

THE CORNWALL COLLEGE GROUP

**Minutes of the Finance and Resources Committee meeting
held on 13th November 2023 at 10am on Microsoft Teams**

Committee members present

Geoff Warring	GW	Committee chair	Karen Burrows	KB
John Evans	JE		Ellen Winser	EW
Patrick Newbury	PN			

In Attendance

Sarah Watts	SW	HR Manager
Mathew Davies	MD	Finance Controller
Adrian Ford	AF	Deputy Principal Group Operations
Jayne Ninnis	JN	Director of HR

Number	Item	Action
1	APOLOGIES AND DECLARATIONS OF INTEREST Apologies received and accepted from Will Charnley. The meeting was quorate and there were no further declarations of interest to those contained on the register.	
2 2.1a 2.1b 2.2	MINUTES OF THE MEETING HELD ON 13 November 2023 Minutes of the meeting 14 th September approved Committee members only minutes of the meeting 14 th September approved MATTERS ARISING A matters arising report had been circulated prior to the meeting and it was agreed progress against actions would be discussed during the meeting.	
3	OPERATING STATEMENT – F&R areas of focus The Operating Statement was received by the committee and the Deputy Principal Group Operations shared key messages: <ul style="list-style-type: none"> - A pay strategy proposal is being considered by ELT. The priorities are adhering to the National Living Wage as required by law, ensuring teaching pay is competitive in line with AoC average, and a clear structure around market premiums. - Sustainability has dedicated support from Estates and Curriculum and would benefit from more governor involvement. KPIs for sustainability will be introduced to all committees once agreed. - Cashless catering has been introduced, with online payments coming possible in a month. - Group sizes are improving with recruitment of 16-19 up by more than 200 this year. - Power Bi continues to provide student quality data and the next step will be to bring in financial data to allow more analysis of contribution. - Shared Prosperity funding is coming on stream and the College is scoping alternative income streams and commercial opportunities. - The College’s transport fleet has been rationalised and now includes some electric vehicles. More charging points will be added in 23/24 and a Fleet Controller has recently been recruited. - Work has been done around residential at Newquay and alternatives are being considered to create a more ‘university’ feel. - Wow Resources – Two new green skills hubs will be at Camborne and St Austell – plans are currently under review. The science labs at Eden are nearly ready for a formal launch in 3 	

	<p>weeks. The use of T-level funding is under review and will tie in with the overarching Estates strategy.</p> <ul style="list-style-type: none"> - IT infrastructure – The Head of IT reports quarterly to ELT and Governors, and is preparing a 5 year investment strategy for IT resources. 	
<p>4 4.1</p>	<p>FINANCE MATTERS</p> <p>Group Financial Update</p> <p>A good start to the year was reported with the increase in 16-19 learners potentially attracting an additional £350K in year funding which is not currently in budget. The impact of the lagged funding will mean an additional £1.6m next year. HE enrolment numbers support amounts included in the 2023/24 budget.</p> <p>A Governor asked if staffing would need to increase to support the increased student numbers which would then affect any net gain from the in-year funding.</p> <p>It was clarified that the majority can be absorbed by existing staff due to previous small group sizes.</p> <p>The College wants to maximise AEB funding and has improved how the adult bursary is used. There is also extra local authority funding for additional high needs learners this year between £500K and £750K.</p> <p>Staffing costs are in line with expectations but higher than budget due to the pay increases that were funded by additional government funds.</p> <p>The College is keeping an eye on non-pay costs and cashflow for projects as new grant funding is paid quarterly in arrears.</p> <p>A Governor asked for a cash generation statement as public sector rules mean the College cannot have an overdraft. AF confirmed he would create for the committee.</p> <p>Concorde is forecast to contribute just over £300K profit in the latest management accounts.</p> <p>A Governor noted the need to keep overdue debt under review moving forwards.</p> <p>The 10 year plan has been revised taking into account increased funding for 16-19. The College has made prudent assumptions about the base rate and the impact of the build at the St Austell campus.</p> <p>There is a desire to get teaching pay closer to the AoC average rates as funding and weighting for some courses increases. This will impact the EBITA, bringing it to approx. 5% in 2030/31.</p> <p>There are ongoing discussions regarding the sale of the Penhaligon building and the difficulties caused due to the discovery of RAAC. The Principal and Deputy Principal – Group Operations are in dialogue with the DfE to resolve. The DfE have indicated that the College will not be impacted adversely due to the discovery of RAAC.</p> <p>In 2024/25 the College is on target to get to 180 points which will make its financial rating ‘good’.</p> <p>All campuses are generating profits in 2023/24 apart from St Austell. St Austell will start generating profits after the new campus redevelopment. There is no assumption that any campus will close in the next 10 years.</p> <p>Financial Approvals</p> <p>4.2 The CE and DPC&Q are travelling to Portugal to review Golf provision next year – approved.</p>	<p>MD</p>

