



TRURO AND PENWITH COLLEGE CORPORATION



Finance and General Purposes Committee

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

Members: Mr P Callen, Dr J Lander (Chair), Sir Robert Owen, Mr D Walrond and Mrs E Winser

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

Apologies: Mr D Collins
Also, Mr M Tucker (Director of Penwith College).

Item	Discussion/Decision	Action
19/14	<p>Sad News</p> <p>The Committee was very sad to hear of the death of the College's former Director of Finance, Sue Dickinson, and recognised her tremendous contribution to the success of the College and to the establishment of Truro and Penwith Academy Trust (TPAT) and Callywith College.</p> <p>Governors expressed their deepest condolences to Sue's family and friends.</p>	
19/15	<p>Minutes</p> <p>The minutes of the meeting held on 22 January 2019 were APPROVED and signed as a correct record, subject to a spelling correction in Minute 19/07.</p>	
19/16	<p>Matters Arising</p> <p>16.01 SW Institute of Technology (Minute 19/02.02)</p> <p>Members noted that DfE interviews had been completed and the selected IoT proposals would be announced by the end of April 2019.</p> <p>Detailed work to meet the necessary conditions to deliver T Levels and prepare a capital bid to support delivery were progressing.</p>	

	<p>16.02 Stadium for Cornwall (Minute 19/10.01)</p> <p>The Principal reported that:</p> <ul style="list-style-type: none"> • a recent meeting of the stadium partners, Sport England (SE), Department of Digital, Culture, Media, Sport (DCMS) and local MPs had been very positive • once the viability of the business case had been confirmed by SE, it was expected the funding from DCMS would be released • the land transfer was due to be completed at the end of March • the project team was preparing tender documents for the construction contract • discussions with the architects about the configuration of the College areas were underway. <p>Following consideration, the Committee AUTHORISED payment of a further £150k (from the College's total commitment of £2m), subject to confirmation of Sport England's approval of the project.</p> <p>16.03 Seaton Extension (Minute 19/10.02)</p> <p>The Committee noted that a planning certificate of lawfulness had been issued and the contract was out to tender. The best options for the use of the additional space were being assessed.</p>	
19/17	<p>Management Accounts August 2018 – January 2019</p> <p>The Committee considered the management accounts for the first six months of the 2018/19 financial year and discussed the reasons for variations from the budget projections. Whilst the majority of income was in line with the revised budget there had been slight increases in apprenticeship and tuition fee income.</p> <p>During discussion, the Committee considered the ESFA's Financial Health methodology and criteria to achieve a grading of 'Good' in 2018/19. Governors were aware that income earned from investments was not included in ESFA calculations and concluded that ignoring interest (associated with loans or investments) did not produce a realistic measure of financial health. The Committee AGREED to raise this point with the ESFA.</p> <p>The Committee NOTED that the impact of the variations was a small decrease in the projected end of year deficit.</p>	DH to draft letter for signature by EW & JL
19/18	<p>Cashflow Projections</p> <p>The Committee considered the confidential cashflow projections to July 2020 and noted the assumptions on which the figures were based. The revised budget for 2018/19 had been incorporated into the cashflow but income/expenditure related to the SW IoT and the replacement of IT equipment had not been included at this stage. 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>	

