



TRURO AND PENWITH COLLEGE CORPORATION



Finance and General Purposes Committee

Minutes of the Finance and General Purposes Committee held on Monday 1 October 2018 at Truro College.

Members: Mr P Callen, Mr D Collins, Ms L Edge, Dr J Lander (Chair), Sir Robert Owen, Mr D Walrond, Mrs E Winser and Mr A Young

Also Present: Mr M Arnold (Director of Quality), Ms J Cashmore (Director of Operations), 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), Mr M Wardle (Director of Curriculum) and Mrs A Winter (Clerk to the Corporation)

Apologies: Mrs S Dickinson (Director of Finance)

Item	Decision	Action
18/50	<p>Minutes</p> <p>The minutes of the meeting held on 3 July 2018 were APPROVED and signed as a correct record.</p>	
18/51	<p>Matters Arising</p> <p>51.01 Truro Leisure Centre (Minute 18/43.01)</p> <p>This confidential item is separately minuted.</p> <p>51.02 Potential Development (Minute 18/43.02)</p> <p>This confidential item is separately minuted.</p>	
18/52	<p>Management Accounts 1 August 2017 – 31 July 2018</p> <p>Draft accounts for the 2017/18 financial year were presented to the Committee. The accounts remained 'draft' as invoices and payments relating to recent transactions were still being received and processed.</p> <p>Governors were very pleased to note that as a result of various changes, a close to breakeven end of year position was now expected. The Committee discussed the main variations to the budget position which meant the projected outturn would be improved. It was possible that the final figures would satisfy the ESFA criteria for the College to retain a financial health grading of 'Outstanding'.</p>	

	<p>In response to questions, the Committee noted that the transfer of Catering Services to Caterlink had gone well and improvements to facilities had been successfully completed within a tight timescale over the summer. The presence of a Caterlink manager on site to oversee operations had been helpful and initial feedback about the quality of the new catering offer was positive. However, customers were less satisfied with prices and it was likely that Caterlink would need to review pricing in order to remain competitive with local food outlets.</p>	
18/53	<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. No significant changes had been made since the last meeting and in response to questions, Governors noted that the potential development and capital funding related to the Institute of Technology bid had not been included within the figures.</p> <p>The Committee NOTED that overall the cashflow position remained positive for the next two years.</p>	
18/54	<p>Draft Operating and Financial Review</p> <p>The Committee reviewed the first draft of the Operating and Financial Review sections of the annual Financial Statements for 2017/18. Various amendments were discussed and agreed and members were invited to forward any further comments to the Finance Officer.</p> <p>The Financial Statements for 2017/18 would be finalised by the Committee in November, before being scrutinised by the Audit Committee and presented to the Corporation for approval.</p>	<p>Governors to forward comments to DH</p>
18/55	<p>Review of College Insurance for 2018/19</p> <p>The Committee received a summary of the current insurance cover negotiated with Hettle Andrews using the Crescent Purchasing Consortium framework for FE. The new 3 year agreement was due to end in July 2021, with the option to extend for a further two years.</p> <p>Although no major changes to cover were proposed there were some adjustments due to changing circumstances and a number of savings had been possible in specific areas. A low claim rebate had also been applied, resulting in a significantly lower premium for 2018/19.</p> <p>The Committee considered the business interruption cover and AGREED that £2m remained appropriate. As other measures to improve cyber security were being explored, the Committee DECIDED that an additional cyber insurance policy was not necessary as this stage.</p>	<p>DH to note for policy renewal</p>

18/56	<p>Cost Centre Report for College Nursery</p> <p>Following the closure of childcare facilities at Penwith in February 2016, the Truro Nursery was continuing to trade successfully. The final outcome for 2017/18 was a modest surplus of £13k against a budgeted target of breakeven.</p>	
	<p>The Committee noted that the nursery was run flexibly as a service to students and staff and the outturn included a nominal rental charge of £10,000.</p> <p>In response to questions, Governors noted that the nursery remained open during school holidays and that a very small number of bank staff were retained on flexible contracts to respond to fluctuations in demand and staffing absences.</p> <p>Members were pleased to NOTE a satisfactory end of year position.</p>	
18/57	<p>Green Energy Update</p> <p>The Committee received an assessment of the benefits and performance of the College's three major renewable energy projects: wind turbine at Penwith; biomass central heating system at Tregye; photo-voltaic roof panels at Truro and Penwith.</p> <p>The Committee noted that as well as enabling the College to produce its own energy and reduce carbon emissions, each of the systems had achieved considerable efficiency savings due to favourable feed-in tariffs at the time of installation which would continue until the 2030s, and a reduction in the energy purchased. Future replacement costs were being taken into account.</p> <p>The Committee was pleased to NOTE the efficiencies achieved.</p>	
18/58	<p>Annual Review of College Banking and Legal Services</p> <p>59.01 Banking</p> <p>The Finance Officer reported that HSBC continued to provide a good service and most transactions incurred no charges.</p> <p>Members AGREED that as fees were low and a good service was provided that College banking should remain with HSBC.</p> <p>59.02 Legal Services</p> <p>In relation to legal services, the College did not have a standing arrangement with one law firm but used an appropriate specialist as needed. Stephens Scown Solicitors were generally used for property matters, an independent specialist provided employment advice, and Michelmores had advised on academy issues.</p> <p>The Committee AGREED that it was effective and economical to engage specialists according to the particular issue, and agreed there was no reason to change this approach.</p>	

18/59	<p>Premises Matters</p> <p>59.01 Stadium for Cornwall</p> <p>The Director of Penwith College provided an update on the Stadium project. Ground investigation works had commenced on site, Cornwall Council was redesigning the housing development, all reserved planning conditions had been signed off, Kelvin Bottle (Capita Symonds) had joined the project management team and regular progress meetings were taking place. Confirmation of Government funding towards the project was awaited in the autumn budget statement.</p> <p>59.02 Morrab Road, Penzance</p> <p>Governors NOTED that the second stage of the roof repairs were underway and the legal arrangements to enable a part of the former library building to be leased for community use were being taken forward by Stephens Scown Solicitors.</p> <p>59.03 Seaton</p> <p>Governors NOTED that drainage and ground works on the Seaton tennis court site would be commencing in January 2019 and would take around 2-3 months. This location could provide a potential site for workshop facilities associated with the Institute of Technology (IoT) proposal.</p>	
18/60	<p>Any Other Business</p> <p>60.01 Colleges Week</p> <p>The Principal reported on Colleges Week (15-19 October 2018) when the range of work undertaken by colleges and FE funding difficulties would be highlighted nationally with a range of events and publicity.</p> <p>60.02 Review of Cornwall post-16 Provision</p> <p>A further meeting with the FE Commissioner (FEC) and other stakeholders was scheduled to take place on 4 October 2018. It was expected that FEC proposals would be presented to the meeting and papers for the meeting were awaited. A final meeting was due to take place on 19 October to conclude the Review.</p> <p>The Corporation would be fully updated and governors would have an opportunity to debate proposals on 10 October 2018.</p>	
18/61	<p>Date of Next Meeting</p> <p>The Committee would meet at 5.00pm on Tuesday 13 November 2018 at Truro College.</p>	ALL to note