

Minutes of Finance & Resources Committee

Date: 19th Nov 2024

Time: 3.30 - 4.50pm

Location: In principal's office

Present: Mr R Parke (Chair)
Mr B Jones
Mr T Grant

Mrs M Harris-Bridge
Mr A Scott (Principal)

In attendance: Mrs S Carter (Vice Principal)
Mrs R Stratton (Deputy Principal)

Miss F McIntyre (Clerk)

1 Apologies

None as all expected are present.

2 Declarations of interest

No declarations of interest were made.

3 Minutes of the last meeting

Minutes of the previous meeting were reviewed and the following amendments requested:

Typo - M HB name

TYPO - dependant

4.6 £xx funding for IT upgrades - was £30,000

3.1 Actions:

EB considered options for students paying for free meals - not found a systematic solution but sorted the individual student as they wanted to use lanyard to pay.

Do not have an option for parents to load as the cashless system cost a lot of money and was not used. It can be done manually so would not want to roll out.

Have no sense that students are not using it due to stigma and being different. They are open about it.

3.2 - Draft Treasury Policy - still outstanding

Have gone back to the bank and now have 0.75% interest on two specific accounts.

They have also agreed to a 32 day account with 3.5% interest. Will not be able to be used for a while due to building work with the funding going in and out. From February/March next year will be able to put some money in.

Q: Do we need additional policies?

A: No as within the existing bank. Funds are being moved but not out of the bank. In future it would be prudent with growth to have policy in place. Could have £1 million in one bank which is not good. To move funds would need a policy in place.

Comment: If the policy is in place then can take opportunities that become available. A template with best practice was suggested from AoC/SFCA but nothing forthcoming.

Q: IT £50,000 included , likely to be more. Is the amount now known?

A: £50,000 was included for annual upgrades but there was a windows update there is a large need. 63% desktops unsupported. 309 38% laptops 54

If replacing like for like would be £250,000. Cannot do this. Also considering where can be smarter with IT and work more efficiently. The new head of IT is very meticulous in understanding the IT on site, how old and what it is used for. One member of staff may have a desktop and laptop. Looking to roll out that staff will have a good laptop with monitors at a work station.

Q: Would this be laptops?

A: Yes with windows. Lots of curriculum software would not run on chromebooks. In some instances it could be chromebooks. Would look at both but would not anticipate much of a saving.

Q: Is there a rolling program that IT are looking at?

A: He has identified which computer items will no longer work. SC and RS looking at the program to replace.

Considering how many desktops needed and should be for student use.

4.1.2 - Governors made aware that members of the NEU voted and there are strikes planned. The offer was 2%. Action is being taken as funding is not provided for Colleges as it was for sixth form academies and schools.

Strike want 5.5% as this what schools got and was funded for.

Q: Nursery - 90% occupancy. Is the target 100%?

A: Yes, there is potential for growth in the baby room.

Considering a more modern decking and covered space if capacity could be increased.

International marketing - Would limit to 70 with a short and long mix. Considering whether two short cohorts of 50.

3.2 Minutes approved.

4 Management accounts report

4.1 Review Capital expenditure

Report covers the first two months and October is currently being finalised.

Forecasted end of year position has not changed much. Does show a small increase of £36,000 above budget.

There are still unknown incomes and costs which need to be worked through

- 4.2 Page 3 income analysis identified what the changes with NI/living wage increase not incorporated. Still unsure about settlements. Budgeted for 4%. Annual impact of £196,000

The increase for NI will be funded but do not know how this will be calculated so not yet included in figures. Will qualify for in year but no know rate.

If it is the same formula for in year growth it could be an additional £250,000 which would cover the costs. The accounts will change.

Q: Is this from April?

A: Yes but would include in the forecasting for four months to year end.

- 4.3 Outturn
13.2million income
87% received or confirmed in grants
11% identified - know where it is coming from
2% still to be identified. Usual for this time of year.

