

THE CORNWALL COLLEGE GROUP

**Minutes of the Finance and Resources Committee meeting
held on 1st March 2023 at the Newquay campus and on Microsoft Teams**

Committee members present

Geoff Warring	GW	Committee chair
Patrick Newberry	PN	
Karen Burrows	KB	
Ellen Winser	EW	

In Attendance

Wendy Randle	WR	Director of Governance
Adrian Ford	AF	Group Deputy Principal Group Operations
Mathew Davies	MD	Finance Controller

Number	Item	Action
1	<p>WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST</p> <p>Apologies were received and accepted from Will Charnley and John Evans. The meeting was quorate.</p> <p>It was noted that Will Charnley is a new Governor and has been appointed to this Committee.</p> <p>There were no further declarations of interest to those contained on the register.</p>	
2	<p>MINUTES OF THE MEETING HELD ON 19 JANUARY 2023</p> <p>2.1 The minutes, to include the confidential minutes of the meeting held on 19/01/23, 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 reported:</p> <ul style="list-style-type: none"> ▪ Update on sustainability – there will be a pre Board focussed on sustainability on 22/03/2023. A Lead Governor sustainability role description will be reviewed by Search and Governance in April and succession planning for this role is underway. ▪ A Committee member was disappointed that the College had not yet secured an investment account to secure interest. It was noted that the College plan to meet with Barclays on 02/03/23; the College were encouraged to try Building Societies for improved rates. ▪ NAS – it was reported that the College await a revision to the agreement. 	AF
3	<p>OPERATING STATEMENTS – FINANCE AND RESOURCES STRATEGIC AIMS</p> <p>The Committee reviewed the Operating Statement circulated in advance of the meeting noting the following points:</p> <ul style="list-style-type: none"> ▪ The move to becoming a cashless College is progressing well. ▪ Further analysis has been completed on feeder schools which has been incorporated in the curriculum planning process. The forecasting for adults is disappointing. In response to a Committee member question, student number projections for 16-19 year olds are too optimistic considering county demographic data. The challenges working with some feeder schools, particularly those with sixth forms was noted, the Committee encouraged the College 	

to consider writing to Governors/ Trustees of schools/ academy trusts to ensure good relationships with local schools.

- Sustainability – the College recognise there is more work to develop in this area, with a pre Board scheduled for the 22/03/22 Board meeting.
- The ten year plan has been reviewed by the Board, the 16-19 allocation received was £200k higher than anticipating and approximately £300k higher than last year. The Committee noted the increase yet also noted the impact of inflation, alongside an unfunded increase in the national living wage.
- Improvements have been made with staff utilisation, this is now embedded in the culture across the majority of the organisation.
- Grant applications - the support over a number of years from EU funding for Unlocking Potential (UP) has been significant. UP deliver support for start-ups, scale-ups, graduate placements and digital transformation with a consultancy offer. As a result of the volume of Shared Prosperity funding available the College has debated the commercialisation of UP, yet note this was not feasible, therefore UP will be scaled down as fixed term contracts for a number of staff end. In response to a Committee member question the projects department will continue to bid to the Shared Prosperity Fund.
- Income streams – further work required is required in this area, with some development already in place via the Director of Business Innovation and Partnerships role.
- Greenhouse group – the College have not received the level of innovative ideas as hoped. The Committee reflected on the staff capacity, the skills set to complete a pitch and a recent visit to a campus and the commercialisation of the outcomes of a project, noting that the College may need to seek out such projects whilst also considering intellectual property rights.
- Land based – both the strategy and land based investment strategy have been reviewed and approved by Board.
- Accommodation for HE – the Committee reflected on the trial planned with two B&Bs in Newquay, noting the risk of filling the places and that catering facilities will not form part of the trial and instead form part of the review of the pilot and potential investment required for future options. The College hope to retain one of the B&Bs for first year students only to enhance student experience.

In response to Committee member question the College are aware of the recent school pupil protests regarding going to the toilet during lessons; the College policy is that students can go to the toilet when they wish.

