



THE CORNWALL COLLEGE GROUP

Minutes of the Finance and Resources Committee meeting held on 9 March 22 at 9.30am at St Austell campus and on Microsoft Teams

Committee members present

Geoff Warring	GW	Committee chair
Karen Burrows	KB	Governor
John Evans	JE	Principal and CE and Governor
Nick Harris	NH	Governor
Ellen Winser	EW	Governor

In Attendance

Wendy Randle	WR	Director of Governance
Adrian Ford	AF	Group Deputy Principal Group Operations
Graeme Sinclair	GS	Director of Finance

		Action
1	<p>WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST</p> <p>Apologies were received and accepted from Martin Bailey and Patrick Newberry. It was noted that the Principal would need to leave and return during the meeting.</p> <p>There were no further declarations of interest to those on the members' register of interests.</p>	
2	<p>MINUTES OF THE MEETING HELD ON 27 JANUARY 2022</p> <p>2.1 The minutes of the meeting held on 27 January 2022 were agreed to be a true and accurate reflection of the meeting and were approved by the Committee.</p> <p>2.2 MATTERS ARISING</p> <p>A matters arising report had been circulated prior to the meeting. Updates on the following actions were provided in italics;</p> <p>3.2 Conf - Explore the need for Credit Insurance for existing and future private partners – <i>the Finance Director reported that there are specialist brokers who will be approached to provide a quote, having reviewed the criteria CCMS weaknesses which could result in a high quote. As well as investigating credit insurance, College management outlined improved processes they had introduced since taking over CCMS finances to greatly reduce potential bad debts. Examples were given which were already having an impact on overdue debt.</i></p> <p><i>Actions linked to CCMS – the CCMS Finance Director has left the Company and that the CCMS Board agreed the College Finance Director take on responsibility for CCMS Finances. The Cornwall College Group (TCCG) have strengthened the debt position, to include debt held by construction companies, are updating processes and procedures to mitigate financial risks, to include credit limits, and are reviewing other business processes as needed.</i></p>	

	<p>Update on Notebook Assessment Services (NAS)</p> <p>A discussion took place on NAS with the following points noted;</p> <ul style="list-style-type: none"> ▪ TCCG not involved in the business so NAS will not distract from core business and the Group’s vision; there is no financial commitment required now or in the future. The GDPGO is a Director. ▪ There will not be any discount for TCCG should they use NAS to completed end point assessments. ▪ Profit made will be shared with the four Colleges involved; The Cornwall College Group, Exeter, Wiltshire and Bridgwater and Taunton. ▪ NAS has its own Managing Director and is a wholly owned subsidiary. The business is financed by the parent company, Colleges Partnership, jointly owned by Bridgewater and Taunton and Wiltshire Colleges. It is predicted that NAS will make a profit within its first year. ▪ In order to achieve Ofqual compliance, the engagement of multiple Colleges is required. ▪ TCCG procedures will ensure open and transparent management of conflicts of interest; also required in order to maintain Ofqual compliance. <p>Following discussion, it was agreed that the Group Deputy Principal Group Operations (GDPGO) will present a paper at the next Committee meeting in line with a previous action.</p>	AF
3	<p>OPERATING STATEMENT – Strategic Aims</p> <p>An action from Search and Governance Committee was to increase the use of the Operating Statement at Committees. The full document had been circulated; moving forward only the sections linked to the Finance and Resources committee will be shared. It was noted that the Operating Statement has been cross referenced with the risk register. The following points were noted;</p> <ul style="list-style-type: none"> ▪ the College need to improve efficiency to support staff workload; staff consultation on leaner processes took place at the recent Group Development Day. ▪ Plans in place to become a cashless organisation. ▪ Progress is being made against the transport plan for TCCG mini buses, electric cars and charging points, supported by grant applications where feasible. ▪ Increased visibility in schools in order to improve market share. ▪ Website development is underway. ▪ Sustainability is progressing, the Lead Governor has attended all bar one meetings, with a dedicated staff member responsible for sustainability, with the external consultant bought to provide external validation; these reports will be shared with Committee once received. ▪ Improving cashflow position with improved tracking and processes in place; further developments planned. ▪ The new Group Head of Adult Learning, Employability and Personal Development has been appointed, the impact of this role on maximising income is expected in the next financial year ▪ Staff utilisation has moved from 80% to 96%, resulting in an initial saving of £2.6m pounds and an ongoing benefit of £1.25m each year. The focus is now on improving assessor utilisation. ▪ Good success rate with grant applications, with the outcome of the application to the Transformation Fund for the Camborne Campus redevelopment known in March. ▪ Moving from reactive maintenance to planned maintenance where feasible. ▪ Cyber security is now supported by 3 staff members; an update will be provided at the Audit and Risk Committee meeting 09/03/2022. ▪ One item contained in the confidential minutes. <p>A Committee member referred to the local nature partnership asking if TCCG plans to make a pledge regarding sustainability. TCCG are following the Association of Colleges (AoC) road map which is light on curriculum, therefore they are reviewing the AoC plus version; once a pledge is formulated this will be shared with Board.</p>	AF
4	<p>HIGH LEVEL FINANCIAL RISKS</p> <p>The Group Risk Register had been circulated prior to the meeting. In response to the Committee’s request the focus remained on risks which were not improving. The following points were noted;</p>	