<p>5</p>	<p>PROPERTY MATTERS</p> <p>Penhaligon – Because the College has identified that the building is not required for education, the DfE will not replace the roof. The College is keen to receive sales proceeds for Penhaligon and that the building still be used by Headforwards. The CE is in dialogue with George Eustace, MP, to see if there is a way to move forward so that the Fibre Hub can still happen.</p> <p>St Austell – It has been identified that the land where building two was going to be built has adverse (soft) ground conditions. The current proposal is to remove the soft land and replace it with land that can take the weight of a building, which will cost an additional £3m. The DfE are seeking support from the Treasury in regard to this extra cost and remain committed to the project. There is likely to be a delay of approx. 6 weeks to project completion.</p> <p>The committee discussed ongoing maintenance issues at other campuses and the growth of the EBITDA relative to the number of campuses and the anticipated need for repairs and investment. The committee requested oversight of which repair and maintenance projects are in budget and which are not.</p> <p>T-level funding of £1m each has been secured for Bicton, Rosewarne, and now Stoke Climsland as well.</p>	<p>MD</p>
<p>6</p>	<p>PEOPLE MATTERS</p> <p>The committee received a report from the HR Director which outlined that PMR completion was at 92% across the Group and will hit the target of 95%.</p> <p>There had been an increase in sickness absences in October due to Covid and other viral infections.</p> <p>Staff turnover is in line with expectations.</p> <p>Exit interviews are offered to all staff who resign or retire and approx. 61% accept. The feedback given during exit interviews is usually shared with the staff member's line manager and the appropriate member of ELT. The main reason for leaving is better career opportunities elsewhere which is why career planning has been introduced to the PMR process. The College's flat structure means it cannot always meet career expectations.</p> <p>A Governor asked about the number of staff who cited work life balance as a reason for leaving. It was acknowledged that there is not a lot of slack in the system and wherever possible, the College looks at streamlining systems and processes to reduce workload.</p> <p>The College is currently reviewing the potential to offer more hybrid working.</p> <p>The feedback from staff around the recent pay rise is largely positive but staff are still struggling due to high inflation.</p>	
<p>7</p>	<p>RISK REGISTER REVIEW</p> <p>The risk register will be discussed further at the upcoming OLT away days and is currently being re-designed so it is easier to read.</p> <p>New risks added are the delay to the St Austell build and dry rot at Bicton. A number have declined including staff retention and industrial action.</p> <p>A Governor queried the risk around H&S and whether the College had recruited a replacement H&S Manager.</p> <p>The Deputy Estates Manager has taken responsibility for H&S and sustainability. The College is considering a different way of managing H&S where the DEM reports to Governors and has support from a direct report.</p>	

	Sustainability KPIs will be shared with committees ahead of the next 2024 board meeting.	AF
8 8.1 8.2	<p>POLICY AND COMPLIANCE</p> <p>Financial Regulations The Committee agreed to recommend the updated Financial Regulations to the Board for approval. A full re-write is proposed with an appendix which summarises authorities.</p> <p>Assurance re ONS reclassification changes on HR and H&R framework A procurement audit identified that changes were advised in terms of limits around tenders and 3 quotes. Therefore, the tendering limit will increase from £25K to £75K and the limit on anything requiring 3 quotes will increase from £5K to £10K.</p> <p>Section 12 details the approvals now required and the Financial Controller is seeking clarification with regard to the timescales for approvals if required.</p>	MD
9	<p>ITEMS TO SHARE WITH THE BOARD/COMMITTEES</p> <p>10 Year Plan Campus Profitability</p>	
10	<p>DATES OF NEXT MEETINGS</p> <p>17/02/2024, 10am 04/03/2024, 10am 15/05/2024, 10am 24/06/2024, 10am</p>	