

THE CORNWALL COLLEGE GROUP

**Minutes of the Finance and Resources Committee meeting
held on 18th September 2024 at 10:00am at St Austell and on Microsoft Teams**

<u>Committee members present</u>			Patrick Newberry	PN	Items 3, 5-9
Rob Bosworth	RB	Principal & CE	Mark Rands	MR	
Will Charnley	WC	Items 2&3, 4-9	Geoff Warring	GW	Chair

<u>In Attendance</u>		
Mathew Davies	MD	Finance Controller
Adrian Ford	AF	Group Deputy Principal Group Operations
Jayne Nines	JN	Director of People & Culture
Tian Bersey	TB	Clerk to Governors

Number	Item	Action
1	WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST Apologies were received and accepted from Ellen Winsor. There were no further declarations of interest to those contained on the register.	
2	MINUTES OF THE MEETING HELD ON 24 JUNE 2024 2.1 The minutes of the meeting held on 24/06/2023 were agreed to be an accurate record of the meeting. 2.2 MATTERS ARISING A matters arising report had been circulated prior to the meeting and progress against actions noted. The Finance Controller gave an update on the work at the farms and with the Environment Agency. This action can now be closed. The Chair reported that the action from minute 7 of the May 2024 meeting is also now complete.	
3	FINANCE MATTERS 3.1 Group Financial Update The Group Deputy Principal Group Operations gave a presentation updating the Committee on group finances and enrolments. 16-19 enrolment numbers are strong as summarised below: <ul style="list-style-type: none"> ▪ A year on year increase of 352 and an increase above allocation of 325 ▪ only Falmouth has not achieved its enrolment target ▪ efforts are now focused on keeping students and maintaining a healthier attrition rate ▪ if the increase above allocation remains over 100 at the 42 day census point the College will benefit from in year funding A governor asked how much the growth was supported by demographics. Growth exceeds demographics and is focused in St Austell and Camborne. A governor asked if the St Austell campus was prepared for an influx of learners once the new building was opened. The College is currently	

	<p>experiencing 'growing pains' with the impact of growth on group sizes and bus capacity for example. This experience will support planning going forward.</p> <p>HE numbers have grown at all campuses with the exception of Eden. The budget only assumed a small increase. The committee discussed the possible reasons for the lack of growth at Eden.</p> <p>Apprenticeship numbers have been slow to date. The Principal reported that the College is conducting further analysis on the numbers and income from apprenticeships and the business development team has also been redirected to support recruitment for apprenticeships and to focus on increasing the numbers in January and June to provide cash in year.</p> <p>A governor highlighted the skills gaps emerging in the utilities/construction sector and how he is working with the College and the Company he works with to fill the gap.</p> <p>The Group Deputy Principal reminded Committee members of the balancing priorities in the budgeting process of a pay award to staff; IT infrastructure and a good financial health grade. The challenges include the pressure of delivering more than allocation; the only increase in funding being 1.9% on funding for 16-19 year olds which is 40% of the College's income; inflation on non pay costs and the impact of capital projects on cash flow.</p> <p>The Committee noted the management accounts for June 2024 with the EBITDA forecasting to have dropped by a small amount.</p> <p>The year end accounts are in the process of being prepared and will be finalised once apprenticeship completion payments are confirmed. AEB delivery is hitting allocation for the first time in 10 years. Preparations are taking place for the audit.</p> <p>A governor asked about the impact of activities to drive commercial and trading activity and if there was a target number. The Principal reported that the team had pivoted to driving apprenticeship numbers in order to focus the limited resources on the core market in the first instance.</p> <p>The Group Deputy Principal reported that planning delays had impacted the programme of planned capital projects with all projects coming to build at the same time. With grant funding in arrears and taking up to 5 months to be paid; no overdraft facility or access to financial products and the DfE not able to give revolving credit or money on profile the College was not able to bank roll all the projects. It is therefore proposed that 3 T-level projects at Rosewarne, Stoke and Bicton are paused.</p> <p>A governor asked if there had been a rationalisation of the estate and if there were any assets that could be disposed of. Penhaligon is due to be sold and planning permission is being sought for Wheal Eliza. The governor also asked about the potential for commercial activities such as a Garden Centre on the land based estates. The Principal highlighted the pressures on cash flow and wanted to be clear that the College must start being in control of its own destiny and not relying on windfalls. An approach has been made to the DfE for cash flow support.</p> <p>The Committee agreed that the College must stand alone as a viable business and acknowledged that it now performed considerably better than previously. The Committee also discussed that the current FE model with all colleges relying on grants or DfE special injections of cash for any capital expenditure urgently needed reform.</p> <p>A governor asked for comparison versus 2023 and 2022 to be added to the cash flow because it would be helpful to have confidence on the trended view. This was agreed. The Committee noted that the DfE had changed the way it profiles funding following a request from the sector which will impact any comparison. £2m has been reforecast as a result .</p>	<p>RB</p> <p>MD</p>
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3.2	Early enrolments update As noted above.	
3.3	Financial Approvals: Approval of orders over £100,000 ex VAT – and recommendation of over £250,000 to Board The Committee approved £208,447 in capital expenditure for the reworking of workshops at Rosewarne which was funded by a grant from the Towns Fund Deal which was paid in advance. The work was procured by tender. Asset disposals None. Debtor write offs The Committee approved the writing off of £9230 which had been chased through Oriel. Overseas expenses None.	
3.3	Regulatory Update Nothing to report.	
4 4.1 4.2	PEOPLE MATTERS Update from the Director of People and Culture Annual Report for the Board The Director of People and Culture reported on the KPIs for 2023/2024 as follows: <ul style="list-style-type: none"> ▪ Absence increased slightly to 2.72%, the AOC no longer publishes benchmarking data but across all sectors absence was at 5% in the UK. ▪ Turnover is at 12.4%. The main drivers for leaving are salary/pay outside the sector; workload and personal reasons (family, caring). The team is taking a more proactive approach to recruitment and trying to build a pipeline. ▪ Appraisal completion has increased significantly to 96.2% due to a greater focus, training and collapsing the curriculum to support completion. ▪ Staff utilisation is at 98.2% The Committee discussed recruitment, the number of new starters and potential within the older workforce. The highlights in the main areas of focus agreed for People and Culture for 2023/ 2024 were: <ul style="list-style-type: none"> ▪ People Strategy consultation and publication which created a wealth of valuable data. ▪ Pay and Rewards: The College was able to start 2023/24 with a pay rise of 5% for most staff and 2% for those over £32,000 due to additional funding awarded to FE. Resource has been moved to support recruitment but it is time consuming to build a pipeline. ▪ Workload and wellbeing: administrative processes have been reduced and teachermatic, an AI support tool, has been introduced. ▪ Teacher development including new teacher support – a new in house training programme has been introduced for new teachers and appraisals have supported development. ▪ Appraisal completion The Committee discussed pay. The gap is closing against the AOC average which has slowed however pay remains relatively low compared to local competitors. Market premiums support	

