



## THE CORNWALL COLLEGE GROUP

### Minutes of the Finance and Resources Committee meeting held on 27 January 2021 at 9am via MS Teams

#### **Committee members present**

Karen Burrows	KB	Committee chair
Peter Child	PC	Governor
John Evans	JE	Principal/ Governor
Ian Tunbridge	IT	Governor
Geoff Warring	GW	Governor
Ellen Winsor	EW	Co-opted committee member

#### **In Attendance**

Wendy Randle	WR	Clerk to the Corporation
Adrian Ford	AF	Vice Principal Group Operations
Graeme Sinclair	GS	Director of Finance
Bob Harris	BH	Estates Manager

		Action
<b>1</b>	<p><b>WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST</b></p> <p>Apologies were received and accepted from Martin Bailey.</p> <p>There were no further declarations of interest to those on the members' register of interests; Peter Child reminded the committee of his ongoing interest in Cornwall Marine Network.</p> <p>There were some issues with two committee members joining the meeting via Teams. Peter Child took the chair until item 3.1.2, after which Karen Burrows took the role. The meeting was quorate at all times.</p>	
<b>2</b>	<p><b>MINUTES OF THE MEETING HELD ON 25 NOVEMBER 2020</b></p> <p>The minutes and confidential minutes of the meeting held on 25 November 2020 were agreed to be a true and correct record of the meeting. The Clerk to the Corporation would arrange for these to be signed by the committee chair.</p> <p><b>MATTERS ARISING</b></p> <p>A report updating on actions from previous meetings had been circulated prior to the meeting; there were no outstanding actions that would not be covered under agenda items.</p> <p>The committee requested that the report on the lessons learned from Future Farm be shared with this committee in addition to the Audit and Risk committee.</p>	<p><b>WR</b></p> <p><b>AF</b></p>
<b>3</b>	<p><b>FOR REVIEW AND PRESENTATION TO BOARD</b></p>	
<b>3.1</b>	<p><b>Finance Matters</b></p>	
<b>3.1.1</b>	<p><b>Impact of the lockdown</b></p>	

The Vice Principal Group Operations presented on the financial impact of the current UK lockdown due to Covid on The Cornwall College Group (TCCG). The following highlights were noted:

- As seen across the sector, there are changes to the forecasted results.
- The impact on Cornwall College Management Services (CCMS) (Concorde) was highlighted; the predicted £100k profit has moved to a £72k deficit, a negative movement of £172k.
- There is no risk to funding linked with the 16-19 year old provision.
- The potential risk associated with not delivering on the Adult Education provision was noted; TCCG are operating on the assumption that there will be a full clawback of these funds (further detail under item 3.1.2).
- There is an allocation of £300k for ensuring a Covid secure environments across all sites.
- Income has reduced by £800k due to Covid.

It was noted that due to lagged funding, connected to the additional learners achieved by TCCG, there will be an increase of £2.5m in the next financial year; 2021/ 2022 will reflect a more realistic portrayal of the organisation's finances.

### 3.1.2 Financial update

The management accounts for December had been circulated to the Board prior to the meeting. The presentation on the impact of the current lockdown under item 3.1.1 had covered many of the highlights.

The committee reflected on the variances on the Income and Expenditure tables (I&E), primarily driven by CCMS. The committee revisited the request to have CCMS reported as a subsidiary to enable a more accurate representation of TCCG finances. It was noted that CCMS is now reported on separate lines across all categories of the I&E, to remove CCMS completely would impact on data reported to the Education, Skills and Funding Agency (ESFA) such as staff ratios, this would need to be explored with the ESFA.

The annual allocation for the Adult Education budget is approximately £4.8m, received monthly. Should TCCG drop below a certain tolerance then the full annual amount can be claw backed. The Adult Education budget was previously reduced due to Covid, due to the current lockdown the forecast is now below budget. Last year, due to Covid, the ESFA reduced the tolerance from 97% down to 68%, as TCCG achieved above this percentage they retained their full allocation. If the tolerance for allocation is reduced again this year and TCCG achieve the revised expectation, the full allocation would be received.

A committee member requested a discussion on Debtors at a future meeting to understand why TCCG continually holds a high number of 90 day plus debt. It was reported that Debtors have increased in the last month, TCCG have put in place additional resources to review and write off debt where needed. The committee requested that the Debtor's ledger be reviewed with proposals for debt write offs to be considered at the next committee meeting in March.

The committee considered the Deep Blue Sounds (DBS) provision; further details contained in the confidential minutes.

### 3.1.3 Balanced Scorecard/ KPIs update

The Balanced Scorecard had been circulated the day before the meeting. The document brings together the strategic aims, is reviewed with the Executive Leadership Team (ELT) and contains a comparison with the previous year to allow for trend analysis. There were no major concerns to report, the following highlights were noted:

- There have been some HE withdrawals due to learners not being able to move to Cornwall.
- Maintaining learner engagement and therefore attendance in English and Maths through the lockdown is a challenge; significant time has been spent on this theme at the recent ELT.
- The government have stated they will not clawback funds for work based learning.
- Staff FTE value has increased due to retaining DBS for a further year and increased learner numbers achieved by TCCG.

