

THE CORNWALL COLLEGE GROUP

**Minutes of the Finance and Resources Committee meeting
held on 28 April 2025 on Microsoft Teams**

<u>Committee members present</u>			Patrick Newberry	PN
Geoff Warring	GW	Chair	Simon Nicholson	SN
Rob Bosworth	RB	Principal & CE	Mark Rands	MR
Will Charnley	WC		Ellen Winser	EW

<u>In Attendance</u>		
Mathew Davies	MD	Director of Finance (Interim)
Tian Bersey	TB	Clerk to Governors
Jayne Ninnes	JN	Director of People & Culture for items 1-6.
Paul Ramshaw	PR	Vice Principal, Data, Funding, & Compliance for item 6.

Number	Item	Action
1	WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST The Chair welcomed Simon Nicholson to his first Committee meeting. There were no apologies and no further declarations of interest to declare.	
2	MINUTES OF THE MEETING HELD ON 24 JUNE 2024	
2.1	The minutes and confidential minutes of the meeting held on 10 March 2025 were agreed to be an accurate record of the meeting.	
2.2	MATTERS ARISING The Committee received the matters arising report. The one pending matter will be actioned in autumn 2025.	
3	GROUP FINANCIAL UPDATE	
3.3	Update on meeting with the DfE (24 April) The Principal reported first on the PIMS meeting with the DfE held on 24 April 2025 to provide the Committee with an updated context. The Principal reported that an updated forecast was sent to the DfE prior to the meeting which included the confirmed adult allocation and uplift for T-level students. Further details are included in the confidential minutes. A governor asked if the reforecast was included in the Financial Report for the meeting which it was not. Further information has become available since the publication of the report and this will all be fed into the April Financial Report.	
3.1	Cash Flow	
3.2	March Management Accounts The Director of Finance presented the Finance Report which included a cash flow update and the management accounts for March 2025. He highlighted the following items from the risk section in the report: <ul style="list-style-type: none"> There is still work to do to achieve the 97% use of Adult Skills Fund income needed to ensure no clawback of funds. 	

