



TRURO AND PENWITH COLLEGE CORPORATION



Finance and General Purposes Committee

Minutes of the Finance and General Purposes Committee held on Tuesday 17 March 2020 at Truro College.

Members: Mr D Collins, Mr M Cooper, Sir Robert Owen, Mr R Townsend and Mr A Young (Chair)

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 (Principal Designate) and Mrs A Winter (Clerk to the Corporation)

Apologies: Mr P Callen and Mr D Walrond (Principal)

Item	Discussion/Decision	Action
20/16	<p>Minutes</p> <p>The minutes of the meeting held on 28 January 2020 were APPROVED and signed as a correct record.</p>	
20/17	<p>Matters Arising</p> <p>17.01 Stadium for Cornwall (Minute 20/02.01)</p> <p>The Committee noted that there had been no announcement on central government funding for the project in the Chancellor's Budget Statement.</p> <p>17.02 Land at Callywith (Minute 20/02.02)</p> <p>The Committee noted that discussions with the Council, land developer and legal advisors relating to access were ongoing.</p> <p>17.03 Judicial Review (Minute 20/02.04)</p> <p>Following the outcome of the JR, an agreement had been reached with the Council about funding for high needs students. The details were due to be finalised at the end of April.</p> <p>17.04 SW Institute of Technology (Minute 20/73.01)</p> <p>Members noted that the contractor had started work on Valency although drainage issues had been identified and were being rectified. Additional costs of around £100k were expected. The building was due for completion in November 2020.</p>	

	<p>17.05 Management Accounts and Revised Budget for 2019/20</p> <p>The Committee noted that a review of the proposed charges to Callywith College for the services provided by Truro and Penwith College were continuing. Charges were expected to increase this year from £125k in 2019/20 to around £200k as a result of growth in provision and additional staffing.</p> <p>17.06 ESFA Integrated Financial Model and 2 Year Forecast</p> <p>Governors noted that some minor adjustments to the forecast had been made as a result of funding changes, inflationary increases and the implementation of new National Minimum Wage rates.</p>	
20/18	<p>Response to Covid-19</p> <p>The Principal Designate reported on the College’s extensive contingency planning to manage the Covid-19 risks. The Public Health England and Government guidance was being closely followed and preparations were underway for online delivery of teaching and learning and to support learners remotely. College open events, progress evenings and various trips and visits had been cancelled and the College was preparing for closure for general teaching on site. Arrangements for specific cohorts, including high needs and vulnerable students, were being carefully reviewed. Plans were being put in place to ensure essential core functions (eg. payroll, IT) were able to continue and that the College estate was maintained, ready for re-opening when appropriate.</p> <p>The Principal explained that an area of particular concern was apprentices with some employers already making redundancies. The College was working hard to contact employers and look at alternative solutions for learners where possible. The impact on apprenticeship delivery was likely to be substantial, particularly in hospitality and hair & beauty.</p> <p>In reply to questions, the Director of Finance explained that where possible, insurance claims would be made for trip cancellations. At this stage it was difficult to predict the financial impact of the Covid crisis but core funding was expected to continue and although there would be some loss of income (eg. lettings, part time courses, nursery fees) there were also expected to be some savings (eg. examination costs).</p>	
20/19	<p>Management Accounts August 2019 – February 2020</p> <p>The Committee considered the management accounts for the first seven months of the 2019/20 financial year and discussed the variations from the budget projections.</p> <p>Additional income was expected in relation to EU Revenue Projects but would be matched by additional expenditure. The guaranteed return from Caterlink had been received and the additional income added to the revised budget.</p>	

	<p>Overall, the latest projections indicated a small improvement in the end of year budget surplus due to the one-off gain on the disposal of investments by Quilter Cheviot as a result of transferring investments to the Charity Authorised Investment Fund (CAIF). An underlying deficit remained.</p> <p>During discussion, the Committee noted that that on the basis of current figures the College would expect to achieve an ESFA Financial Health Grading of 'Good'.</p> <p>The Committee NOTED the latest position and current uncertainties relating to the coronavirus situation.</p>	
20/20	<p>Cashflow Projections</p> <p>The Committee considered the cashflow projections to July 2022 and noted the assumptions on which the figures were based. The revised budget for 2019/20 had been incorporated into the cashflow as well as the revenue forecasts for 2020/21 and 2021/22, as set out in the financial plans submitted to the ESFA.</p> <p>The Director of Partnerships explained a new capital funding opportunity to support T Levels on a matched funding basis. Following discussion, the Committee SUPPORTED a proposed bid to the new fund to create additional accommodation for the delivery in Construction.</p> <p>The Committee also considered the current market value of the managed investment portfolios which had fallen significantly in recent months. The investment managers had not advised any changes to the risk profile or asset allocation and Governors AGREED that it was best to remain focused on the long term position and make no changes at this stage.</p> <p>The Committee NOTED that the cashflow position remained positive for the next eighteen months although the potential impact of the coronavirus crisis created significant uncertainty.</p>	
20/21	<p>Mid-Year Review of Cost Centre Budget - College Nursery</p> <p>The Committee noted the mid-year position for the Nursery which indicated a small end of year surplus. However, due to a potential closure as a result of coronavirus measures, the budget position was looking much less positive. Implications would be monitored.</p>	
20/22	<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 2019 and 31 January 2020 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 the circumstances when three quotes were not obtained which primarily related to situations where there was only one specialist or a single supplier.</p> <p>The Committee NOTED the various transactions which had been completed in accordance with the Financial Regulations.</p>	
20/23	<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 15 small debts totalling £3,470 had been written off during the 12 months to March 2020. Any debt in excess of £500 which was irrecoverable, could only be written off with the prior authorisation of the Committee.</p> <p>Governors were pleased to note there had been very few debtors or problems with HE tuition fees.</p> <p>The Committee reviewed the only outstanding debt which related to the non-payment of course fees totalling £945 and AGREED to authorise writing off this debt.</p>	
20/24	<p>Inventory Write Offs</p> <p>Members noted that under the College's Financial Regulations any inventory write-offs with a value over £500 needed to be reported to the Committee and any over £2,000 required prior approval.</p> <p>An investigation into missing electrical workshop tools arising from an internal audit review was underway but at this stage the Committee NOTED there were no inventory write-offs to consider.</p>	
20/25	<p>Truro and Penwith College Trust Financial Statements 2018/19</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>	
20/26	<p>Premises Matters</p> <p>The Director of Operations explained that car park monitoring was taking place following an accident investigation.</p> <p>Also, GLL had submitted a planning application for an extension to the Leisure Centre which would block an access route at the back of the Centre. The College was assessing the implications.</p>	
20/27	<p>Date of Next Meeting</p> <p>The Committee would meet at 5.00 pm on Tuesday 19 May 2020.</p>	ALL to note