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<p><b>3.2</b></p>	<ul style="list-style-type: none"> <li>▪ Agency spend is over budget, this is due to additional contract cleaning due to Covid, staff shortages at Bicton prior to appointments being made and appointment of Covid testers.</li> <li>▪ Staff cost as percentage of income is slightly higher due to additional staff required to support an increase in learners.</li> <li>▪ The average group size has been heavily impacted due to Covid and social distancing.</li> <li>▪ The reduced target, due to Covid, for Apprenticeships is expected to be achieved.</li> <li>▪ Apprentices in learning; the data reflects TCCG intend to finish these apprentices.</li> <li>▪ Partnerships; further detail on KS4 academies and 14-16 students will be presented at the Board Strategy Day. The students joined for a practical offer, it has been difficult to deliver this provision as planned; numbers will increase for the next academic year.</li> </ul> <p>The KPIs were reviewed; it was highlighted that the percentage market share for St Austell and Camborne sites needs to increase.</p> <p><b>Property Matters update</b> A confidential paper had been circulated prior to the meeting. It was noted that TCCG have exchanged on Saltash with no clawback. Further highlights are contained in the confidential minutes.</p>	
<p><b>4</b> <b>4.1</b></p> <p><b>4.2</b></p>	<p><b>CAPITAL PROGRAMME UPDATE</b></p> <p><b>Grant funding update</b> A progress report on capital grant funding had been circulated prior to the meeting. The following discussion points were noted:</p> <ul style="list-style-type: none"> <li>▪ The committee were assured that relevant approval and procurement processes are followed for grant funded projects and that matters are brought to committee in line with delegated decision powers.</li> <li>▪ Initially, projects supported under the Condition Fund had to be completed by the end of March 2021. This timeline has been extended which allows the College to include a larger 26 week project.</li> <li>▪ In response to a committee member query about why TCCG had preferred air source heating over ground source heating, it was explained that retro fitting air source is more suitable to TCCG buildings.</li> <li>▪ A committee member asked for clarity on TCCG’s involvement with the Eden Learning proposal at Lostwithiel; further clarity is being sought by the Principal.</li> <li>▪ The committee reflected on the G7 summit being held in Cornwall and the opportunities to promote TCCG during this time.</li> <li>▪ A committee member suggested TCCG briefly outline how they would like the Camborne site to look for the longer term. The property strategy being developed will incorporate Camborne.</li> <li>▪ A discussion took place regarding the Camborne and Rosewarne sites, it was understood that due to no synergy between the curriculums the campuses are most effective operating separately.</li> <li>▪ One item is contained in the confidential minutes.</li> </ul> <p><b>Capital allocation update</b> A presentation was provided to the committee outlining the capital strategy for the organisation. A copy of the presentation was uploaded to the Finance and Resources Teams channel.</p> <p>A consequence of the historic financial position of TCCG has been the under investment in capital for many years, therefore there was no formal capital expenditure process in place; this year TCCG have £1.5m to invest across the sites. TCCG undertook staff consultation on capital investment needs, with projects presented to ELT who rationalised and prioritised projects; ELT hold responsibility for authorisation. It was reported that £800k of the £1.5m has been spent this year to date. It was confirmed that proposals are made by staff on a consistent basis and checked by Finance. It was noted that some Capital funds may need to be retained as a cash cushion due to Covid.</p>	

	<p>Capital funding is now intrinsic with the curriculum planning process, by April the capital programme for 2020/ 21 will be known; Estates are part of this process which will enable them to be more proactive. The property strategy will be considered by Board in the summer term. The committee were assured that project updates will be reported to committee along with lessons learned and post project reviews. It was noted that lessons learned from Future Farm should be received sooner rather than later to avoid repeating mistakes on new projects. The committee reflected on the impact of good project management skills and a clear application process for capital expenditure and it was agreed project appraisals will be diarised for the F&amp;R committee. It was recommended that sufficient time is taken to ensure the designs are right before agreeing contracts and starting work as changes later would be expensive in cost and/or schedule.</p> <p>A committee member requested assurance that additional costs linked to EU purchases has been factored into capital project budgets; this will be included in projects for the next academic year.</p> <p>A further comment linked to project management is contained in the confidential minutes.</p>	<p><b>WR/ AF</b></p> <p><b>WR/ KB</b></p>
<p><b>5</b></p>	<p><b>Finance and Resources Terms of Reference (TOR)</b></p> <p>The committee reviewed the TOR circulated prior to the meeting. After discussion it was agreed further clarity was required on the annual reporting of legal costs. The Committee agreed any amendments linked to this could be made with the approval from the committee chair and agreed to recommend the approval of the TOR, with amendments, to Board.</p>	<p><b>WR AF KB</b></p>
<p><b>6</b></p>	<p><b>DATES OF NEXT MEETINGS</b></p> <p>10 March 2021, 9am with a focus on Sustainability and CCMS</p> <p>19 May 2021, 9am</p> <p>23 June 2021, 9am</p>	

Karen Burrows, Finance and Resources Committee Chair.....

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