Minutes of Finance & Resources Committee

Date: 29th April 2025 **Time:** 3.30 pm

Location: In College, S10

Present:	Mr R Parke - Chair	Mr A Scott - Principal
	Mrs M Harris-Bridge	Miss C Wilson
	Mr T Grant	Mr B Jones
In attendance:	Miss F McIntyre - Clerk	Mr D Wade - Vice Principal
	Mrs R Stratton - Deputy Principal	Mrs E Barrett - Vice Principal

1 Apologies

The Chair welcomed everyone to the meeting.

2 Declarations of interest

None.

3 Minutes of the last meeting

Minutes of the previous meeting held on 28th January 2025 were reviewed and agreed as a true record.

4 Management accounts report, including Itchen Company

4.1 Governors were informed the March accounts were not yet finalised due to Easter break. The figures supplied to governors were the February accounts. The in year funding rates have now been confirmed and included. £300,000 was assumed and previously included but has come in higher.

Q: What do you see year end to be?
A: £300,000 surplus. Removing the in year funding would be very close to the predicted surplus.

Q: In year funding is out of control but is spending in line with the budgeted amounts?
A: Additional cost has come because of the growth. Exams fees and CEBD over. Exam fees are higher due to more students. Variances are generally due to numbers increasing rather than other costs.

Current funding differs significantly from previous years. The College has not yet received additional funding for the recent staff pay award or National Insurance increases, despite incurring the related costs.

4.1.1 The College maintains a healthy reserve above the limit of £800,000. DW noted this may fluctuate near or below this figure at times. A discussion followed regarding risk appetite and acceptable reserve levels. It was agreed that if possible reserves should be utilised to generate returns.
DW highlighted the use of a money market fund in a previous position, which offered daily access and 5% interest. There was interest in reinvesting reserves; however, permissions required for fund transfers have not yet been explored.

4.1.2 The staff pay award has been settled with an 5.5% increase from April, aligned with national schools' award though not yet received funding.
A 3.8% increase from September is anticipated, although government guidance suggests 2.8% and unions are demanding 4%. This issue is expected to re-emerge later in the year.

4.2 Capital
There was £302,000 allocated to new build project. £2.6M in construction costs with £2.4M funding secured. College had to pay out funds then claim back.

Q: How is the building going?
A: Completed and being used. Snagging list is extensive. Variation claim is still being discussed as £280,000 asked for. £28,500 agreed and at risk for additional £40,000. There was a £100,000 contingency and £30,000 from this has been spent on electrical work. Cliftons have given reassurance that they are robustly contesting variations.

Q: Apart from snagging, is there anything else major to complete?
A: Issues with ventilation and questions whether issues with design. Stepnells took out the solar screening to save money at their risk.

Q: Do we have any view of when issues will be resolved?
A: No timeline, could be six months.

5 CEBD Report

5.1 Adult & Community Learning

- Multiply contracts underperformed while other contracts exceeded.
- Expected to exceed surplus at year-end.

Future Outlook:

- 2025/26 secured with £608,000 bootcamp contract (April 2025 – Sept 2026).
- Multiply funding withdrawal noted, offset by bootcamp growth.
- Bid submitted to Southampton for £250,000—partial success expected by end of June.

- Hampshire bid pending; anticipated £100,000 (conservatively estimated).
- EB noted bootcamps provide strong profit margins.

AS praised the team for exceeding both contract value and learner outcomes.

Bootcamp Structure:
- 60-hour, three-week programmes offering bite-sized qualifications (e.g., First Aid, Food Safety).
- Employer engagement included, with interviews and post-employment support.
- Promotional video available on website. https://www.itchen.ac.uk/adult-learning/skills-bootcamps/

5.2 International

This year's income has met targets. Exceeded budget for long-term students starting in September and January intake also progressed well.
Taster program £155,000 earned to date against £185,000 target. Two Chinese schools are expected this summer (~£75,000).

Q: Is there space for growth?
A: Opportunities exist in shifting focus between short and long-term students, and in expanding summer taster programmes.

Q: Does it affect the market negatively when full?
A: Manage carefully with agents to communicate to book early.

Q: In terms of growth curve £300,000 predicted. With increasing student numbers for the long term can grow but still limited. Whereas adult has less limits - is this correct?
A: There is a balance with international students and would not want to increase further. Used to be very reliant on international. Adult education has been built up and would not want to be over reliant on one area.
There is still more growth area for international students with summer work. Would also like to see more long term students.

Q: With Multiply gone has it been redistributed?
A: It was government funded and they now fund bootcamps. There is growth within the bootcamp market too.

5.3 Nursery

Nothing to report.
Q: Is the decking work being done?

A: Have received quotes. It may be a two phase plan. Need to have decking and ramp and also want a covered area. Liaising with builders to consider the best way to do the work.

Decking removal and paving - £10,000
Cover likely to be around £8000

Q: Is it a soft surface?
A: No concrete. It needs to be durable. They want to be able to ride bikes.

5.4 Catering
No changes to report.
Likely to come in with surplus. Could be slightly improved on forecast. Has been a lot of sickness which has to be covered. Cannot run with less staff as cannot run as many tills for sales.

5.5 Community lettings
Still not where it needs to be but moving forward. Have more plans and courses starting after May half term including creative writing, volleyball and Spanish. Guided by skills and expertise that are available.

Q: Are these our courses or renting out?
A: The College does rent out spaces in the evenings. Website has details. New ones will be our classes.

5.6 Governors were reminded that Itchen Company is a limited company formed for VAT purposes. The Principal and Mr Parke are directors of the company. Has been a period of the company losing money year on year. Taster money goes to the company so not operating an insolvent company. Catering is a benefit to College.

6 Budget 2025/26
Budget documents shared prior to meeting.
Allocation statement has been received and £10.2 million confirmed.
Governors asked to note salary increases were included at 3% so if higher by 1% £60,000 cost.

Surplus £660,000 so looking to be a strong year. Further updates will come.

Q: What numbers are expected next year?
A: Not likely to grow. Should hit allocation and be a bit over but will not have the same level of unfunded students.
1900 expected - 60 above allocation.

Q: Company moves from £20,000 to £62,000, what is the driver behind this increase?
A: Tasters. Once they start coming tend to get repeat work.

There is a loan from College to Company that funded the building of the sports hall. It is being paid down. The view of the auditors changed and much happier to see it being paid down.

Q: Are there differences in applications across curriculum areas?
A: Vocational growing, law, and sports struggling. A levels shrinking. English shrinking, which is a national trend.

Q: Is this to do with Covid?
A: Not likely. A levels are doing well nationally. Some students may have had difficult start to secondary due to covid but not seeing effects of it.

Q: Does this have an impact on staffing?
A: Not currently as staffing are interchangeable. It may become an issue in future.

7 Impact, action review and possible visits

Impact:

- Reviewed man accounts and current position
- Challenged on surplus

Actions:

- None

Possible visits:

- CW open evening

8 AOB

Governors were informed the bus routes are not being split as it will not offer value for money.
The internal Auditors TIAA's contract is not being renewed after this academic year due to issues. Financial matters are looked at by the external auditors but if governors have other ideas for areas to look at please let the Clerk know. A schedule of audits will be drawn up utilising external specialists.

9 Date of next meeting – 24th June 2025