Minutes of Finance & Resources Committee

Date: 17th Sept 2024 **Time:** 3.30 - 5.05 pm

Location: S10

Present:	Mr R Parke (Chair)	Mr A Scott
	Mr T Grant	Mr B Jones
In attendance:	Mrs S Carter	Miss F McIntyre
Apologies:	Mrs S Harris-Bridge	

1 Apologies

1.1 Apologies received and accepted as above.

2 Declarations of interest

2.1 None in addition to those previously declared.

3 Minutes of the last meetings

3.1 Minutes **approved**.

3.2 Matters arising:

- Draft treasury policy - when onhold while waiting to see SFCA would provide a standard form. Talking with the bank what options they would have. The management team has changed twice in the last five months. They have sent some ideas since in a turbulent period and needing access to funds. Need fluidity of funds. Best could offer 0.75% in July. Have a meeting this week. Until decide on policy which allows SC flexibility to move funds is just moving between accounts within the same bank.
- Budget approval - completed by Full Board.

4 Review draft final management accounts for last F/Y.

4.1 Report circulated prior to meeting. Predicted previously to finish with a small deficit but final position is a surplus of £171,000. Largely due to balance sheet adjustment that was made. Have done a deep analysis as financial health was not looking great on scoring and delved into the archives. Went back as far as 1999. Looked at balance sheets and depreciation. Discovered an anomaly that under releasing funds from grant pre 1998 to tune of £158,000. Largely on paper but there was a £15,000 surplus. The majority of the £158,000 is balance sheet. Found a further £12,000 on company.

4.2 Taking that into account, looking at the significant number of students, lag funding, bus issues, staff settlement, exam fees and resource costs and £15,000 surplus is very good and positive.

4.3 This resulted in a good health score.

4.4 Varients - Page 3
Income: other college funding was £90,000 under budget as when set budget knew would find additional funds throughout the year so a line set in budget and it is found in other areas. Adult ed and community.
Expenditure: exam fees significantly over due to student numbers and costs of exam fees.
Premises: electricity and water came in over budget
Adult education: over but reflective of the additional income

4.5 *Q: Increased energy - where are we with this years?*
A: 4% increase but will be tight. Have got rid of huts which were high use.
Q: Is there a multi year contract for energy?
A: In a consortium so do a get a better rate. Not great but still better.

4.6 Capital expenditure page 6
A lot of work was completed over the summer IT rolling program and investments. Had the T level capital funds which were in and out so does not appear on budget. Investment went into classrooms with furniture and new kit. Spent £xx on IT upgrades. Have replaced some windows and doors on estates but not large amount. Have tannoy system installed to be used for lockdown alerts.

4.7 New build - £760,000 end of July - costs £.3.9m £638,000 from DfE.

4.8 *Q: Is there a rolling maintenance program for the building?*
A: There is a very comprehensive spreadsheet covering this. Once a year SC goes round every single room and makes note on general decor, blinds, IT projectors. Then will allocate a rough timescale when rooms need to be looked at. Then sit down with the estates team and discuss how it will be tackled.

4.9 Cashflow Page 8
Close to the reserve line of £800,000 based on forecasts builders have provided. What is not included is any element of in year growth funding. It was received last year and received for every student over 100.
This year 300 ahead so

- 100 unfunded
- 100 fully funded
- 100 50% funded.

If the funding rates are the same. There will be a process this year but have not confirmed the rates. So not included in the figures.
£50,000 included for IT and likely will need to be considerably higher due to windows upgrades rendering PCs obsolete.
Q: How many College computers are windows?
A: Have chromebooks and small amount of Macs also. But a large amount of windows.

4.10 Financial performance indicators - all reasonably healthy. Health score 180 which is good. FE commissioner benchmarks have been achieved except current ratio. Pay costs despite staffing up for additional student numbers and still maintaining below 74%. Which is positive as well.

4.11 Still need to assess carbon footprint and whether it has improved.

4.12 *Q: What was reasons that pushed health score from RI to good?*
A: Looking at liquidity, borrowing.
Borrowing as percent of income not much can do. Does it get better every year. Cannot change it.

Q: Looking ahead, will there be additional funding for students?
A: Yes looking good for current year too.

Q: Government will give teachers 5.5%. Does that include Colleges?
A: No.

Q: Budgeted 4% is this enough?
A: Do not know what it's going be. Went to SFCA conference in summer and came back thinking it would no higher than 3.5%. Wth teachers now getting 5.5% is it funded. 4% stills feel right. Possibly heading for more industrial action.

Q: Will unions want 5.5%?
A: They are balloting for action as not funding Colleges.
AoC the bigger representative body and looking at longer term and the budget.
The action will be against sectary of state as it was last time.

Q: Can Icthen afford 5.5%?
A: No unless it is funded. 1% would be £130,000.
When this is done for teachers it goes into a grant so they get no more funding. Last year was an increase to core funding and College did well from this. Will know more in next few weeks.

5 Community Engagement and Business Development report

5.1 Adult and Community
Ended up over the initial budget last year, so good position. Looking forward to 2024/25 so income where it is needed to be. Position is good with funding allocated and subcontracts. Some are small in terms of value but valuable as give a in with learners in those communities.
Key things to note:

- multiplier finish in MArch. Will be another intuitive but not known
- Skills boot camp positive start - early years and health and key areas in city. Good job positions from applicants.

Looking to get on skills boot camp framework ourselves rather than subcontract. Has been good way to do it as have good evidence when applying for own contracts.
Thai si planning to make up multiplier funding.

