



TRURO AND PENWITH COLLEGE CORPORATION



Finance and General Purposes Committee

Minutes of the Finance and General Purposes Committee held on Tuesday 23 January 2018 at Truro College.

Members: Mr P Callen, Mr D Collins, Ms L Edge, 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 (SMT Development Post), Mr M Tucker (Director of Penwith College), Mr M Wardle (Director of Curriculum) and Mrs A Winter (Clerk to the Corporation)

Item	Decision	Action
18/01	<p>Minutes</p> <p>The minutes of the meeting held on 21 November 2017 were APPROVED and signed as a correct record.</p>	
18/02	<p>Matters Arising</p> <p>02.01 Truro Leisure Centre (Minute 17/54.01)</p> <p>Members noted that despite a number of reminders, GLL had not submitted their proposal to amend the existing agreement. The Committee AGREED that GLL should immediately be invoiced for the nine month outstanding charges and that if payment was not forthcoming further steps should be taken to recover the debt.</p> <p>02.02 MIS – External Consultancy (Minute 17/55)</p> <p>Members noted that external consultants were still being used to develop bespoke modifications to the new Management Information System but not for rectifying problems related to the original specification.</p> <p>02.03 Stadium for Cornwall (Minute 17/61.01)</p> <p>Members noted that the stadium partners had confirmed the necessary £6m funding and potential to borrow a further £2m. In order to avoid delay which would jeopardise the stadium and risk the future of both Truro City Football Club and the Cornish Pirates, the Leader of Cornwall Council had announced revised proposals to secure the remaining £6m from the public sector. It was crucial that the stadium was completed by summer 2019 to ensure facilities were available for the start of the rugby/football season and beginning of the academic year.</p>	SD to invoice GLL

	<p>The revised funding proposals would be debated by the Cabinet at the end of March with a vote by the full Council on 17 April 2018. In the meantime, the importance of the stadium for sport, as well as the non-sporting benefits to the County (business opportunities, education opportunities, conferencing, event facilities etc.) would continue to be promoted.</p>	
18/03	<p>Management Accounts 1 August 2017 – 31 December 2017</p> <p>The Committee considered the management accounts for the first five months of the 2017/18 financial year and the proposed changes to the agreed budget.</p> <p>The Finance Officer highlighted key variations from the original budget figures, which included:</p> <ul style="list-style-type: none"> • an increase in the level of local authority 16-24 additional top up funding to support high needs students • a reduction in 19+ activity and SFA adult funding linked to the extension of loans for 19+ students and EU funded courses • a decline in HE fee income due to a fall in recruitment • a shortfall in the Home to College Transport income due to the number of bus passes sold and numbers subsidised by Learner Support Funds • increases in grant funding as a result of Teaching School projects, Maths Hub activities and other opportunities • higher interest and investment income related to the College's portfolio of managed investments. <p>Members noted that although income would increase in some areas, there was also an associated rise in costs (eg. additional staff to support students with high needs). Overall, the impact of the various adjustments was a significant downturn in the projected end of year position and an estimated deficit of £550k. The Senior Management Team was continuing to closely scrutinise all areas and make savings to improve the budget position wherever possible.</p> <p>The Committee discussed the expected shift in recruitment related to the opening of Callywith College which would not fully impact on the budget until 2018/19 (due to the lagged funding arrangements). The number of 16-18 year olds in Cornwall had also declined in recent years and the local demographic was not expected to improve until 2020/21.</p> <p>Following discussion, the Committee:</p> <ol style="list-style-type: none"> a) REQUESTED a 5 year budget forecast for consideration at the May 2018 meeting b) RECOMMENDED to the Corporation the approval of the revised budget for 2017/18. 	<p>SD/DH to produce 5yr budget</p> <p>AW for Corporation</p>
18/04	<p>Cashflow Projections</p> <p>The Committee considered the cashflow projections to June 2019 and noted the assumptions on which the figures were based.</p>	