- 4.4 Page 5 Costs - staffing
Teaching and support shown separately and has last year costs and this years costs.
Majority is some costs moved from support to teaching.
Teaching £100,000 over spend
Support £100,000 under spend
With the number of students on site did get capacity right.

- 4.5 Trading income streams
Adult education and international are both on budget as are nursery and company.
No concerns.

- 4.6 Page 8 - Capital expenditure and site works with spend to date
£8000 promo video
£24,000 tannoy system
New build costs reimbursed £1.6 of £2.2 costs.
Not aware of any additional costs or delays.

Q: £28,000 of contingency, what is this for?

A: It was electrical work.

Q: So there is still a £70,000 cushion?

A: Yes and Stepnells not aware of this.

Q: What is the promo video?

A: Shown in schools. Will last around three years. Is on website

- 4.7 Page 9 Debtors/creditor
Over 90 days - has been fully paid was international cross charge
Nursery - not a concern at this stage

4.8 Cashflow page 10

Gets tight until February/March but was expected. Due to time lag paying for contractors invoices but waiting six weeks to be reimbursed.

The figures are month end and it does drop down during the month. Funding comes through on the 18th. 10th till 18th is a low period.

No concerns once through this period.

Q: The grey line, is our line. Is there a bank line?

A: No can go down to zero.

Comment: there is a large cushion. It was put in as so reliant on the DfE funding every month so if for whatever reason a payment failed or was delayed the staffing costs can be paid.

Cash flow does not include the in year funding.

Q: What would funding be for student numbers?

A: An additional £1.5million. But there will be NI costs and settlement.

4.9 Page 11 Financial performance indicators

Very positive

Current health score is good

Pay costs always going to be higher than FE benchmark as have own cleaning, catering, nursery and cleaning. Taking these out 71%.

Once in year funding comes in this will improve. Also have over staffed for additional student numbers.

Bank loan covenants - all met.

Comment:

Report presentation is excellent.

5 Adopt audited account results for last Financial Year.

Paper was under item 4.

The management and financial accounts are not always aligned.

Management account ended on a £171,000 surplus

Consolidated statements - £171,000

College showed £106,000 and statutory showing as £323,000 due to internal adjustment. The debt owed to College by the company has reduced by £168,000.

Q: How much debt is left?

A: Around £91,000. If a good year on tasters it may be cleared.

6 CEBD

Report circulated from EB.

Adult and community - skills bootcamp growth area.

Contract with Hampshire CC and they are Hampshire, Southampton and IOW looking to come together and the adult ed budget goes to them. If seen to be delivering well then would get a larger budget than currently.

6.1 International
Fee paying going well and taster progressing well.

6.2 Itchen company
All on target. Catering is doing well due to an increase in student numbers.

Comment: diversity in adult education is good news.

8 AOB

Q: What is current situation with buses?

A: Planning to go out to tender. Based on preliminary work may be able to save money if routes split. There will always be subsidies and this reduces with higher number on buses.

Currently a £233,000 subsidy.

9 Meeting review, impact and visits

9.1 Impact

- IT discussion and current situation
- Comment on accounts
- Strike action update

9.2 Visits

TG and RP visited catering with EB. Saw the shop and two different areas. Saw the outside area and discussed future opportunities. Decking also discussed. Was good to see the number of students using the area. Principal - In the last capital strategy have now done everything in architect plans so would look to redo this in next year. Can look at other areas in College for shops to reduce bottleneck.

Q: Are there phased breaks with timetables?

A: Breaks tend to be at a similar time which they like as it allows mixing.

VISIT report - send to Marianne

Add future plans to estates agenda next time.

Action

Do also have planning for Art Block for two years. Allows students with accessibility issues to access facilities and currently no toilets.

Q: Has art block plans changed with the other projects completed since?

A: No. It is about making it more accessible and more joined up. Curriculum use is the same.

9.3 Actions

Item	Action	Owner
9.2	Add future plans to next estates agenda	FM

10 Date of next meeting – 28th January 2025

Estates on 27th Feb

Move - Finance

Sue cant do Feb

TG cant do Feb

RP could do 6th