



THE CORNWALL COLLEGE GROUP

Minutes of the Finance and Resources Committee meeting held on 21 June 2022 at 2:30pm at St Austell campus and on Microsoft Teams

Committee members present

Geoff Warring	GW	Committee chair
Martin Bailey	MB	
Nick Harris	NH	

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 Karen Burrows, Ellen Winsler, Patrick Newberry and John Evans. The meeting was quorate.</p> <p>The Committee recognised the interests of Nick Harris, Adrian Ford, Graeme Sinclair and Wendy Randle, as staff members, regarding discussion linked to staff pay awards.</p>	
2	<p>MINUTES OF THE MEETING HELD ON 19 MAY 2022</p> <p>2.1 The minutes, to include the confidential minutes, were agreed to be an 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 and progress against actions noted. The following updates were provided.</p> <p><i>Action 6.0- Risks with the Camborne Redevelopment project to be identified with the MCP Committee - The Chair of the Major Capital Projects (MCP) Committee member updated on the Committee on the last MCP meeting, noting the impact of inflation on the Camborne Redevelopment project. It was reported that the grant letter has not been received from the DfE, that the Gantt chart was not yet available and it was unlikely that the College would be able to secure a contractor in place for December on a fixed price. The College stated that the delays have been noted by DfE and that the College are preparing to commence the project once the grant letter is received.</i></p> <p><i>Action 8.0 - Source detail on the NAS company structure and request clarity from NAS that that should other partners join NAS that TCCG's share would not be diluted. Assuming suitable responses to the above, recommend to Board that the College joins NAS with AF as a Director subject to further clarity on the legal structure – It was reported that NAS are taking legal advice regarding the share distribution. At present it is proposed each College will assume £1 financial liability for 25% of shares. Regarding other Colleges joining NAS, it was confirmed that Director's</i></p>	

	would vote on other Colleges joining NAS, which could result in a dilution of each College's share holding, and that College Partnerships Trust (CPT) would hold the casting in cases where decisions would directly impact CPT.	
3	<p>OPERATING STATEMENT – Strategic Aims linked to F&R</p> <p>Circulated in advance of the meeting, a Committee member suggested a further review, and possible reduction, of the Operating Statement areas shared with the Committee for future meetings.</p> <p>It was noted that all areas are progressing as planned with no concerns to highlight. A Committee member was pleased to see the progress made in staff wellbeing considering the current pressures on society.</p>	AF
4	<p>FINANCE MATTERS</p> <p>4.1 Financial Update (including April and May Management Accounts Cashflow, Debtors and Creditors, and Forecast)</p> <p>The Committee considered the April accounts circulated with the papers and the May accounts recently circulated. The May accounts forecast a reduction in income due to AEB income and that the financial health grade remains good.</p> <p>4.2 Debtors ledger</p> <p>A Committee member expressed thanks for the report provided in response to a Committee meeting action. It was reported that the College continue to make progress on the overall debt which is largely made up of student loans and payment plans.</p> <p>As a result of improved College process there are now more students on payment plans and loans which mitigates the risk of bad debt. A discussion took place on the high risk debt of £123k, which is provided for. Further detail contained in the confidential minutes.</p> <p>4.3 Balanced Scorecard</p> <p>The Balanced Scorecard had been circulated in advance of the meeting. The Group Deputy Principal Group Operations noted that data linked to national averages has been included where feasible, as requested by the Committee. Following a Committee suggestion, data from the previous academic will be introduced to allow for comparison. The following highlights were noted:</p> <ul style="list-style-type: none"> ▪ Student attendance remains a concern. ▪ Apprenticeship – the College wish to reduce the number of students completing apprenticeships after their end date and in line with income timescales. ▪ The impact of trading revenue, projects and Concorde on measures such as EBITDA was noted. ▪ College of choice – the College budgeted for less than predicted, due to numbers being lower than expected this will impact in the next academic year due to lag funding. ▪ Position – average group size remains a concern. ▪ Financial health grade – the College are forecasting a Good financial health grade. ▪ Infrastructure – all property sales have been completed with payments expected. ▪ St Austell campus – the project has been further delayed, the College await ministerial sign off and the grant letter. ▪ Camborne Redevelopment project – the College continue to await the grant letter from the Transformation Fund. <p>4.4 Financial Approvals</p> <p>The Committee received the financial approvals report circulated prior to the meeting.</p> <p>4.4.1 Approval of orders over £100,000 ex VAT – and recommendation of over £250,000 to Board</p> <p>None to report</p>	