In response to Committee member questions on progress made regarding curriculum profitability and the contribution of programmes to profitability, it was noted that the curriculum planning process has been developed at an earlier timeline which enables input from the finance department. This results in the curriculum plan generating the budget and ensuring appropriate staffing both in terms of capacity and skills needed, and suitable investment in capital to support provision.

The College and Committee were pleased with the progress made.

<p>4</p> <p>4.1</p>	<p>FINANCE MATTERS</p> <p>Financial Update (including January Management Accounts Cashflow, Debtors and Creditors, and Forecast– Confidential).</p>	
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	<p>The January management accounts update had been circulated in advance of the meeting with full Board receiving the monthly statements and the Balanced Scorecard. The Group Deputy Principal Group Operations updated on the highlights, detail contained in the confidential minutes.</p> <ul style="list-style-type: none"> ▪ The budget variances remain consistent with previous reporting. ▪ The AEB income has declined, there are still some courses that have not launched which could result in an improvement. ▪ Retention is improving in HE. ▪ Advance learner loans is consistent with previous reporting. ▪ Cash flow remains positive based on assumptions made and includes the ONS changes; the additional capital payments and the smoothing payments. The College no longer has an overdraft facility. ▪ The EBITDA is reported at £656k which is a slight improvement, yet the College predict being one million down on the budget set and a Requires Improvement health grade is predicted. <p>An explanation of the AEB budget (£5m) was provided, it was noted that some programmes are community courses and some are co funded and that the College are reviewing the bursary offer in order to encourage student numbers through the removal of the barriers to learning.</p> <p>4.2 Balanced Scorecard</p> <p>Circulated in advance of the meeting, the Committee focused on the following highlights with some discussion points contained in the confidential minutes:</p> <ul style="list-style-type: none"> ▪ A dip in student attendance was noted which could impact on retention and achievement. It was noted that there is significant work being completed by the College in order to improve attendance and that this has been considered at the Curriculum and Quality Committee. ▪ The College are forecasting a lower staff head count than in budget. ▪ Staff absence is running high. ▪ HE enrolments are down. ▪ Other items will be covered under agenda items. <p>A Committee member noted that the document reflects the pressures that the College and the sector are under.</p> <p>4.3 Financial Approvals</p> <p>The Committee received the report circulated in advance of the meeting and considered the below agenda items:</p> <p>4.3.1 Approval of orders over £100,000 ex VAT and recommendation of over £250,000 to Board</p> <p>The Committee reviewed and approved the order for Virtual Software and Hardware for boat maintenance, £101,160 in order to match the funding.</p> <p>In response to a Committee member question it was noted the procurement route should be included for future reporting.</p> <p>4.3.2 Debtor write offs</p> <p>No College debt write off to report. A total of £522.36 of bad debt was written off by Concorde, for a company that had entered into liquidation.</p> <p>4.3.3 Asset disposal</p> <p>None to report.</p> <p>4.3.4 Overseas expenses: the Committee endorsed the travel of two senior staff members traveling to Portugal to review the residential accommodation, safeguarding and student experience, and the head quarters and partnership working of the Golf provision at an estimated cost of £900. The complexity of the Golf provision was noted.</p> <p>4.4 Fees Policy</p>	<p>AF/ MD</p>
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	<p>The Committee reviewed the Fees policy and noted the minimal changes. It was noted that a full review of the policy will be undertaken at the next review point. In response to a Committee member question it was noted that the Fees policy is not out of line in the sector and that the College need to ensure that all of the campuses are referring to the Group policy.</p> <p>The Committee agreed to recommend to Board the approval of the policy.</p>	GW
5	<p>ONS</p> <p>The Group Deputy Principal Group Operations updated on the known outcomes following ONS' reclassification of Colleges into the public sector:</p> <ul style="list-style-type: none"> ▪ Discussions are taking place as to whether to change the financial year end to end of March. ▪ Colleges are reporting that the process to request emergency funding is lengthy. ▪ The task and finish group for meeting local needs, have met regarding timelines for the accountability agreement and Board review. ▪ The College are monitoring reporting requirements. <p>A Committee member questioned whether the College will continue to include the pension liability, it was noted further ESFA clarity is awaited.</p>	
6	<p>CAPITAL AND PROPERTY MATTERS</p> <p>The Committee received the paper circulated prior to the meeting. The Group Deputy Principal Group Operations updated on the following points:</p> <p>St Austell – the project continues as planned with ongoing updates to the Major Capital Projects Committee. The need to contribute to furnishing costs was more likely and would be explored with the Committee when needed.</p> <p>Camborne Redevelopment –a Special Board has been scheduled for 02/03/23 to review the approval process of contracts related to this project, to ensure the College does not delay the project's progress. A Committee member noted that the College is at risk if the tenders come in much higher than the planned project costs, asking if the College would need to be less ambitious or contribute financially in order to achieve the project outcomes. It was noted that there is a strong contingency fund built into the project costs and that two additional pieces of work incorporated in the project, the responsibility of the College i.e. the Brunel building roof, could be delayed in order to protect the budget and remain in line with the grant requirements.</p>	
7	<p>PEOPLE STRATEGY AND PEOPLE MATTERS UPDATE</p> <p>The Committee received the paper circulated in advance of the meeting. The following points were noted:</p> <ul style="list-style-type: none"> ▪ Absence is running higher than the target with the two main reasons being mental health and delays for operations; the College do not anticipate a change in this area. It was noted that the College offer a counselling service to support staff. In response to Committee member questions, the area of the College that is reporting higher has been reviewed and a fall is being noted following support provided. ▪ Staff turnover has stabilised a lot however there are certain areas i.e. games design and agriculture where the College are struggling to appoint. ▪ 60% of staff have been provided with a pay rise in the last 2 years, to include competencies for lecturers and the implementation of the national minimum wage. Planned support for those minimum wage is planned. The cost to provide a pay rise for staff under a salary of £40k would cost £350k. The College continue to make efficiencies in staffing. ▪ The College continue to review terms and conditions and are considering a reduction from 37 to 35 hours a week with an early finish on a Friday to include the closure of all sites. ▪ A pilot for hybrid working for some staff is being undertaken where feasible with a four day campus trial to support hybrid working. <p>In response to the Committee member questions</p>	

