



TRURO AND PENWITH COLLEGE CORPORATION



Finance and General Purposes Committee

Minutes of the Finance and General Purposes Committee held on Tuesday 20 March 2018 at Truro College.

Members: Mr P Callen, Mr D Collins, Dr J Lander (Chair), Mr D Walrond, Mrs E Winser and Mr A Young

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

Apologies: Ms L Edge
Also, Mr M Wardle (Director of Curriculum).

Item	Decision	Action
18/17	<p>Minutes</p> <p>The minutes of the meeting held on 23 January 2018 were APPROVED and signed as a correct record.</p>	
18/18	<p>Matters Arising</p> <p>18.01 Truro Leisure Centre (Minute 18/02.01)</p> <p>Members noted that GLL had been invoiced but had failed to raise the necessary purchase order for payment or to put forward proposals for changes to the lease. Arrears for almost one year were now outstanding. The Committee AGREED that further steps should be taken to recover the debt.</p> <p>18.02 Stadium for Cornwall (Minute 18/02.03)</p> <p>Members noted that the revised funding proposals would be debated by the Cabinet on 28 March, followed by a vote by the full Council on 17 April 2018. The six Cornish MPs were championing the stadium development and seeking matched funding from the Chancellor. In the meantime, the importance of the stadium for sport, as well as the non-sporting benefits to the County (business opportunities, education opportunities, conference/event facilities etc.) were continuing to be promoted.</p>	SD to take further action

	<p>18.03 Review of Financial Pls (Minute 18/05)</p> <p>The Director of Finance provided an update on latest ESFA Financial Health scoring methodology and explained that in order to be rated ‘Good’, it was necessary to achieve a positive score across all three key indicators. Although this was expected to be achievable in 2017/18, the Committee NOTED that an increased deficit in 2018/19 could result in a rating of ‘Satisfactory’.</p> <p>18.04 HE Tuition Fees (Minute 18/07)</p> <p>The Director of Studies reported that the Government had announced HE tuition fees would be frozen for 2018/19.</p> <p>She also explained that under new regulatory arrangements, responsibility for overseeing HE provision would transfer to the Office for Students (OfS)¹ from 1 April 2018. Current providers were required to submit an application to the OfS by 23 May 2018 and pay a registration fee. The College had begun compiling evidence to satisfy the conditions of registration.</p> <p>18.05 Catering Review (Confidential Minute 18/10)</p> <p>The Director of Operations reported that a meeting with Catering teams had taken place to inform staff that the College was intending to test the market by offering the Catering service for tender. The current team had indicated an interest in putting forward proposals. A tender notice would be issued after Easter.</p>	
18/19	<p>Management Accounts August 2017 – February 2018</p> <p>The Committee considered the management accounts for the first seven months of the 2017/18 financial year and discussed the reasons for variations from the budget projections. Whilst the majority of income was in line with the revised budget, SFA 19+ funding for adult learners remained particularly challenging and was expected to fall by £50k.</p> <p>The Committee NOTED that overall, the impact of the variations was a slight increase in the projected end of year deficit. The Senior Management Team would continue to scrutinise all areas and make savings where possible.</p>	
18/20	<p>Cashflow Projections and 5yr Forecasts</p> <p>20.01 Cashflow Projections</p> <p>The Committee considered the cashflow projections to August 2019 and noted the assumptions on which the figures were based. The adjustments since the last meeting and changes to the managed investment funds were discussed.</p> <p>The Committee NOTED that the cashflow position remained positive for the next eighteen months.</p> <p>20.02 Financial Position 2019/10 and Beyond</p> <p>This confidential item is separately minuted.</p>	

¹ The Chair declared a possible connection as a family member was a non-executive director of the OfS.

18/21	<p>Mid-Year Review of Cost Centre Budgets</p> <p>21.01 Catering</p> <p>The Committee received a mid-year review of the Catering activity and noted an improvement on the same period last year. However, usage of facilities would decline over the summer term and an overall end of year surplus similar to last year (£32k in 2016/17), providing a contribution towards costs, was expected.</p> <p>The Committee NOTED the current position.</p> <p>21.02 College Nursery</p> <p>The Committee received a mid-year review of the Truro Nursery. A nominal rental charge for facilities of £10k and utilities were charged to the cost centre, although other costs were not and any surplus would therefore be regarded as a contribution to indirect overheads. Although income had increased compared to last year, this would be offset by pay costs, due to the implementation of the National Living Wage on 1 November 2017.</p> <p>In response to questions governors noted that it remained difficult to recruit staff due to the low wages and local competition. The Nursery charging structure was currently under review.</p> <p>The Committee NOTED that a breakeven end of year position was expected.</p>	
18/22	<p>Purchases and Contracts Over £50,000</p> <p>Members noted that the College's Financial Regulations required all 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 between 1 February 2017 and 31 January 2018 and the tendering process or appointment arrangements for the company supplying goods or services in each case.</p> <p>The Committee NOTED the various transactions which had been completed in accordance with the Financial Regulations.</p>	
18/23	<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 and amounts owed by 8 individuals totalling £2,700 had been written off during the year ending March 2018 (compared to 26 totalling £9.5k in 2017). Any debt in excess of £500 which was irrecoverable, could be written off with the prior authorisation of the Committee.</p> <p>The Committee AGREED to authorise writing off 6 student debts over £500 totalling £7,431 (relating to non-payment of tuition fees) and was pleased to note the low number of debtors.</p>	

18/24	<p>Inventory Write Offs</p> <p>Members noted the College’s Financial Regulations required any inventory write-offs with a value over £500 to be reported to the Committee and any write-offs over £2,000 required prior approval.</p> <p>The Committee NOTED there were none to report.</p>	
18/25	<p>College Insurance Proposal</p> <p>The confidential item is separately minuted.</p>	
18/26	<p>Cornwall SCITT Mid-Year Review</p> <p>The Committee NOTED that the Cornwall School Centred Initial Teacher Training scheme was continuing to work well and the financial position remained in line with the budget. A small end of year deficit had been forecast, supported by substantial reserves.</p>	
18/27	<p>Truro and Penwith College Trust Financial Statements 2016/17</p> <p>The Committee received and NOTED the annual accounts which had been approved by the Board of Trustees. The Trust remained in a sound financial position.</p>	
18/28	<p>Premises Matters – Proposed Summer Works 2018</p> <p>The Committee considered a schedule of proposed maintenance and refurbishments works to be completed during summer 2018. In response to questions, governors noted that:</p> <ul style="list-style-type: none"> • the list of works was modest, prioritising projects in terms of compliance and maintaining the good appearance of facilities • the majority of work would go ahead, but not all projects would be completed • Morrab Road roof repairs were essential and additional costs would be incurred due to the Grade II listed status – the building was currently unoccupied and proposals for the use of the former library building would be brought forward • the installation of LED lighting was being completed as part of the replacement programme – it was estimated that the higher initial costs of LED lighting would be recouped through lower running costs over a period of around 2years • the creation of a changing space in Helford to meet the needs of an incoming student would help to extend accessibility for students generally and future proof the building • potholes and other defects with the adopted roads on campus would be reported to the Council, where appropriate. <p>The proposed summer works were APPROVED by the Committee.</p>	
18/29	<p>Date of Next Meeting</p> <p>The Committee would meet at 4.30pm on Tuesday 15 May 2018.</p>	<p>ALL to note - change to usual time</p>