



# TRURO AND PENWITH COLLEGE CORPORATION



## Finance and General Purposes Committee

**Minutes** of the Finance and General Purposes Committee held on Tuesday 12 November 2019 at Truro College.

Members: Mr P Callen (in the Chair), Mr D Collins, Sir Robert Owen and Mr D Walrond

Also Present: Mrs L Bradley (Director of Quality), Ms J Cashmore (Director of Operations), Mr S Cryer (Director of Finance), Mr D Haughton (Finance Officer), Mrs C Mewton (Director of Studies), Mr A Stittle (Director of Partnerships), Mr M Tucker (Director of Penwith College) and Mrs A Winter (Clerk to the Corporation)

Apologies: Mr R Townsend

| Item  | Discussion/Decision  | Action |
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| 19/63 | <p><b>Minutes</b></p> <p>The minutes of the meeting held on 15 October 2019 were approved and signed as a correct record.</p>  |        |
| 19/64 | <p><b>Matters Arising</b></p> <p><b>64.01 Stadium Update (Minute 19/53.01)</b></p> <p>Governors noted that the land transfer from INOX to the Council was expected imminently and the Cabinet would be progressing the project at its meeting on 13 November 2019. Confirmation of the central government funding was awaited but was unlikely to be announced during the pre-election period.</p> <p><b>64.02 Land at Callywith (Minute 19/53.03)</b></p> <p>Legal documents were being prepared in relation to the shared access route to the development site adjacent to the College campus, based on alternative proposals.</p> <p><b>64.03 Catering Update (Minute 19/53.04)</b></p> <p>Weekly meetings with Caterlink were continuing and the College was continuing to closely monitor arrangements.</p> |        |
| 19/65 | <p><b>Management Accounts 1 August 2019 – 30 September 2020</b></p> <p>The Committee received the management accounts for the first two months of the 2019/20 financial year and the Finance Officer highlighted key areas where variations were anticipated.</p>  |        |

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|              | <p>Whilst additional income was anticipated from a number of sources, including the ESFA Teachers' Pension grant, T Level funding, Apprenticeship income and HE tuition fees, some additional expenditure was also expected. The Local Government Pension Scheme (LGPS) employer contribution rate for 2020 was likely to rise following the 3year actuarial valuation.</p> <p>Additional costs had arisen from legal representation in a Judicial Review challenging Cornwall Council's decision on funding for high needs students on the Access Inclusive Learning course. The case had been partially concluded and was expected to be finalised in mid-December.</p> <p>In reply to questions, the Finance Officer confirmed that the details of the anticipated increase to core funding rates from next year were expected in January 2020 and it was hoped that there would be an improvement in the overall position for 2020/21.</p> <p>Governors noted the current position and recognised that remaining within budget would continue to be extremely challenging.</p> |  |
| <b>19/66</b> | <p><b>Cashflow Projections</b></p> <p>The Director of Finance explained the cashflow projections to July 2021 and the assumptions on which the figures were based. The projections included the Stadium and Institute of Technology (Valency) capital projects but figures had not been adjusted to take account of the Chancellor's announced increase to core funding rates in 2020/21 as the details were still awaited. At this stage it was expected that a withdrawal from the managed investments would be necessary early in 2021 but the College would continue to hold substantial reserves.</p> <p>Governors asked about the timing of capital expenditure and scheduling of payments over the coming 18 months and noted the planned use of managed investments in order to maintain a sound cashflow position.</p>  |  |
| <b>19/67</b> | <p><b>Draft Final Accounts 2018/19</b></p> <p>The Committee received the College's draft final accounts for 2018/19, Audit Completion Report and letter of representation. Members noted the requirement to submit audited accounts to the ESFA by 31 December in the prescribed format.</p> <p>The Committee considered the draft accounts and noted that the College's ESFA financial health grading was expected to be 'Good' this year. There were very few differences between the draft accounts for 2018/19 which were reviewed by the Committee in October and the final statements. The apparent increase in the financial deficit was largely due to a rise in the annual LGPS pension deficit valuation (although this was expected to be superseded by the 3year review shortly).</p> <p>The Auditor's Completion Report, observations, benchmarking data and recommendations were reviewed by the Committee. No material issues had been raised, no audit adjustments were necessary and an unmodified audit was confirmed.</p>                                       |  |