	<ul style="list-style-type: none"> ▪ The College advertise roles nationally and can offer relocation expenses up to £8k. ▪ Housing remains a challenge for staff wishing to move to the region; the College have been able to provide a cottage for two new members of staff. ▪ The Group Development Day planned in October will provide time for staff to complete appraisals to improve the appraisal completion rate of 70%. <p>Following a discussion, it was agreed that a Task and Finish group will be formed to review the People Strategy prior to the May Board Strategy Day.</p>	WR
8	<p>HIGH LEVEL FINANCIAL RISKS/ ASSURANCE NEEDED</p> <p>The Committee relevant risks were reviewed, it was noted that these are linked to the Operating Statement and that the College are working towards the target risk and plan to undertake work on risk appetite, supported by RSM. It was noted that staff retention has reduced, cash flow has come down slightly and the budget for 22/23 has increased.</p> <p>In response to a Committee member question on the College’s position in terms of Health and Safety. It was noted that a new system is being launched which will provide the data required to make a judgement; this data will be shared with the Audit and Risk Committee. It was noted that the College H&S Committee and the Union rep feedback indicates improvements and that the College now need to review the evidence in support of this. It was noted that the recent staff survey indicated that staff feel safe and that H&S training is completed as part of the staff induction.</p>	
9	<p>ITEMS TO SHARE WITH THE BOARD/ COMMITTEES</p> <ul style="list-style-type: none"> ▪ The Committee would like to see progress towards achieving interest on investment. ▪ Highlight to Board the pressure the College are under as highlighted in the BSC. ▪ That there could be a possible financial year end change as a result of the ONS reclassification. ▪ A Board decision regarding the sale of the Camborne car park/ Newquay noting the risk of clawback. 	
10	<p>DATES OF NEXT MEETINGS</p> <p>17/05/2023 – St Austell campus.</p>	