<p>3.4</p>	<ul style="list-style-type: none"> Forecast has been reduced for Full Cost Income activities and more work is needed to achieve the reforecast but gaining traction. Concorde forecasts have been further reduced. Action has been taken to reduce costs. Identified savings in staff costs are now included in the forecast. A close eye is being kept on non staff costs. Costs are generally increasing although there has been a reduction in gas and electric rates. Funding to support the costs of increased employer national insurance contributions will not be paid until September 2025 and it is not clear if funding will cover 100% of increased costs and if it will extend beyond the first year. It is anticipated that apprenticeship income will exceed the revised forecast due to completion payments but waiting for confirmation before updating the forecast. Work to recover costs relating to the discovery of RAAC in Penhaligon continues and the costs were discussed at the PIMS meeting on 24 April 2025. <p>Governors asked questions on and discussed:</p> <ul style="list-style-type: none"> The number of risks that continue to be rated red. The percentage of admin staff and the norm for the College sector; the impact of multiple sites and projects funded by European and other funding. The impact of up to 20-30% increases in subscriptions, licences etc on non staff costs. The use of EBITDA across the sector and the challenge of excluding working capital; the need to plan for a surplus to reinvest in capital and estates. Apprenticeships and whether the committee can offer any support to the college with employers. The restructure of the apprenticeship team to allow the leadership time to focus on growth. <p>The Committee reviewed the ESFA performance dashboard and noted a slightly reduced EBITDA forecast due to Concorde.</p> <p>The Committee reviewed the cashflow forecast. A governor asked questions on Penhaligon, national insurance contributions and the reduction in in year growth payment in relation to the cashflow chart. A governor sought clarification on the LGPS and any impact on employer contributions and staff of which there is none because the payments were a secondary contribution to the deficit pot.</p> <p>The Committee discussed the challenge in updating the cashflow forecast with information from the DfE coming through later than usual. The Principal agreed that once the above is confirmed the forecast can be updated to show the original forecast, what's changed and where this leaves the College.</p> <p>The Chair of the Board and the Principal emphasised that the expectation is that the financial position will become more stable and the College will plan to start building cash reserves to secure long term viability and financial health.</p> <p>A governor asked about the impact of cashflow on creditors and the Director of Finance reported on the current impact and when this would start to improve.</p> <p>A governor asked about College debtors which are coming down in line as expected. The Director of Finance updated the Committee on the work that has taken place to ensure that the three larger invoices that are outstanding are paid. A change in procedure for HE and FE loan debt where invoices are raised earlier in the year has increased the volume of debt but it is hoped will reduce the risk of non payment of fees by the end of the year because agreed payment plans are in place.</p> <p>Concorde</p> <p>The Principal reported on the situation at Concorde and actions taken to reduce costs. Further details are recorded in the confidential minutes.</p> <p>The Committee discussed:</p>	
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	<ul style="list-style-type: none"> ▪ Additional staffing did not generate additional revenue as planned and has now returned to previous levels. ▪ Challenges in the temporary teaching market and failure to launch a perm desk. ▪ The strain placed on the College executive's time and what else that time could be used for. ▪ The current economy and likely impact on recruitment. <p>The Chair of the Board thanked the Principal for his work with Concorde.</p>	
4	<p>BUSINESS EFFICIENCY GROUP (BEG) UPDATE</p> <p>The Director of People and Culture reported that the BEG has achieved the savings that were needed in year and on the impact of these savings in 2025/26. Further detail is recorded in the confidential minutes. In addition, staff have been tasked to save 10% on all budgets. The BEG will continue in 2025/2026.</p> <p>A governor asked about the financial planning for the introduction of A-levels at St Austell in September 2027. The Principal reported that tentative figures have been added to forward budgets along with the assumption that costs will not be fully covered until the first results in 2029. The Director of People and Culture added that teachers will be under hours in the first year with time spent on developing resources and that recruitment will be challenging because teachers can earn more in schools. A working group is being formed to support a-level planning and Ellen Winsor will be asked to join the group to represent the governors.</p>	
5	<p>STAFF SURVEY REPORT</p> <p>The Director of People and Culture highlighted the following from her report on the results of the 2025 Staff Survey:</p> <ul style="list-style-type: none"> ▪ Overall pleased with the results considering the freeze on some recruitment and considerable amount of work involved in Ofsted. ▪ Some pleasing increases in cultural indicators including respect at work and staff are able to say what they think. ▪ Very positive that responses to leaders and managers care about my workload and wellbeing which increased 5% in spite of changing the question to 'care' from 'are aware of' and the percentage of staff who would recommend the college as a good place to work has maintained at 87% having jumped 10% last year following a 5% pay rise. ▪ The impact of poor cashflow is reflected in 4% decreases in having the tools needed to do the job and receiving a fair salary. ▪ 70% of comments related to pay including differentials and market premiums. Workload was the second theme that was highlighted in the comments. Neither are simple to address. ▪ Some staff feel that senior leaders are not close enough to what is happening due to what they feel is the lack of action on pay and workload. The lack of ability to recruit leaders in High Needs roles impacted responses from staff in those areas. ▪ The happiest and least happy campuses. <p>The Committee reflected on recent announcements regarding public sector pay. The Principal proposed that going forward any pay award is made in April aligning with the national living wage and to support planning and workload. This would also overcome the uncertainty regarding in year growth funds.</p> <p>A governor asked about any staff benefits beyond pay. These include a two week Christmas closure, an employee assistance programme and this year two additional leave days to celebrate the Ofsted result. Teachers are auto enrolled onto the Teachers Pension Scheme. Non teaching staff have the opportunity to join the defined benefit LGPS but are auto enrolled onto NEST.</p> <p>The Principal highlighted that his key take away from the staff survey report was to maintain the cultural piece and do everything possible to make Cornwall College a great place to work. He has</p>	