	<ul style="list-style-type: none"> ▪ Staff retention, specifically in professional services where TCCG are behind market forces in terms of salary and filling new posts, continues to be a challenge; the risk has been increased to reflect this. ▪ The cashflow risk has been reduced due to an improved position, robust forecasting, control and reporting. ▪ Risks related to Covid 19 are reducing. ▪ The Budget for 2021/22 is likely to be achieved with TCCG focusing on the Budget for 2022/23 and the three year plan; both to be considered at the May Committee meeting. ▪ Cyber security risk remains high risk due to the potential impact of an incident; mitigating measures are in place. ▪ Data breach risk remains high due to the potential impact of an incident; it was noted that the consequence of a breach is included in commentary as previously requested by Committee. ▪ Health and Safety compliance risk rating has increased and Estates have moved into the red quartile due to aging buildings. TCCG are considering the impact of inflation and increasing construction costs in terms of profitability. 	
<p>5</p> <p>5.1</p> <p>5.2</p> <p>5.3</p> <p>5.3.1</p>	<p>FINANCE MATTERS</p> <p>Financial Update (including January Management Accounts Cashflow, Debtors and Creditors, and Forecast)</p> <p>The financial update had been circulated prior to the meeting, it was noted that there had been minimal changes since the last report.</p> <p>Balanced Scorecard</p> <p>The Committee considered the Balanced Scorecard circulated prior to the meeting; the focus for TCCG and the Committee remains the EBITDA and achieving an operating profit not dependent on EU funds, government support or land sales but achieved via the core business. The following highlights were noted;</p> <ul style="list-style-type: none"> ▪ the variance between budget and forecast outturn was reviewed, noting the impact of the lack of HE funding achieved against projected being mitigated by an increase in apprenticeship income and additional project income. ▪ a project team to review HE accommodation has been put in place. ▪ central costs for all aspects of the Group are currently included in core costs; TCCG plan to attribute costs to areas such as trading, projects, Concorde and CCES. ▪ the forecast deficit is £246k. Removing depreciation results in all areas generating a positive EBITDA. The view from the College Management and the FE commissioner would be to aim for 5% rather than 2.5%; TCCG would need to generate an additional £1.4m to achieve this. ▪ TCCG are performing ahead of budget with regards to cash due to the clawback assumed for the AEB being taken in a phased approach. This is a timing variance only. ▪ The College is not predicting the need for an overdraft over the next 2 years. ▪ The predicted impact of improved class sizes was noted. <p>The Committee requested that the BSC be circulated with monthly management accounts and agreed the need to review the debtors ledger at the next meeting and to consider the release of bad debt provision for some of the longer term debts.</p> <p>The Committee commended the management team for the achievements with TCCG’s financial position.</p> <p>Financial Approvals</p> <p>The Committee received the financial approvals report circulated prior to the meeting.</p> <p>Approval of orders over £100,000 ex VAT – and recommendation of over £250,000 to Board</p> <p>The Committee approved the order of £246,321.82 for plant and machinery for the electric vehicle project.</p>	<p>GS</p> <p>GS</p>