	<p>The cashflow had been adjusted to incorporate the revised budget for 2017/18. Changes associated with the Callywith development, HEFCE capital grant and revenue funding were explained.</p> <p>In response to questions the Finance Officer provided clarification about the investments due to mature in coming months</p> <p>Overall, the cashflow position remained positive for the next eighteen months.</p>	
18/05	<p>Review of Financial Performance Indicators and Objectives</p> <p>The Committee received an update on the financial objectives for the College and the ESFA Financial Health scoring methodology. Members noted that based on the revised budget, changes to the EBITDA (Earnings before Interest, Taxation, Depreciation and Amortisation), a sector specific benchmark which did not take account of interest earned, the College would be unable to retain the 'Outstanding' ESFA financial grading and was expected to achieve a grading of 'Good'.</p> <p>During discussion governors noted that with no borrowings and an excellent current ratio, the College would achieve a 'good' even if a deficit budget was set in 2018/19.</p> <p>Following consideration, the Committee noted the financial objectives and AGREED to review the position in July 2018.</p>	DH to review objectives for July meeting
18/06	<p>19+ Tuition Fees 2018/19</p> <p>The Committee received and considered a paper explaining the 19+ tuition fees position and Learning Aims Matrix which determined the national fee rate based on the QCF (Qualifications Credit Framework) credit value.</p> <p>Governors noted a decline in the take up of loans across full and part time courses. Most 19+ courses were supported by loans and others which were not, such as part time, recreational courses and professional business qualifications were charged at full cost and delivered on a breakeven basis.</p> <p>The introduction of the Apprenticeship Levy from May 2017 had increased competition as employers could select a training provider and negotiate the cost of training. A responsive and competitive approach needed to be maintained.</p> <p>Following discussion and clarification the Committee APPROVED the proposed 19+ tuition fees for 2018/19 which would remain at the 2017/18 levels and allow the Principal to agree variations, as appropriate, to reflect specific costs or market pressures.</p>	
18/07	<p>HE Tuition Fees 2019/20</p> <p>An announcement from the Office for Fair Access (OFFA) on 2019/20 fees was expected in April 2018. The position would be assessed and proposals brought forward at that stage.</p>	

18/08	<p>Implications of new General Data Protection Regulations</p> <p>The Director of Operations summarised the key requirements of the General Data Protection Regulations (GDPR) which were due to be implemented on 25 May 2018. The new legislation would introduce additional obligations in relation to personal data. The steps being taken to ensure compliance were explained.</p> <p>Governors noted that the overwhelming majority of data within the College was managed by academic or support team leaders. Where a third party data processor was used, it would be necessary to have in place a written contract specifying terms to ensure compliance with the GDPR.</p> <p>The College was working through the Information Commissioner's Office (ICO) twelve point implementation plan. A detailed table showing progress towards achieving full compliance by May 2018 (as a result of an audit and impact assessment of each area) was provided. The Director of Operations had taken part in external training and a GDPR session would be included within the Staff Development Day on 3 March 2018. At this stage the College was already compliant in most areas and personal data was processed within the legislation with clear processes in place.</p> <p>Governors NOTED the new GDPR requirements and was re-assured that appropriate actions were being taken forward to ensure compliance.</p>							
18/09	<p>Investment Proposals</p> <p>This confidential item is separately minuted.</p>							
18/10	<p>Catering Review Report</p> <p>This confidential item is separately minuted.</p>							
18/11	<p>Callywith College Trust Accounts 2016/17</p> <p>The Corporation received and NOTED the Callywith College final accounts for 2016/17 covering the use of the pre-opening grant.</p>							
18/12	<p>Truro and Penwith Academy Trust Accounts 2016/17</p> <p>The Corporation received and NOTED the TPAT final accounts for 2016/17. By the end of the financial year, the Trust consisted of seventeen schools and three additional schools had joined during autumn 2017. The accounts confirmed that TPAT remained in a sound financial position.</p>							
18/13	<p>Premises Matters</p> <p>This confidential item is separately minuted.</p>							
18/14	<p>Dates of Meeting in 2018/19</p> <p>The dates of meetings in 2018/19 were confirmed as follows:</p> <table data-bbox="343 1951 1169 2063"> <tr> <td>Monday 1 October 2018</td> <td>Tuesday 19 March 2019</td> </tr> <tr> <td>Tuesday 13 November 2018</td> <td>Tuesday 14 May 2019</td> </tr> <tr> <td>Tuesday 22 January 2019</td> <td>Monday 1 July 2019</td> </tr> </table>	Monday 1 October 2018	Tuesday 19 March 2019	Tuesday 13 November 2018	Tuesday 14 May 2019	Tuesday 22 January 2019	Monday 1 July 2019	ALL to note
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Tuesday 22 January 2019	Monday 1 July 2019							

18/15	<p>Any Other Business</p> <p>15.01 Area Review Restructuring Facility</p> <p>Governors noted that a number of colleges had received exceptional financial support related to Area Review outcomes as well as funding to address long term viability from the Government's restructuring facility. The terms of the loans/grants and implications for other providers remained unclear.</p> <p>15.02 Oxbridge Offers/Applications</p> <p>Governors were pleased to note that a record 24 candidates (out of 72 applicants from the College) had received UCAS offers from Oxford or Cambridge University for 2018 entry.</p>	
18/16	<p>Date of Next Meeting</p> <p>The Committee would next meet at 5.00 pm on Tuesday 20 March 2018 at Truro College.</p>	ALL to note