



**THE CORNWALL COLLEGE GROUP**

**Minutes of the Finance and Resources Committee meeting  
held on 17 January 2024 at 10am at St Austell and on Microsoft Teams**

**Committee members present**

Geoff Warring	GW	Committee chair	Patrick Newberry	PN
John Evans	JE		Ellen Winsor	EW

**In Attendance**

Tian Bersey	TB	Clerk to Governors
Mathew Davies	MD	Finance Controller
Adrian Ford	AF	Group Deputy Principal, Group Operations
Jayne Nines	JN	Director of HR

Number	Item	Action
<b>1</b>	<b>APOLOGIES AND DECLARATIONS OF INTEREST</b> 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.	
<b>2</b>	<b>MINUTES AND MATTERS ARISING</b>	
<b>2.1a</b>	The minutes of the meeting on 13 November 2023 were approved.	
<b>2.1b</b>	The confidential minutes of the meeting on 13 November 2023 were also approved.	
<b>2.2</b>	<b>MATTERS ARISING</b> The Committee noted the updates on previous actions.  The Principal reported that he had consulted with the Chair, following his resignation, regarding his planned visit to Portugal, which had been approved at the November meeting, and it was agreed that he would still attend.	
<b>3</b>	<b>OPERATING STATEMENT – F&amp;R areas of focus</b> The Committee reviewed and discussed the Operating Statement in detail.  The Committee noted: <ul style="list-style-type: none"> <li>that the living wage increase announced in the autumn budget may force changes to the pay strategy and plans. (2.1.2) A governor asked about the competitiveness of teacher salaries. The Director of People and Culture reported that the College is working to align salaries with the AOC average and also that market premiums have had to be paid to secure some courses.</li> <li>that cash flow needs to be carefully managed due to capital and revenue project funding being paid in arrears and quarterly, this could impact cash flow until December 2025. The Committee endorsed work on a paper for the DfE that explains the impact of current arrangements and seeks support. (4.1.1) A governor asked if the College can manage without support. The Group Deputy Principal, Group Operations confirmed this but wants to avoid delaying activities and a concertina effect.</li> <li>that cash generation on land-based estates is rated red. (4.1.2) The Committee discussed potential commercial activities/opportunities and sought reassurance that estates were working to their potential.</li> </ul>	AF

	<ul style="list-style-type: none"> <li>• that focus in the coming months will be on financial processes. (4.1.3)</li> <li>• that average group size is improving but not where the College wants to be for example in Newquay. (4.1.4) A governor asked about the size of classrooms in the new build. The Group Deputy Principal, Group Operations reported that classrooms will be built to hold 16 students and that the building delay may impact curriculum planning. The Committee also discussed the costs being incurred in the current building due to the delay. These should also be communicated to the DfE.</li> <li>• a delay in exploring and developing alternative income streams. (4.4.1)</li> <li>• progress in selling Camborne car park and land at Newquay and positive communications from the DfE on Penhaligon. (5.1.2) The Committee discussed the impact on budget and cash flow of each project and associated risks.</li> <li>• the creation of an Agritech Academy at Bicton and the opening of the Soil Science Labs at Eden as part of the 5 new ‘wow’ resources across the group (5.1.5). These are important for press and marketing and momentum should not be lost.</li> <li>• the data dashboard for the main KPIs is being refined with financial data - income and budget monitoring. (5.3.1)</li> <li>• a 5-year plan to replace IT equipment is being developed and will be ready for the March Committee meeting. (5.3.5)</li> </ul>	AF
<p><b>4</b> <b>4.1</b></p>	<p><b>FINANCE MATTERS</b> <b>Balanced Scorecard</b> The Committee reviewed and discussed the Balanced Score Card in detail.</p> <p>The Committee noted:</p> <ul style="list-style-type: none"> <li>• a mistake in the paper and that the actual YTD column is for 2023/24 and not 2022/23. The Chair indicated that a comparison to the previous year may be useful.</li> <li>• retention is currently high and attendance low. The Committee discussed current concerns particularly in St Austell, how PowerBi is being used to understand trends and why the targets were set so high on the back of Covid and to be aspirational.</li> <li>• the Principal will line manage until the summer to reposition apprenticeships. The Committee discussed the challenges relating to end point assessment.</li> <li>• the challenges in relation to funding and finding work experience and industry placements.</li> <li>• how staff absence is managed and the range of reasons for long term absence.</li> <li>• staff utilisation is strong.</li> <li>• student numbers are positive; apprenticeship numbers are closing, HE numbers are over but this includes part time learners.</li> <li>• delays in the St Austell Campus redevelopment and property sales but Camborne redevelopment is on track. A governor requested for the Camborne redevelopment to be publicised as much as possible including on social media.</li> </ul> <p>The Group Deputy Principal, Group operations reported that the DfE are not comfortable with the BAM proposal for the soft ground at St Austell. The Committee expressed concern:</p> <ul style="list-style-type: none"> <li>• that the College is not able to see the whole project gant chart and therefore the impact on the project of current delays;</li> <li>• regarding the costs of keeping the current St Austell Campus operating through any extended delay including loss of rental revenue, obsolete parts in the heating system, renewing energy certifications, dealing with asbestos found in the roof of the arts centre, state of windows and lost revenues from being unable to increase student numbers;</li> </ul>	AF