<p>5.3.2</p> <p>5.3.3</p> <p>5.3.4</p> <p>5.4</p> <p>5.5</p> <p>5.6</p> <p>5.7</p>	<p>Asset disposals There were no asset disposals</p> <p>Debtor write offs The ledger will be reviewed at the next meeting with regular monitoring once a term.</p> <p>Overseas expenses Details of overseas expenses had been shared with the Committee. In response to a Committee member question, clarity will be provided on the expenses linked to the Marjon representative.</p> <p>HE Fees 2022/23 and 2023/24 A paper had been circulated prior to the meeting which had also been reviewed by the HE Committee. It was noted that there were no significant changes between the fees in place and proposed for future years. The Committee noted the amendment to the 2022/23 fees which had been previously agreed by Board to prevent UK students paying more than international students for one programme. The Committee agreed to recommend to Board the approval of the HE Fees for 2022/23.</p> <p>A lengthy discussion took place on the HE fees for 2023/24. The Committee were keen to present this item to Board for further discussion on the impact of inflation and to receive clarity on the cost variances between programmes and how these figures had been reached. The Committee requested that TCCG monitor other College's responses to rising inflation and to raise the impact of inflation with the AoC Finance group.</p> <p>The Committee agreed to recommend to Board the future approval of the HE Fees to the HE Committee.</p> <p>Fees policy The Committee received the paper circulated prior to the meeting. It was reported that there was one change proposed; that if a student has paying for the course via a student loan and subsequently left the course, the College would not chase fees to the end of the term as previously the case.</p> <p>Mileage and Expenses procedure It was reported that the Board had approved this procedure at the December meeting, following this there had been an amendment. The Committee agreed to recommend to Board the approval of the amendments and future delegation of this procedure to the Executive Leadership Team.</p> <p>CCMS update It was noted that GW, AF and JE are Directors of CCMS. Further detail and actions contained in the confidential minutes.</p>	<p></p> <p>GS</p> <p>GS</p> <p>GW</p> <p>AF</p> <p>AF</p> <p>GW</p> <p></p> <p>GW</p>
<p>6</p>	<p>PROPERTY MATTERS to include A paper covering the below items was circulated prior to the meeting;</p> <ul style="list-style-type: none"> ▪ Property, lease and capital updates ▪ Capital grant update ▪ Proposals for lease, acquisition and disposal of land/ property ▪ Annual planned maintenance ▪ Progress against the Estates Strategy ▪ Development plan for each campus ▪ Newquay HE accommodation and sale of existing land <p>The Committee received the paper on the agenda items and reviewed the sale of the Newquay land. Further detail contained in the confidential minutes.</p>	<p></p>

	<p>Additional updates Following Board approval on 26/01/22, TCCG plan to submit an application to deliver T Levels in the agreed pathways.</p> <p>The timeline for the St Austell new builds has been delayed; further detail contained in the confidential minutes.</p>	AF
7	<p>SUBSIDIARY COMPANY OVERVIEW Due to time limitations the Committee agreed to defer the above item to the next meeting.</p>	WR
8	<p>GUIDANCE USED BY THE COLLEGE TO ASSESS VALUE OF A BUSINESS IDEA/ OPPORTUNITY Due to time limitations the Committee agreed to defer the above item to the next meeting.</p>	WR
9	<p>IMPACT OF FINANCE AND RESOURCES COMMITTEE The Chair summarised the impact of the meeting, noting there had been lots of discussion and good debate on strategic issues, good Committee behaviours, with significant challenge on HE fees, the land at Newquay and CCMS resulting in extended meeting time and the agenda not being completed.</p>	
10	<p>DATES OF NEXT MEETINGS 19/05/2022 0930 am 22/06/2022 0930 am</p>	