	
23/49	<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 2022/23.</p> <p>Following discussion, a number of editorial changes were suggested as well as clarification of the Reserves section (p6) to present the information more clearly.</p> <p>The Committee <b>APPROVED</b> the preparation of accounts on a going concern basis.</p>	LL to amend

23/50	<p><b>Review of College Insurance for 2023/24</b></p> <p>The Committee noted the changes to the FE Protect policy to add Ottery, increase the value of buildings and make other adjustments which had resulted in an increase in the premium.</p> <p>Governors asked about the low claim bonus rebate and noted this would be less than previously due to claims made this year. A rebate of around £3k was expected (£5,829 last year).</p> <p>The Committee was content with the insurance cover and pleased to note a responsive service from FE Protect.</p>	
23/51	<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). Each system had more than paid for itself and the College was continuing to benefit from savings. However, since June 2022 there had been difficulties sourcing the appropriate fuel and the biomass system had not been operational this year.</p> <p>In response to questions, the Committee was informed that the biomass fuel supply problem had not been resolved and the old oil boilers had to be used in the meantime at Tregye.</p> <p>Governors asked whether use of PV panels had been maximised and the Principal reported that use of renewables and energy efficiency were considered for every new build and additional PV panels had been installed where feasible. There didn't appear to be a noticeable decline in the output of the PV panels, but this would be monitored.</p>	
23/52	<p><b>Annual Review of College Banking and Legal Services</b></p> <p><b>52.01 Banking</b></p> <p>The Head of Finance reported that HSBC continued to provide a good service but that WorldPay charges for card transactions had risen and value for money would be kept under review.</p> <p>The Committee <b>AGREED</b> that banking should remain with HSBC.</p> <p><b>52.02 Legal Services</b></p> <p>The College did not have an exclusive agreement with one law firm but used a variety of specialists as needed. A retainer was being paid to Ramsey Patterson for HR advice. Stephens Scown were generally used for property issues and Irwin Mitchell advised on union matters.</p> <p>The Committee <b>AGREED</b> that it was effective and economical to engage specialists according to the specific issue and there was no reason to change this approach.</p>	
23/53	<p><b>Premises Matters</b></p> <p>An update was provided on key capital projects:</p> <ul style="list-style-type: none"> <li>• Ottery – the new STEM and Health Skills Centre was in use, but not yet completely finished (two workshops and external work was being completed). The Nursing &amp; Midwifery Council had approved the facilities for delivery of nursing courses from January 2024</li> </ul>	

	<ul style="list-style-type: none"> <li>• Fal – the new HE lecture theatre was due for completion during October half term</li> <li>• Controlled Entry System – plans to improve security with a swipe card entry system in buildings on the Truro campus were progressing with implementation expected later this term</li> </ul>	
<b>23/54</b>	<p><b>Haven House Update</b></p> <p>The Committee noted that negotiations with the charity intending to lease Haven House were ongoing. The tenancy was likely to commence in April 2024</p>	
<b>23/55</b>	<p><b>Review of Committee Terms of Reference</b></p> <p>The Committee reviewed the terms of reference and agreed they remained fit for purpose but as a result of the ONS reclassification of colleges, the terms of reference needed to reference the Managing Public Money regulations which apply to public sector organisations.</p> <p>The Committee <b>RECOMMENDED</b> approval by the Corporation subject to the agreed amendment (attached as Appendix A).</p>	Recommendation for Corporation
<b>23/56</b>	<p><b>Date of Next Meeting</b></p> <p>The Committee would meet at 5.00 pm on Tuesday 14 November 2023 at Truro College. The Investment Panel would meet beforehand at 3.45 pm.</p>	ALL to note