



THE CORNWALL COLLEGE GROUP

**Minutes of the Finance and Resources Committee meeting
held on 4 March 2024 at 10am at St Austell and on Microsoft Teams**

Committee members present

Ellen Winser	EW	Chair	John Evans	JE
Will Charnley	WC		Patrick Newberry	PN

In Attendance

Tian Bersey	TB	Clerk to Governors
Mathew Davies	MD	Financial Controller
Adrian Ford	AF	Group Deputy Principal, Group Operations
Jayne Nines	JN	Director of HR
Mark Wright	MWr	Deputy Head of Estates for item 8
Shirley Collier	SC	External Board Reviewer

Number	Item	Action
1	<p>APOLOGIES AND DECLARATIONS OF INTEREST</p> <p>Apologies received and accepted from Geoff Warring. The meeting was quorate and there were no further declarations of interest to those contained on the register.</p> <p>The Chair welcomed Shirley Collier, who is conducting the External Board Review to the meeting as an observer.</p>	
2	<p>MINUTES AND MATTERS ARISING</p> <p>2.1 The minutes of the meeting on 17 January were approved.</p> <p>2.2 MATTERS ARISING</p> <p>The Committee noted the update on previous actions.</p> <p>The Group Deputy Principal Group Operations reported that the investment strategy for IT is well underway; examples of the publicity for the Camborne redevelopment were shared in the papers and the impact of the delay in the St Austell build has been communicated to the DfE.</p>	
3	<p>OPERATING STATEMENT – F&R strategic aims</p> <p>The Committee reviewed the Operating Statement and discussed the following items in more detail:</p> <ul style="list-style-type: none"> ▪ Good progress made with regards to recognising staff (2.1): the pay award and tools to reduce the workload of teaching staff have supported this. The Committee discussed funding ahead of 24/25. ▪ Cash generation (4.1) Bids for funding have been successful but payment in arrears puts pressure on cash flow. The sale of the Car Park in Camborne has been completed. ▪ Commercial revenue (4.4): Bicton Campus will join with the Arena and Gardens to host a top equine event in May 2024. The processes around generating commercial revenue will be scrutinised on all campuses to ensure visibility and consistency. The Committee discussed the potential advantages and disadvantages of employing a commercial manager and use of the estate and outside of term time. 	

<p>4</p>	<p>FINANCE MATTERS</p>
<p>4.1</p>	<p>Group Financial Update</p> <p>The Group Deputy Principal Group Operations and Financial Controller reported:</p> <ul style="list-style-type: none"> ▪ EBITDA forecast has dropped due to a slight reduction in Concorde profits and lower apprentice numbers. ▪ Increased 16-18 enrolments have resulted in the allocation of £300k in in-year funding and £1.3m of increased allocation for 24/25. Growth in numbers of High Needs learners will also bring in additional funds from the Local Authority. ▪ Investment income has been driven by successful grant applications. ▪ The relatively large difference between Surplus/ Deficit is caused by a large depreciation charge within the I&E. ▪ Active management of cash flow continues to be necessary due to the impact of the large number of capital projects underway, many being funded in arrears. <p>The Committee discussed cash flow including:</p> <ul style="list-style-type: none"> ▪ not being able to borrow or have an overdraft facility since ONS reclassification; ▪ reprofiling DfE income which has improved the historical low cash point in March but has subsequently negatively impacted the rest of the year; ▪ negotiating with grant funders regarding timings of spend; ▪ capital sales and subsequent restriction on how money can be spent. <p>A governor asked how much visibility there is in numbers. Cash flow is monitored weekly and the worse case scenario has been used in projections. An interim valuation was completed in October 23 in order to ensure that invoices are submitted at the best time. The governor suggested that a month on month cash versus forecast report would be useful particularly in the period March – August.</p> <p>A governor noted the huge amount of asset, asked if this was sustainable in the long term and what servicing was needed. The Committee discussed needs and funding going forward.</p>
<p>4.2</p>	<p>Balanced Scorecard</p> <p>The Committee reviewed the Balanced Scorecard and the Group Deputy Principal Group Operations highlighted:</p> <ul style="list-style-type: none"> ▪ the previous year’s data had been added for comparison as requested; ▪ a high target has been set for attendance and the College is currently falling short; ▪ staff FTE has increased due to 49 FTE staff working on projects, mainly with funding from the Shared Prosperity Fund; ▪ appraisal completion has improved; ▪ staff utilisation has improved. <p>The Committee discussed staff workload, introducing an AI tool to save time for innovation and use of the National Tuition Fund which offers support to enable smaller group sizes to mitigate the disruption to learning during Covid.</p> <ul style="list-style-type: none"> ▪ Apprenticeship numbers are still under pressure. <p>The Committee discussed potential reasons for low apprenticeships numbers.</p> <ul style="list-style-type: none"> ▪ HE enrolment, still experiencing a decline but not to the same level; ▪ Average group size is beginning to increase.
<p>4.3</p>	<p>Financial Approvals</p> <p>The Committee discussed and approved a profit share payment to Eden and writing off two historic debts to Concorde having reviewed the efforts made to get payment.</p>

