



# TRURO AND PENWITH COLLEGE CORPORATION



## Finance and General Purposes Committee

**Minutes** of the Finance and General Purposes Committee held on Tuesday 20 October 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 of Operations, Penwith College), Ms V Pearson (Director of Teaching & Learning), Mr A Stittle (Director of Partnerships) and Mrs A Winter (Clerk to the Corporation)

Apologies: Mrs C Mewton (Director of Studies)

Item	Decision	Action
20/28	<p><b>Minutes</b></p> <p>The minutes of the meeting held on 17 March 2020 were <b>APPROVED</b> as a correct record.</p>	
20/29	<p><b>Matters Arising</b></p> <p><b>29.01 Stadium (Minute 20/17.01)</b></p> <p>The Principal reported that there had been little progress during recent months. Government funding was still awaited and the establishment of a Community Interest Company to manage the project was being taken forward.</p> <p><b>29.02 Land at Callywith (Minute 20/17.02)</b></p> <p>Governors noted that an agreement had been reached with an adjacent housing developer to sell a narrow strip of land from the additional 4 acres owned by the College for £295k. This would improve access to the housing and to the College's land.</p> <p><b>29.03 Funding for High Needs Students (Minute 20/17.03)</b></p> <p>The Committee noted that the funding to deliver 5 days/week HNS provision for Council-funded students had been determined for 5 years, following the Judicial Review. However, this decision did not apply to all HNS delivery and negotiation had commenced with the Council about the funding rate for other HNS for 2020/21.</p>	

	<p><b>29.04 Revised Budget for 2020/21 (Minute 20/17.05)</b></p> <p>The Committee noted that charges to Callywith College had been agreed for 2020/21 for the support provided by TPC (including IT support, MIS, HR etc) and included an increase of around £50k.</p> <p><b>29.05 Cashflow Projections (Minute 20/20)</b></p> <p>Governors noted that a capital funding bid to support T Level delivery had been submitted and the outcome was awaited.</p>	
<b>20/30</b>	<p><b>Management Accounts 1 August 2019 – 31 July 2020</b></p> <p>The Committee reviewed the accounts for 2019/20 and noted they remained 'draft' as summer transactions were still being finalised. The auditors were in the process of preparing the end of year financial statements for the next meeting.</p> <p>Governors noted that the Covid pandemic had produced a significant number of unexpected changes. The key variations were discussed and explained, including:</p> <ul style="list-style-type: none"> <li>• transport and utilities savings during lockdown period</li> <li>• exam fee rebate</li> <li>• a reduction in curriculum-related expenditure</li> <li>• higher IT costs (to support remote delivery)</li> </ul> <p>Overall, the variations had reduced the projected surplus.</p> <p>Whilst the underlying operating position was a small deficit, a one-off payment arising from the transfer of investments during the year had generated a final surplus of £889k.</p> <p>The balance sheet and current assets demonstrated that the College remained in a very healthy position and although the pension liability had increased, this was based on an actuarial valuation which would be revised following a more accurate, full valuation in 2 years.</p>	
<b>20/31</b>	<p><b>Cashflow</b></p> <p>The Committee considered the cashflow projections to July 2022 which had been revised to include changes to capital projects. The figures incorporated an unexpected, additional ESFA grant to upgrade and improve the College's estate, the latest costings for the Institute of Technology developments as well as the award from the Getting Building Fund for the STEM Skills Centre at Callywith.</p> <p>The cashflow demonstrated that the College would remain in a strong financial position during the coming 18months.</p>	
<b>20/32</b>	<p><b>Draft Operating and Financial Review</b></p> <p>The Committee reviewed the first draft of the Operating and Financial Review sections of the Financial Statements for 2019/20. Members were invited to forward any comments and corrections to the Finance Officer.</p> <p>Governors suggested that impact and challenges of the Covid pandemic should be outlined in the early section of the report and that Covid-related risks should be added.</p>	<p>Governors to forward comments</p> <p>DH/SC to amend text</p>

20/33	<p><b>Review of College Insurance for 2020/21</b></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 3 year agreement was due to end in July 2021, with the option to extend for a further two years.</p> <p>Although there was no significant change to the overall costs, the amount of travel cover had been reduced to reflect the College's decision not to run any overseas trips for the autumn term (at least). By restricting cover to UK trips only, the significant travel premium increase, (as a consequence of the College's substantial claims for cancelled trips during the pandemic) had been avoided.</p> <p>The Committee considered the proposed cover and <b>AGREED</b> that no changes to the policy were needed at this time.</p>	
20/34	<p><b>Cost Centre Report for College Nursery 2019/20</b></p> <p>The Committee noted that the Nursery had been on target to produce a small surplus for 2019/20 but the 4 month closure due to the pandemic had significantly impacted on the financial position and a deficit of around £5k was now expected.</p> <p>The Committee noted that the nursery was run flexibly as a service to students and staff as well as providing work experience for College trainees.</p> <p>The Committee discussed the reasons why a cost centre report for the nursery was subject to annual review by F&amp;GP, and agreed to ask Corporation to review if this remained appropriate, and if there were any other areas of the College's business that it would like F&amp;GP to review regularly in depth.</p>	
20/35	<p><b>Green Energy Update</b></p> <p>The Committee received the annual 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. The three projects contributed around 10% of the College's total requirements.</p> <p>Governors were very pleased that as well as enabling the College to reduce carbon emissions, each system had achieved significant efficiencies and over 100% of the original outlay had been recovered.</p> <p>The Committee also noted that other green energy developments included replacement LED lighting, ground source heating within new buildings at Penwith and other alternative technologies were considered during all College maintenance and building projects.</p>	
20/36	<p><b>Annual Review of College Banking and Legal Services</b></p> <p><b>36.01 Banking</b></p> <p>The Finance Director reported that HSBC continued to provide a good service and most transactions incurred no charges.</p>	

	<p>The Committee <b>AGREED</b> that as fees were low and a good service was provided that College banking should remain with HSBC.</p> <p><b>36.02 Legal Services</b></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.</p>	
	<p>Governors noted that Stephens Scown were generally used for property matters, an independent specialist provided employment advice, and Michelmores advised on academy issues.</p> <p>The Committee <b>AGREED</b> that it was effective and economical to engage specialists according to the particular issue and there was no reason to change this approach.</p>	
<b>20/37</b>	<p><b>Premises Matters</b></p> <p><b>37.01 Valency</b></p> <p>Governors noted the building was four weeks behind schedule due to a manufacturing error with the roof. Completion was now due in January 2021.</p> <p><b>37.02 Maintenance Programme</b></p> <p>During the lockdown and summer period the usual programme of maintenance, upgrades and refurbishments had continued.</p> <p><b>37.03 ESFA Capital Grant</b></p> <p>The additional, unexpected ESFA capital grant of £1.28m would be used towards a range of essential premises jobs (such as replacing a central heating boiler).</p>	
<b>20/38</b>	<p><b>Any Other Business</b></p> <p>The Principal explained that the concerns and cost implications relating to extra enrichment provision, particularly music tuition (raised at the recent Corporation meeting) would be considered at the Governors' Conference in November when there would be an opportunity to explore the issues in greater depth.</p>	
<b>20/39</b>	<p><b>Date of Next Meeting</b></p> <p>The Committee would meet on Tuesday 17 November 2020 at 5.00pm via Teams. The Investment Panel would meet beforehand at 2.30pm.</p>	ALL to note