



THE CORNWALL COLLEGE GROUP

**Minutes of the Finance and Resources Committee meeting
held on 15 May 2024 at 10am at St Austell and on Microsoft Teams**

Committee members present

Will Charnley	WC	Geoff Warring	GW
John Evans	JE	Ellen Winser	EW

In Attendance

Tian Bersey	TB	Clerk to Governors
Mathew Davies	MD	Financial Controller
Adrian Ford	AF	Group Deputy Principal, Group Operations
Jayne Nines	JN	Director of People & Culture

Number	Item	Action
1	APOLOGIES AND DECLARATIONS OF INTEREST Apologies received and accepted from Patrick Newberry. The meeting was quorate and there were no further declarations of interest to those contained on the register.	
2	MINUTES AND MATTERS ARISING	
2.1	The minutes of the meeting on 4 March were approved.	
2.2	MATTERS ARISING The Committee noted the update on previous actions.	
3	OPERATING STATEMENT – F&R strategic aims Main changes The Group Deputy Principal Group Operations updated the committee on the following actions from the Operating Statement: 2.1.2 Pay – due to a change in funding the College will not be in a position to make a similar pay award again this year. Per (16-18) student funding will drop from the 8% increase last year that enabled the pay award to 1.9% this year. 4.1.1 Cash generation – the College has been successful in winning grant funding which has been spent on the College estate to good effect. 4.1.2 Cash generation on landbased estates – this has moved from red to amber. Ed Parrish is developing this area. The College is working with Bicton Arena and Park to bring a 5-star equine event. 4.1.4 Group sizes are increasing. 5.1.2 Selling buildings and land – The sale of Penhaligon will complete in the next couple of months. Land sales are complete. A governor asked if the mining surveys of land at Newquay had raise any issues. The Financial Controller reported that the fee has been paid in full.	

<p>4</p>	<p>PEOPLE MATTERS</p> <p>The Director of People and Culture reported little change in the KPI scorecard. Absence, turnover and appraisal completion are all rated green with FTE value rated red due to the number of project staff and increased learner numbers as previously discussed.</p> <p>The results of the 2024 staff survey were presented. 60% of staff completed the survey. The key headline is a 10% increase in staff recommending the College as a good place to work.</p> <p>The issues raised in the comments section were overall pay and workload. Staff earning just above the national living wage are feeling the reduction in differentials. The least happy staff group are teachers whereas last year it was academic support, this will be explored further. Workload for teachers has been impacted by increased numbers. Differentials between campuses were also presented.</p> <p>A governor asked if there was a concern around the 40% who chose not to complete the survey. The Director of People and Culture outlined how the optional survey had been promoted and supported. There was no concern about apathy. Due to the survey being anonymous no data is available on who chooses not to respond. Anonymity is important due to some residual historic mistrust.</p> <p>A governor asked about teacher workload and if the efforts to support balancing time in and outside the classroom had been unsuccessful. The Director of People and Culture reported that processes had been reduced, the impact of introducing Teachermatic will not be known until next year and the introduction of T-levels and the changes in curriculum and exam requirements have added new challenges. The Principal highlighted that workload is an issue throughout the sector.</p> <p>The Chair thanked the Director of People and Culture for her report.</p>	
<p>5</p> <p>5.1</p> <p>5.2</p>	<p>FINANCE MATTERS</p> <p>Group Financial Update</p> <p>The Committee received the Group Financial Update including March Management Accounts, Cashflow, Cash Generation Statement, Debtors and Creditors, and Forecast</p> <p>Governors asked questions on:</p> <ul style="list-style-type: none"> • Miscellaneous income which is under budget. This is due to the curriculum planning process and because funds are transferred to a different line once courses are run. More work has been done this year to make the relevant transfers. • High admin and support costs. These have been impacted by inflation, legal fees, increased costs of IT in particular for licences and exam and EPA costs for increased number of learners. • Increased staffing costs and staff employed to generate income. Governors noted that the variance is the pay award given that was not in the budget. Increased learner numbers have added costs in some areas for example High Needs. • Reassurance that spending is not creeping up. The Principal and Group Deputy outlined the process used by the Executive Leadership Team to monitor spending and review and sign off requests for additional staffing which provided assurance. <p>Finance Approvals</p> <p>None.</p> <p>The Chair requested that efforts are made to reduce the long-term debts to the College following recent successes in reducing debts to Concorde.</p>	<p>MD</p>
<p>6</p>	<p>PROPERTY MATTERS</p> <p>The Group Deputy Principal Group Operations highlighted the following items from his written report:</p>	