<p>4.4</p>	<p>HE Fees The Committee reviewed the proposed HE Fee Policy for 2025/26 and agreed to recommend the policy to the Board for approval.</p>	
<p>4.5</p>	<p>Update on ONS reclassification This will be a standing item on the agenda going forward. There is currently nothing to report.</p>	
<p>5</p>	<p>PROPERTY MATTERS The Group Deputy Principal Group Operations (DPGO) reported on:</p> <ul style="list-style-type: none"> ▪ the agreed design for St Austell and the costs involved in keeping the current building operational. ▪ a delay in the critical path for Camborne following a design error in the internal ventilation. ▪ Wheal Eliza may have some marketable value and plans to explore this are progressing. ▪ a summary of the planned and proposed grant funded capital works for 2023/24 ▪ a report from the conservation expert detailing the options to rectify the dry rot at Bicton will be available for the next Committee meeting. The whole of Bicton House has been surveyed. 	
<p>6</p>	<p>PEOPLE MATTERS Report against KPIs The Committee noted the discussions above on the reasons for the increase in staff FTE and that on the Balanced Scorecard staff absence is slightly higher than this time last year.</p> <p>National Living Wage The Director of People and Culture presented plans to implement the rise in National Living Wage in April.</p> <p>Staff Survey The staff survey will be sent to staff the week before Easter. It is proposed to use the same questions as last year, which were shared at the meeting and include some of the questions used by Ofsted. The data collected is followed up and used.</p> <p>The Committee reviewed the responses received in 2023, comparisons with the two previous years and discussed the questions. Free text boxes are also used to allow for comment and staff commented on salary, desire for hybrid working and training needs. The hybrid working policy has been implemented and the emphasis on training has moved from compliance to personal development. PMRs have supported this.</p> <p>It was suggested that People Matters is moved further up the agenda and discussed earlier at the next meeting.</p>	
<p>7</p>	<p>ST AUSTELL EDUCATION FOUNDATION The Financial Controller outlined the current status of the St Austell Education Foundation. A governor asked if reporting to the Charity Commission was up to date and this was confirmed. The Committee discussed options for funds going forward. It was agreed that the Financial Controller will complete a reconciliation of funds and the winding up of the Foundation will be explored with the Charity Commission.</p>	<p>MD</p>
<p>8</p>	<p>ENVIRONMENTAL SUSTAINABILITY KPIS The Deputy Head of Estates joined the meeting to present a draft of the environmental sustainability KPIs relating to finance and resources. The Clerk will make these available to the Committee.</p>	

	<p>The Committee discussed scoping, measurement and reporting. A consultancy will be used to support measuring the College’s carbon footprint and the recommended standards from the Carbon Trust will be followed.</p> <p>A governor asked if the College is required to report publicly and this is currently unknown. A governor warned against complex KPIs/reporting which can take time away from working on achieving the KPIs. A governor noted the potential impact on ways of working and operations. The Committee discussed if any budget was available in order to support brand proposition and working with staff and students. It is hoped that the carbon reduction plan will support the budgeting exercise. The new building at St Austell is planned to be carbon neutral. There was support for reporting by exception as data increases.</p>	
9	<p>POLICY AND COMPLIANCE MATTERS (if needed) None.</p>	
10	<p>HIGH LEVEL FINANCIAL RISKS / ASSURANCE NEEDED</p> <p>The Group Deputy Principal Group Operations (DPGO) reported that a measure for risk appetite had been added to the register and a date will be added as a deadline to achieve each risk target.</p> <p>The Committee reviewed the risk register.</p> <p>The Committee welcomed the number of risks that are diminishing. A governor questioned the cash flow score and asked at what point it would be moved to red. It is currently amber due to the process of robust monitoring and management in place which reduces the likelihood score. A governor asked for clarification on the calibration of risk appetite and this was explained.</p>	
11	<p>ITEMS TO SHARE WITH THE BOARD/COMMITTEES</p> <ul style="list-style-type: none"> ▪ Financial update ▪ Property update ▪ Planning for National Living Wage increase ▪ HE Fee Policy endorsed 	
12	<p>DATES OF NEXT MEETINGS 15/05/2024, 10am 24/06/2024, 10am</p>	