	<p>implemented the 'not to do' list and groups have been looking at how working systems can become more lean.</p> <p>A governor asked for feedback on the mood regarding the costs of St Austell New Build. The Principal reported that staff know that the DfE are funding and building it and this is communicated at every given opportunity.</p>	
6	<p>SUBCONTRACTING REPORT</p> <p>The Vice Principal Data, Funding and Compliance joined the meeting and the Committee received the Subcontracting Report.</p> <p>A governor asked if the goal was to actively reduce subcontracting. The Vice Principal reported that the end goal is to have no or very little subcontracting. Subcontracting is tendered on an annual basis and for 2025/2026 it is planned to reduce the subcontracted adult learners. Sub contracting will always be purpose driven rather than money driven.</p>	
7	<p>CAPITAL AND PROPERTY REPORT</p> <p>The Committee received the Capital and Property Report.</p> <p>A governor asked if progress had been made in seeking compensation for the design error in the Camborne redevelopment. The Principal reported that this continues to be chased but there is no update.</p>	
8	<p>BUDGET</p> <p>Early indications for 2025/26</p> <p>The Principal and the Director of Finance reported on early indications for the 2025/26 budget including:</p> <ul style="list-style-type: none"> ▪ Quality and Resources Reviews have started and will take place at each Campus and will feed into the budgeting process. ▪ 16-19 allocation has been confirmed but awaiting adult allocation to be confirmed. No funding to support increased employer national insurance contributions has been assumed past March 2026. ▪ The current status of learner application numbers in FE, apprenticeships and HE. ▪ The Executive Leadership Team (ELT) spent the day reviewing the budget line by line. <p>Further details are recorded in the confidential minutes.</p> <p>A governor checked his understanding that extra headcount will not always equal extra costs. This was confirmed as there will be some infilling of classes etc.</p> <p>The Principal reported that the Director of Finance has been prudent in budgeting income and expenditure and that the budget presented to the next Committee meeting will be an achievable budget.</p> <p>The Committee thanked the Principal and Director of Finance for their transparency and were assured that the challenges are understood and there is a clear way to remedy them.</p> <p>The Principal and Director of Finance reported that the capital grant allocation has been confirmed. The Director of Estates and Capital will present plans at the next meeting.</p> <p>The Chair of the Board noted that the College has not put back working capital and needs to build a working capital base going forward.</p>	LP
9 9.1	<p>APPROVALS</p> <p>The Committee noted two very low value under/overpayments has been written off.</p>	

<p>9.2</p>	<p>NEW TRANSPORT CONTRACT</p> <p>The Director of Finance reported that the College was currently in the standstill period following a tender process for the student transport contract. Three companies had submitted tenders.</p> <p>Tenders came in with a significant increase in costs and these costs were shared with the Committee. The new tenders built in more into the value side of the contract for example looking to move away from a credit note system for cancelled buses and building in additional technology with an app that learners and parents can use to track buses live. The College responded to initial responses by requesting efficiencies. Only one company agreed to look for efficiencies and by changing from closed to open routes they can benefit from access to a rebate on fuel which they will pass on to the College. This has been cleared from a safeguarding perspective as it replicates the current contract. Tenders were scored 70% on price and 30% on quality. Letters have been issued with the award decision. The Director of Finance requested the Committee's approval to proceed with the contract.</p> <p>The Committee discussed the costs and the proposed contract. Further details are in the confidential minutes. The Committee acknowledged the importance of transport routes given the geography of the college communities and endorsed the awarding of the contract.</p>	
<p>10 10.1</p>	<p>POLICY & COMPLIANCE MATTERS</p> <p>Regularity Update</p> <p>The Committee noted that the Education and Skills Funding Agency (ESFA) became a part of the DfE on 1 April 2025 and that the Post 16 Audit Code of Practice has been replaced with the Framework for auditors and reporting accountants of colleges.</p>	
<p>11</p>	<p>ITEMS TO SHARE WITH BOARD / OTHER COMMITTEES</p> <p>The Chair will write a summary report of the meeting for the Board.</p> <p>A governor asked about the College's response to the Government's new industrial strategy and the Principal reported that the College keeps aligned through the LSIPs and reports through the Accountability Statement.</p>	
<p>12</p>	<p>DATES OF NEXT MEETINGS</p> <p>20/6 June 1pm in Camborne.</p> <p>The Chair thanked the Principal and Director of Finance for all of their hard work and committee members for attending the meeting.</p>	