19/19	<p>Mid-Year Review of Cost Centre Budget - College Nursery</p> <p>The Committee received a mid-year review of the budget and noted the Nursery paid a nominal rental charge of £10k and was also responsible for payment of its own utility bills. Any surplus was regarded as a contribution to indirect overheads.</p> <p>Although fee increases had been introduced in September 2018, the cost centre was showing a loss of over £14k. This was largely due to a high proportion of babies and toddlers which necessitated a higher staff ratio. Also, as younger infants did not qualify for government-funded childcare, they generally attended fewer sessions.</p> <p>Governors NOTED that a year-end deficit of £10k was likely.</p> <p>The Director of Studies reported on the recent Ofsted inspection of the Nursery which had been very successful, with the dedication and commitment of managers and staff commended by inspectors. A positive report and grading was expected.</p>	
19/20	<p>Purchases and Contracts Over £50,000</p> <p>Members noted that the College's Financial Regulations required 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 2018 and 31 January 2019 and the tendering or appointment arrangements for the company supplying goods or services in each case.</p> <p>In reply to questions, the Finance Director confirmed that the Circle IT contract for the supply of computers to Callywith College had been awarded following an ESFA ICT procurement process.</p> <p>Members noted that a profit warning had been issued for a contractor engaged by the College. As far as possible, the College would continue to monitor suppliers and to mitigate potential risks.</p> <p>The Committee NOTED the various transactions which had been completed in accordance with the Financial Regulations.</p>	
19/21	<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. Sums owed by 12 individuals totalling £1,400 had been written off during the year ending March 2019 (compared to 8 totalling £2,700 in 2018).</p> <p>Any debt in excess of £500 which was irrecoverable, could only be written off with the prior authorisation of the Committee.</p> <p>The Committee reviewed the outstanding sums of over £500 arising from the non-payment of charges for the use of College facilities and tuition fee debts.</p>	

	<p>The Committee discussed the invoicing arrangements and terms of lettings and asked that a further update on sales ledger debts be provided for the June Committee meeting.</p> <p>Following consideration, the Committee AGREED to authorise writing off 5 debts in excess of £500, totalling £9,964 which had been accrued in 2017/18 and a further debt of £2,056 from 2018/19.</p>	DH/JC for June meeting
19/22	<p>Inventory Write Offs</p> <p>The College's Financial Regulations require any inventory write-offs with a value over £500 to be reported to the Committee and any over £2,000 to receive prior approval.</p> <p>The Committee NOTED there were no inventory write-offs.</p>	
19/23	<p>Cornwall SCITT Mid-Year Review</p> <p>The Committee was advised that the Cornwall School Centred Initial Teacher Training scheme was continuing to work well and the financial position remained in line with the budget.</p> <p>Governors NOTED a small end of year deficit was forecast, supported by substantial reserves.</p>	
19/24	<p>Truro and Penwith College Trust Financial Statements 2017/18</p> <p>The Committee received the annual accounts which had been approved by the Board of Trustees. The purpose of the funds and typical awards were explained.</p> <p>Members NOTED the Trust remained in a sound financial position.</p>	
19/25	<p>Computer Rolling Replacement Proposal</p> <p>The Committee considered a proposal to adopt a programme for the replacement of computers on a planned cycle, rather than responding to capital bids as they were brought forward.</p> <p>The expected lifespan and intended replacement cycle for the range of IT equipment was explained and the estimated costs of implementation were provided. If the rolling replacement proposal was accepted the first tranche of 650 PCs which were becoming obsolete would be replaced in 2019/20.</p> <p>Following consideration, the Committee APPROVED the proposed rolling replacement proposal.</p>	
19/26	<p>Premises Matters – Proposed Summer Works 2019</p> <p>The Committee considered a schedule of proposed maintenance and refurbishments to be completed during summer 2019 and the Director of Operations provided additional information about the priorities and rationale for the projects identified. At this stage, indicative costs only were provided.</p>	

	<p>Governors noted the range of works proposed, including three significant projects:</p> <ul style="list-style-type: none"> • major refurbishment of sports hall changing facilities • conversion of Tresillian Hall to provide a supervised learning resource centre • reconfiguration of a general teaching room in Allen to create a calm, supported study space for students with special educational needs and disabilities. <p>Governors asked about the Morrab Road repairs which had become more complex and costly as a result of the listed building status and poor condition which was not apparent prior to acquisition. The Committee also discussed the payback period for LED lighting and provision of charging points for electric vehicles. A funding bid towards the costs of charging points would be submitted this year.</p> <p>Following consideration, the proposed works for summer 2019 were APPROVED by the Committee.</p>	
19/27	<p>Any Other Business</p> <p>27.01 FEC Review Steering Group</p> <p>This confidential item is separately minuted.</p>	
19/28	<p>Date of Next Meeting</p> <p>The Committee would meet at 5.00 pm on Tuesday 14 May 2019.</p>	ALL to note