- Rest of contracts should run as planned with Hampshire and often have growth.
- Subcontracts saw 3000 learners last year.

Q: Could you put numbers in the report?
A: It is done in G&E

Q: Valuation and how successful it is has been?
A: Report all year and have clear targets to hit throughout the years. HAve to complete SARs for the sub contract and learner evaluation for every course. End of year pulled together for an annual return. Monetary but also quality.

5.2 International
Good year for student fees. Taster was a challenge and didn't get work that would hope and plan to increase.
September two students pulled out last minute so can increase January slightly to cover.
Have had contact from school in China who attended previously enquiring for Chinese new year and a large cohort of students. EB planning to go over in November and will meet them.
Have got good relationships developing with Argentina who have attended last couple of years and hopefully will this year and Thai market looking interesting. Before was defendant on China so good other avenues being explored.

5.3 Nursery
Is coming together nicely. Looked at potential growth or opportunities and did research into this. There are opportunities to grow. Baby room is at 90% occupancy. Know where there are opportunities in terms of afternoon slots.
Numbers are capped in terms of size of room but can use staff in areas where needed. Increasing in a steady way.
Looking at increasing numbers of babies if reconfigured slightly. Would need to be careful and considered.
They regularly do parent feedback and there is not the demand for holiday cover.

Q: Have nursery suffered because of building work?
A: No.

5.4 Company
Catering has had a good start to the year. The increase in student numbers has had a high impact. There were large queues in the canteen but not in the shop. All sandwiches have been moved to the shop. It is not taking it away from the canteen but in addition.
Q: What was end of year issue?
A: Alwaysdoes tail off to end but issues with stock taking too. Catering equipment usually £5000. Had to update tills with latest licences as all needed upgraded and catering online system. Forced to move into cloud and had to go through two updates. Was around £6000 to upgrade software to be supported moving forward. Licences and upgrades could not capitalise but had to take hit in year.

Q: Catering has been improved over the last few years and a refurb done. With 500 students more than when that was done should we be looking forward to making further improvements?
A: In short term the number of pressing needs over the next 12 months. Have looked whether it can be moved or knocked through. Also aware toilets need to be improved and IT works.

Q: Could look longer term to plan for future?
A: Yes can consider long term plans. But off numbers continue to grow could have a separate outlet to buy hot food elsewhere on site. Could use the covered area in quad. Currently it has settled down in the canteen.
Vending have been drain on finances and at end of lease and removing.

Q: Why did they not work?
A: Do not know - thought they would be more used in evenings. Before and after covid the evening work is different. Facilities are used and people go again. The coffee shop area is open in evenings which competes.
Costs £700 a month so some income but not enough to offset cost. This over a year will have a good impact.

Q: Can you quantify the figures? What is a busy time? What is foot fall?
A: EB looks at in terms of finances and look at in terms of sales daily. Volume of orders coming through to keep shelves stocked.
Last year sold four pizzas a day. This year average of 40 a day.
Have made timetable changes and some students are free between 11 and 130 so this staggering may help catering.

There are cold and hot meal deals which are linked to FSM to ensure they can get a meal for £4. Going to look at whether the entitled students are using this. The money comes back into students. Some will get £4 a day and not use it.

Q: Does it have to be spent here?
A: Yes, it has to be here. They get £4 a day but it does not accumulate.
Proportionally the FSM expenditure is going down so want to look why. Whether they are not activating card or do not want to be seen using it.
Q: How is done?
A: Via lanyard.
Q: Is it possible to put in phone so same as other students?
A: Not sure how it would be done. Not allowed to transfer to a bank account.
Action EB to look at options

Need to check students are aware how it works as part of this review. Did consider how it was done at enrollment and if cards can be activated then would save time first time using it.

5.5 Community lettings

Undergoing review of what is being done and looking for changes that could be made. Hirers coming in not offsetting the costs so opportunities for growth. Reviewing how cost effective it is and making decision on what is offered. Small changes could have a big impact on the bottom line.

5.6 International marketing plan provided to governors want to move from short term to longer term.

6 Review enrolments

Done very well. Around 1881. It is a significant step forward. Details will be looked at during G&E committee.
Comment: It is validation of the forecasting as it sits in the middle of the high and low figures provided.

Q: 301 up on last year?
A: Yes currently.

6.1 Congratulations to all SLT team for the figures and attracting students.

Q: With more students are there more buses?
A: The growth is more local. Put in the budget 520 students using the bus and currently 497.
Q: Is this an uplift?
A: From this time last year. Do not all have passes yet so when cleared by the end of the week may get a few more.
Q: Has the fee increased?
A: £100.
Q: Subsidy?
A: Will slightly more. Going to go out to tender and looking at splitting routes.

7 AOB

Will be a difficult year and have had additional £80,000 of staffing costs. Not students have filled in where needed.
Q: Where are staff from, any agency?
A: Predominantly staff already here adjusting contracts.

Q: How are others doing in the area?
A: RT and Southampton College are looking to recruit students. RT has stated reached growth target. Barton has not grown and may not meet allocation. Some students refused place have enrolled here and then offered places.
Eastleigh are closing courses that not enough students are on.

8 Impact, action review and visits

Impact - good year end and good start to year.
Govenors provide the support and questioning to support college
Validation meeting on good reports and numbers. Given confidence in forecasting.

Visit:
RP and TG in October to see canteen area

9 **Date of next meeting** – 19th November 2024