



# TRURO AND PENWITH COLLEGE CORPORATION



## Finance and General Purposes Committee

**Minutes** of the Finance and General Purposes Committee held on Tuesday 17 November 2020 via Teams.

Members: Mr P Callen, Mr D Collins, Ms K Cook, Mr M Cooper, Sir Robert Owen, Mr M Tucker 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), Ms L Maggs (Director Operations, Penwith College), Mrs C Newton (Director of Studies), Mrs V Pearson (Director of Teaching & Learning), Mr A Stittle (Director of Partnerships) and Mrs A Winter (Clerk to the Corporation)

Item	Discussion/Decision	Action
20/40	<p><b>Minutes</b></p> <p>The minutes of the meeting held on 20 October 2020 were <b>APPROVED</b> as a correct record.</p>	
20/41	<p><b>Matters Arising</b></p> <p><b>41.01 Stadium Update (Minute 20/29.01)</b></p> <p>No further news had been received about government funding towards the project.</p> <p><b>41.02 Land at Callywith (Minute 20/29.02.)</b></p> <p>The sale of a strip of land to an adjacent housing developer was being finalised.</p> <p><b>41.03 Funding for High Needs Students (Minute 20/29.03)</b></p> <p>Negotiations with the Council on 2020/21 funding for HNS had resulted in a favourable outcome at a slightly increased rate.</p> <p>The College was taking part in the Council's consultation on funding rates from 2021/22 and a new commissioning system for learners with Education Health Care Plans (ECHPs).</p> <p><b>41.04 Cashflow – T Level Capital Bid (Minute 20/29.05)</b></p> <p>The outcome of the T Level Capital funding bid was still awaited.</p> <p><b>41.05 Cost Centre Report: College Nursery (Minute 20/34)</b></p> <p>The Chair would raise with the Corporation the question of whether separate annual reporting on the Nursery was necessary.</p>	<p>Chair to raise with Corporation</p>

	<p><b>41.06 Valency (Minute 20/37.01)</b></p> <p>Poor weather had caused a slight delay with the construction schedule but final completion was still expected by March 2021.</p> <p><b>41.07 ESFA Capital Grant (Minute 20/37)</b></p> <p>A list of essential premises works to be funded from the additional ESFA capital grant of £1.28m was being put together.</p> <p><b>41.08 Music Tuition (Minute 20/38)</b></p> <p>Following concerns expressed at the September Corporation meeting, further discussions had taken place with relevant staff and the Cornwall Music Trust. Ongoing provision of more targeted, cost-effective music tuition had been agreed (as feasible within current Covid safety restrictions).</p> <p>An update on the curriculum costing process would be provided for Governors at the December Corporation meeting.</p>	
20/42	<p><b>Management Accounts 1 August 2020 – 30 September 2021</b></p> <p>The Committee reviewed the management accounts for the first two months of the 2020/21 financial year and the Finance Director highlighted key areas where variations were anticipated.</p> <p>Additional income was expected from various sources, including ESFA Catch Up funding, Council funding for HNS, HE fees related to the new Nursing Associates programme and an additional ESFA capital grant. Some income streams were likely to decline, including a substantial drop in Apprenticeship income.</p> <p>Staffing costs were expected to rise due to growth in student enrolments, additional support needs, the re-grading of a number of individual posts and enhanced Covid cleaning.</p> <p>In response to questions, the Director confirmed that some minor efficiency savings had been identified through the curriculum costing process.</p> <p>The Committee <b>NOTED</b> that predictions were difficult at this early stage and the pandemic was adding to uncertainty. However, the variations could improve the overall budget position.</p>	
20/43	<p><b>Cashflow Projections</b></p> <p>The Director of Finance explained the cashflow projections to July 2022 and the assumptions on which the figures were based.</p> <p>The Committee <b>NOTED</b> that taking into account major capital expenditure on the Stadium, Valency and STEM Skills Centre the College would continue to hold substantial reserves and remain in a sound financial position throughout this period.</p>	
20/44	<p><b>Draft Final Accounts 2019/20</b></p> <p>The Committee received the College's draft final accounts for 2019/20, Key Issues Discussion Document (KIDD) and letter of representation. Members noted the requirement to submit accounts to the ESFA by the 31 January 2021 this year.</p>	

	<p>The Committee considered the draft accounts and the Finance Officer explained the reasons for the differences between the draft accounts reviewed in October and the final statements.</p> <p>The College had generated a very small operating deficit of £23k during the year, although a deficit of £7,439,289 was reported in the statement of comprehensive income once the pension valuation, fluctuation in investment valuations and other accounting adjustments were applied.</p> <p>The Committee reviewed the KIDD and noted that no material issues had been raised, no audit adjustments were necessary and an unmodified audit was expected.</p> <p>Following consideration, the Committee agreed to <b>RECOMMEND</b> to the Corporation approval of the final accounts for 2019/20, underlying accounting policies and letter of representation, subject to further scrutiny by the Audit Committee.</p> <p>Governors commended the Finance Team for their excellent work.</p>	<p>Recommendation for Corporation</p>
<p><b>20/45</b></p>	<p><b>Final Accounts for the Cornwall SCITT for 2019/20</b></p> <p>The Committee reviewed the end of year financial position for 2019/20 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 audited accounts were no longer required by the National College for Teaching and Leadership (NCTL), external audit assurance was necessary to demonstrate that training bursaries had been correctly administered.</p> <p>Governors <b>NOTED</b> that the SCITT was continuing to successfully train around 100 teachers each year, remained in a sound financial position and had achieved an operating surplus as a result of significant Covid related savings.</p>	
<p><b>20/46</b></p>	<p><b>Student Association Accounts and Fund Raising 2019/20</b></p> <p>The meeting received and noted the Student Association accounts for 2019/20. There had been no activity through the accounts at Truro or Penwith this year. However, a range of fund-raising activities had generated around £1,000 for various charities. This was less than in a typical year due to the pandemic and remote delivery.</p>	
<p><b>20/47</b></p>	<p><b>Review of Investment Policy</b></p> <p>The Committee reviewed the Investment Policy which had already been considered by the Investment Panel and concluded that no changes were needed.</p> <p>The Chair had identified a discrepancy between the Investment Policy and the Panel's terms of reference about responsibility for approval of the Policy. The Committee <b>RECOMMENDED</b> the terms of reference of the Investment Panel were revised (as indicated in Appendix A).</p>	<p>Recommendation for Corporation</p>

<b>20/48</b>	<p><b>Investment Panel Update</b></p> <p>The Committee noted that the College’s managed investments were continuing to perform well in the current market. Recent news of the coronavirus vaccine and outcome of the US election had caused an improvement in recent weeks.</p> <p>The Chair proposed that greater clarity about the Corporation’s risk appetite and investment objectives would help to ensure the Panel acted in accordance with the Board’s intentions and suggested further discussion at a future meeting.</p>	Chair to raise with Corporation
<b>20/49</b>	<p><b>Premises Matters</b></p> <p>Governors noted:</p> <ul style="list-style-type: none"> <li>• STEM Skills Centre - the tender deadline had been extended until late November with interviews on 4 December 2020. Work was due to begin on site in March 2021.</li> <li>• Seaton - an additional, temporary structure was being created to extend Carpentry facilities at Seaton.</li> </ul>	
<b>20/50</b>	<p><b>Draft Cycle of Annual Business for 2021</b></p> <p>The Committee <b>APPROVED</b> the proposed cycle of business for 2021.</p>	
<b>20/51</b>	<p><b>Date of Next Meeting</b></p> <p>The Committee would next meet at 5.00 pm on Tuesday 26 January 2021.</p>	ALL to note