	<p>recruitment but need to be clear and recorded. Currently slightly ahead on the National Living Wage but this will need adjustment.</p> <p>A governor suggested a quantum analysis of direct and indirect costs in order to support a pay rise. The Principal highlighted the immense pressure on cash and that lagged funding does not fit a growing college.</p> <p>Areas to celebrate include the approval of the People and Culture Strategy; the staff survey results; hybrid working; successful recruitment events and the STAR awards.</p> <p>The Chair acknowledged the loyalty of staff.</p> <p>Areas of Focus going forward include: a new wellbeing and support offer for staff; consultation on the new strategic plan for the Group; continued implementation of the people strategy; development of leadership capacity and resilience and supporting changes to the structure.</p>	
5 5.1	<p>CAPITAL AND PROPERTY MATTERS</p> <p>Update from the Group Deputy Principal</p> <p>Transfer of Penhaligon: The Group Deputy Principal updated the Committee on the transfer of Penhaligon.</p> <p>Camborne redevelopment: The delays due to RAAC have impacted the programme but the project remains on budget. The Tamar Tower is due to finish in November 2024.</p> <p>The Committee acknowledged the achievement of remaining within budget.</p> <p>St Austell: The plans were briefly shared with the Committee. Monthly progress meetings are taking place. More asbestos has been found in the A-level Centre than planned.</p>	PN/ AF
6	<p>POLICY & COMPLIANCE MATTERS</p> <p>None.</p>	
7	<p>RISKS IDENTIFIED/ASSURANCE NEEDED</p> <p>Cash flow will continue to be closely monitored. The risk of no deal on Penhaligon and apprenticeship numbers need to be highlighted.</p>	
8	<p>ITEMS TO SHARE WITH THE BOARD/ OTHER COMMITTEES</p> <ul style="list-style-type: none"> ▪ Relay successes and share issue on cash flow and deferment of projects to Board ▪ Raise apprenticeships with C&Q ▪ Monitor situation with Penhaligon and report if necessary 	
9	<p>DATES OF NEXT MEETINGS</p> <p>18 November 24</p> <p>22 January 24</p> <p>10 March 25</p> <p>7 May 25</p> <p>25 June 25</p>	