<p>4.4.2</p> <p>4.4.3</p> <p>4.4.4</p> <p>4.5</p>	<p>Asset disposals No asset disposals to report.</p> <p>Debtor write offs None to report</p> <p>Overseas expenses None to report.</p> <p>CCMS update The CCMS Board recently met, strategy work is ongoing and income is good. Further detail contained in the confidential minutes.</p>	
<p>5</p>	<p>PROPERTY MATTERS to include A paper was circulated prior to the meeting. It was noted that much of the report had been considered in advance of this agenda item.</p> <p>A Committee member noted the levelling up funds and the transition from EU funds to Shared Prosperity fund.</p> <p>In response to a Committee member question, the reactive maintenance for the St Austell campus presents the main concern, however the Head of Estates is making good progress in moving towards moving away from reactive to planned maintenance.</p> <p>It was noted that the College are due to invest £500k Stoke as budgeted and that any future decisions regarding the old farm at Stoke would need to be discussed with the Duchy.</p>	
<p>6</p>	<p>DRAFT BUDGET 2022/23 and 2023/24 plan to include CCMS The Group Deputy Principal Group Operations presented the budget for 2022/23 and 2023/24, which had been considered at length at the May Committee meeting. The following highlights were noted:</p> <ul style="list-style-type: none"> ▪ The College continue to report a Good health grade. ▪ The College are generating cash. The budget does not include an all staff pay award, though it does include the competencies for lecturers and the living wage increases. ▪ In order to achieve 5-6% EBITDA improved group sizes, more students and the planned developments to the St Austell campus are required. <p>The College are conscious that they are not proposing a pay award for all staff and note inflationary pressures. Further detail contained in the confidential minutes.</p> <p>The CCMS 2 year budget was included, with an achievable target of £150k of income for the College included in the Group budget; it was anticipated that this could be higher noting the forecast was currently £48k with an increase to £65k predicted due to improved performance.</p> <p>In response to a Committee member question it was reported that inflation has been included in the budget at 7% on relevant items for 2022/23 and at 5% for 2023/24.</p> <p>A list of items for preapprovals were contained within the budget; a Governor noted that they expected more; it was noted that capital project budgets will be approved as and when capital projects bids are approved.</p> <p>The Committee agreed to recommend to Board the approval of the budget.</p>	<p>GW</p>
<p>7</p>	<p>SUBSIDIARY COMPANY OVERVIEW A paper was circulated in advance of the meeting, the Director of Finance updated on the purpose and activity of the three subsidiaries; CCES, CCMS and Western Edge. It was reported that</p>	

	<p>Western Edge has been dormant for the entire time since its inception. In support of the College's proposal, the Committee agreed to recommend to Board that Western Edge be dissolved.</p> <p>The Committee agreed to recommend to Board that Western Edge be dissolved.</p>	GW
8	<p>GUIDANCE USED BY THE COLLEGE TO ASSESS VALUE OF A BUSINESS IDEA/ OPPORTUNITY</p> <p>The Committee received the papers circulated in advance of the meeting. It was reported that the Greenhouse Group has been launched to progress innovative ideas from College staff and has been well received. The Committee Chair attended the first meeting of this group and it is planned that a Governor attend once a term.</p> <p>A summary of ideas was shared along with College processes to progress ideas.</p>	
9	<p>RISK AND ASSURANCE High Level Financial Risks Further assurance required</p> <p>The Risk Register, which now contains a risk target, was circulated in advance of the meeting. The College remain confident in their risk management processes and assured by the involvement of the Operational Leadership Team in the monitoring of the risk register. Significant work has been included on cyber security with a recent presentation to the Audit and Risk Committee and an internal audit, the outcomes of which will be reviewed at the next Audit and Risk Committee.</p> <p>Following discussion, the Committee agreed the inclusion of inflation and industrial action on the risk register and that the full risk register would be circulated for future meetings in order to contextualise the financial risks.</p>	AF
10	<p>COLLEGE GOVERNING BODY FINANCE DASHBOARD</p> <p>The Committee received the information circulated by the ESFA on how to access the College Governing Body Financial Dashboard in order to benchmark across the sector. It was noted that although useful some of the data is not current, for example the College's financial health assessment is now Good rather than Requires Improvement as recorded.</p> <p>A Committee member reflected on the diminishing number of inadequate financial health grades within the sector, noting the remarkable turnaround in the last 3 or 4 years.</p> <p>The Committee were invited to review the dashboard with the College team if desired.</p>	ALL
	<p>COMMITTEE CHAIR</p> <p>The Committee agreed to accept an additional agenda item and agreed to recommend to the Board the reappointment of Geoff Warring as the Finance and Resources Committee Chair for a further term of one year.</p>	
11	<p>IMPACT OF FINANCE AND RESOURCES COMMITTEE</p> <p>The Chair summarised the impact of the meeting, noting the expansion of their remit to consider financial strategy for the longer term at the September Committee meeting.</p> <p>The Committee Chair encouraged feedback on the agendas to the Committee Chair and Director of Governance. It was also reported that feedback from ELT and OLT on the impact of the Board will be requested, as suggested at another Committee.</p>	ALL WR
12	<p>DATES OF NEXT MEETINGS</p> <p>2022/23 dates have been circulated.</p> <p>The Committee supported the move to hold a meeting at a different campus; Newquay campus will be considered.</p>	WR