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|              | Following consideration, the Committee agreed to <b>RECOMMEND</b> to the Corporation approval of the final accounts for 2018/19, underlying accounting policies and letter of representation, subject to further scrutiny by the Audit Committee.  | Recommendation for Corporation |
| <b>19/68</b> | <p><b>Final Accounts for the Cornwall SCITT for 2018/19</b></p> <p>The Committee reviewed the end of year financial position for 2018/19 for the Cornwall School Centred Initial Teacher Training scheme (SCITT). Members were reminded that the Cornwall SCITT was a separate legal entity with the College acting as lead institution. Although full audited accounts were no longer required by the National College for Teaching and Leadership (NCTL), external audit assurance in respect of two financial returns was necessary to demonstrate that training bursaries had been correctly administered.</p> <p>Governors noted that the SCITT was continuing to successfully train around 100 teachers each year and that it remained a large, high quality scheme.</p> <p>The Committee considered the management accounts for 2018/19 which indicated a surplus had been achieved and <b>AGREED</b> it was satisfied that the SCITT remained in a sound financial position.</p> |                                |
| <b>19/69</b> | <p><b>Student Association Accounts and Fund Raising 2018/19</b></p> <p>The meeting received and noted the Student Association accounts for 2018/19. There had been no activity through the accounts at Truro or Penwith this year. However, a range of other fund raising activities had taken place with a total of over £6,000 raised for charities in addition to support for the Boom Shewula Wula charity.</p>  |                                |
| <b>19/70</b> | <p><b>Review of Investment Policy</b></p> <p>The Committee reviewed the Investment Policy which had already been considered by the Investment Panel.</p> <p>The Committee <b>CONCLUDED</b> the Policy remained fit for purpose and no changes were needed.</p>   |                                |
| <b>19/71</b> | <p><b>Investment Panel Update</b></p> <p>The Chair provided a brief update on the portfolio performance which indicated that the investments were continuing to yield good returns with little variation between the two investment management firms.</p> <p>As previously agreed, funds would be transferred to the Quilter Cheviot Charity Authorised Investment Fund (CAIF) when it was launched in January 2020.</p> <p>Changes to the Panel membership and authorised signatories were being processed with the investment management firms.</p>  |                                |
| <b>19/72</b> | <p><b>Review of Transport Policy for 2020/21</b></p> <p>The Director of Finance summarised arrangements and Governors noted that around 3,500 students currently purchased a College bus pass which covered home to College transport and free use of First buses after 9am throughout the whole year.</p>   |                                |

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|              | <p>The full price of the pass was £530 with three bands of subsidy available for those with lower household income which reduced the cost to £260, £130 and £50 for students with the lowest annual income (below £16,000). The pricing remained consistent with other providers and offered students a good deal.</p> <p>The Director explained that changes to the methodology for Learner Support Funds were expected and government funding to enable Councils to subsidise bus services had been mooted.</p> <p>Following consideration of the current scheme and in view of the uncertainties, the Committee <b>APPROVED</b> a continuation of existing transport policy and level of College subsidy for 2020/21.</p> |             |
| <b>19/73</b> | <p><b>Premises Matters</b></p> <p><b>73.01 Institute of Technology</b></p> <p>Governors noted that detailed designs were being finalised and MIDAS were due to begin work on the IoT building, Valency, in February 2020.</p> <p><b>73.02 Tregye Campus</b></p> <p>Governors noted that discussions concerning the boundary of the Tregye site were continuing with an adjacent landowner and the College's legal advisers. A potential resolution which would be acceptable to both parties was being explored.</p>   |             |
| <b>19/74</b> | <p><b>Draft Cycle of Annual Business for 2020</b></p> <p>The Committee received and <b>APPROVED</b> the proposed cycle of business for 2020.</p>   |             |
| <b>19/75</b> | <p><b>Date of Next Meeting</b></p> <p>The Committee would next meet at 5.00 pm on Tuesday 28 January 2020 at Truro College.</p>  | ALL to note |