	<ul style="list-style-type: none"> • Completion on the sale of Camborne Car Park and Newquay Development Land. • Agreement reached with the DfE and Headforwards on the sale of Penhaligon. <p>A governor also asked if classroom space will still be available from Headforwards. Space was initially designated for the creation of a digital academy but will now be available for any IT related activity for 4 years. It is hoped that the sale can be completed before the end of July/the financial year.</p> <ul style="list-style-type: none"> • Wheal Eliza will be put up for planning approval. Planning may designate an area for sport. • Delay to the Camborne Redevelopment completion date due to the discovery of RAAC but the DfE have made allowances. A delay in the work on the Tamar building due to a design error. • Approval has been received from the DfE for the St Austell New Build and contracts are being finalised with the aim of starting on site at the end of July. BAM will attend the July Pre Board meeting to provide an update and answer questions. Full transparency on the project will be available to the College. The DfE will provide an update at every Capital Projects meeting. • The specialist report on dry rot at Bicton will be available at the end of May. Added ventilation has improved the situation. A decision needs to be made on whether work will be reported to this committee or Major Capital Projects. 	<p>GW/ AF</p>
<p>7</p>	<p>BUDGET</p> <p>The Group Deputy Principal Group Operations and the Financial Controller gave a presentation on the key assumptions, scenarios and early indications for the budget 2024/25.</p> <p>The Committee noted the fragility in the sector, that capital grant funding has been large but will come to an end and the need to build a reserve to fund capital projects. The College will also transfer from Financial Intervention to Post Intervention Monitoring (PIMs) and will target an ESFA good health grade of 180 points.</p> <p>The Committee reviewed what is known in terms of income for 2024/25 and learned about the robust process that is now in place for curriculum planning. The Committee noted that the percentage increase in per (16-18) student funding had dropped from 8% last year to 1.9% this year.</p> <p>The Committee discussed the above in relation to the 10 year financial plan and noted that early indications show that the budget is broadly in line with the plan with EBITDA expected to achieve 2% in 2024/25 and a net breakeven position. With a forecast increase in income compared to plan being offset by increased staff costs to facilitate growth.</p> <p>The Committee discussed the many variables that need to be taken in to account including the impact of a General Election and curriculum reform and the risks including the costs of keeping the current St Austell building in operation following a delay in the new build; CPI not falling as quickly as expected; inflated costs of IT licencing fees with education establishments now having to pay commercial fees.</p> <p>The Chair reflected on the challenges that the sector faces in securing a self-sufficient future, of the bottom line target needed to replace depreciation in the budget and of keeping away from a requires improvement grade.</p> <p>The Financial Controller shared a more detailed picture of key budget numbers and how they are calculated and the Committee noted the complexity of the task with different funding streams (16-18 is only 43% of income for example), different methodologies for calculating income and different timeframes.</p>	

	Further committee discussions are noted in the confidential minutes.	
8 8.1	POLICY AND COMPLIANCE MATTERS (if needed) Fees Policy The Fees Policy for 2024/25 was approved.	
9	HIGH LEVEL FINANCIAL RISKS / ASSURANCE NEEDED The College now has more visibility on the St Austell New Build Project. Risk relating to cash management is slightly elevated. Support for High Needs presents the risk of a limiting grade at Ofsted and mitigations are being put in place. The Committee noted the pending General Election and reflected on the impact for the FE sector.	
10	ITEMS TO SHARE WITH THE BOARD/COMMITTEES <ul style="list-style-type: none"> ▪ Fees policy for approval ▪ Staff survey results 	
11	DATES OF NEXT MEETINGS 24/06/2024 9.30 – 12.30 Note extension of time **	