	<ul style="list-style-type: none"> <li>that in the worse case scenario a new plan may need to be developed.</li> </ul> <p>It was agreed to write a letter in response to the DfE’s autumn letter to the College to clearly state concerns and evidence the impact on the ongoing delay.</p> <p>A governor asked if the Major Capital Projects Committee was needed as a separate committee when so much was discussed at this committee. The need will be reviewed by the Search and Governance Committee.</p> <p><b>4.2 Group Financial Update</b></p> <p><b>4.3</b> The Committee reviewed the Group Financial Update including the November 2023 Management Accounts. The Finance Controller presented the draft December results. The Committee focused on the income and expenditure position and forecast. The Committee welcomed the use of PowerBi to track targets versus actuals and an improvement in forecasting. The Committee noted the current cost pressures and potential impact on overall results.</p> <p>The Committee also noted:</p> <ul style="list-style-type: none"> <li>increased expenditure on staffing costs due to the pay award has been balanced out by increased funding for 16-18 year olds</li> <li>Level 1 mental health training will be spearheaded by delivering the course to all staff at an added cost of £150k</li> <li>The impact of changed eligibility criteria on sign up for community courses (£150k)</li> <li>Some schools have decided not to send new 14-16 year old cohorts (50k)</li> <li>Kier Academy has stopped its funding for training but St Austell Brewery has started.</li> <li>CCMS profit is tracking behind budget due to perms placements but an upturn was seen in December which will feed into January accounts.</li> <li>£100k has been added to teaching staff costs and 50k to legal and professional support activities.</li> <li>£27k costs for exploratory drilling in relation to RAAC.</li> <li>Utilities costs have not come down as expected and been impacted by recent cold weather.</li> <li>Premises are tracking behind but work will be done in upcoming holidays.</li> <li>The budget has been changed to include the staff pay award so as not to distort figures.</li> <li>EHE will appear on a different funding line going forward.</li> </ul> <p>The Committee reviewed cash flow projections and noted that further projections are being prepared in order to seek support from the DfE from March to December 2024 to allow delivery of all planned projects. The elseif statement should be built into the paper that is being prepared for the DfE.</p> <p><b>Financial Approvals</b> None.</p>	<p><b>AF/</b> <b>PN</b></p> <p><b>PN</b></p>
<p><b>5</b></p>	<p><b>CAPITAL AND PROPERTY MATTERS</b></p> <ul style="list-style-type: none"> <li>St Austell &amp; Camborne Redevelopments</li> <li>Update on RAAC within Penhaligon Building</li> <li>Update on Dry Rot at Bicton</li> <li>T Level Bids</li> </ul> <p>The Committee noted the report on capital and property matters.</p> <p>The St Austell and Camborne redevelopments had been discussed above. Data is being gathered regarding the extent of the Dry Rot at Bicton House and the actions needed to rectify it. A number of grants have been secured. A governor asked if likely costs are known, the Group Deputy Principal, Group Operations preferred to wait for the data before estimating costs.</p>	

<p><b>6</b></p>	<p><b>PEOPLE MATTERS</b></p> <p>Report against KPIs - The Director of People and Culture reported that:</p> <ul style="list-style-type: none"> <li>• Rich data had been received from the consultations on the people strategy.</li> <li>• PMR is now well within an acceptable range. Focus remains on trying to get staff to see the tangible benefits of PMR and ensuring an active response for example creating a meaningful training programme for professional staff.</li> <li>• This year’s STAR awards were once again a success with over 1000 nominations received.</li> <li>• A new, innovative AI tool (Teacheromatic) which will help reduce teacher workload is being tried by the TLA Team.</li> <li>• The hybrid working policy has been well received and implementation has begun.</li> </ul> <p>Update on pay strategy – The Director of People and Culture reported on the annual equal pay review and current gender pay gap which ranges from 14.2% - 12.68% in median average.</p> <p>The Committee discussed to what extent the figures were due to demography and more female staff being employed in the bottom quartile and not outsourcing these roles. A governor asked if it would be useful to have a number for each quartile to put in the report. It was agreed that like for like numbers are important and that the EDI Strategy Group should review the data in more detail.</p>	<p><b>JN</b></p>
<p><b>7</b></p>	<p><b>NOTEBOOK ASSESSMENT SERVICES (NAS)</b></p> <p>The Committee received the update on Notebook Assessment Services from the Group Deputy Principal, Group Operations.</p> <p>The Committee discussed the offer of a 25% stake in the new NAS Company and the current negotiations on shares and voting rights; anti-dilution; dividend policy and shareholder loan; compulsory transfer of shares and good leaver/bad leaver provision. The Committee noted the value of having the ability to work through end point assessments for apprenticeships.</p> <p>The Committee agreed to recommend to the Board taking a 25% stake and being an active director on the NAS board as long as there is a favourable outcome to the legal negotiations.</p>	
<p><b>8</b></p>	<p><b>POLICY AND COMPLIANCE MATTERS (if needed)</b></p> <p>None.</p>	
<p><b>9</b></p>	<p><b>AOB</b></p> <ul style="list-style-type: none"> <li>▪ Chair for March Meeting – it was agreed that EW would chair the March meeting in GW’s absence.</li> </ul>	
<p><b>10</b></p>	<p><b>ITEMS TO SHARE WITH THE BOARD/COMMITTEES</b></p> <ul style="list-style-type: none"> <li>▪ St Austell Campus new build is the biggest issue that the College currently faces – the Major Capital Projects Committee need to keep raising concerns about delay and impact.</li> <li>▪ Cash flow and the work being done to remain solvent and the need to raise the issue with the DfE.</li> <li>▪ Highlight the risks above to the Chair of the Audit &amp; Risk Committee specifically.</li> <li>▪ Celebrate the incredible work on appraisals.</li> <li>▪ Celebrate that the numbers and forecasting have moved on yet again.</li> </ul>	
<p><b>11</b></p>	<p><b>DATES OF NEXT MEETINGS</b></p> <p>04/03/2024, 10am          15/05/2024, 10am          24/06/2024, 10am</p>	