



**MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE  
HELD 02 MARCH 2021 HELD VIA ZOOM DUE TO THE COVID-19 PANDEMIC**

Present: Mr Richard Stephen (Chair)  
Mr Spencer Bowen  
Mr Farouk Durrani  
Mr Chris Whelan

In Attendance: Mr Jon Allen - Clerk  
Ms Kim Saw – Director of Finance

The meeting commenced at 16.00

**APOLOGIES, WELCOMES, QUORACY & DECLARATIONS OF INTEREST**

1. There were no apologies. The Clerk confirmed the meeting was quorate. There were no declared interests against any of the agenda items.

**MINUTES**

2. The minutes of the meeting held 10 November 2020 were approved as an accurate record of the meeting.

3. The minutes of the meeting held 18 December 2020 were approved as an accurate record of the meeting.

**SUMMARY ACTION LIST & MATTERS ARISING**

4. The following updates were made available on the action points arising from previous meetings:

<b>MIN REF</b>	<b>ACTION POINT FROM THE MINUTES OF THE LAST MEETING</b>	<b>UPDATE FOR MEETING</b>
8	To add to the Management Accounts a budget line on covid-19 related expenditures to enable costs to be identified and monitored, and to attempt a year-end forecast on Covid-19 related expenditures.	Agenda item at this meeting
16	Commentary in the Financial Statements to make reference to the plans for the capital project	Added to the FS that were approved at the December Trust Board meeting.

**MANAGEMENT ACCOUNTS UP TO 31 JANUARY 2021 (FIVE MONTHS)**

5. The Management Accounts for five months of the financial year up to 31 January 2021 were subject to review. The following headlines were noted from the review:

	<b>January 21 actual Surplus / (deficit) £000</b>	<b>Year to date actual Surplus / (deficit) £000</b>	<b>Year to date Budget Surplus / (deficit) £000</b>
Before non-cash items	47	429	193
Retained surplus /(deficit)	47	219	1
	<b>Balance at 31.01.21 £000</b>	<b>Balance at 31.12.20 £000</b>	<b>Balance at 31.08.20 £000</b>
Bank & cash	3,663	3,652	3,056
Net assets	13,601	13,554	13,382

6. The Director of Finance reported on the forecast year-end outturn against the set budget, and the following variances against the budget were noted:

- (i) ESFA current year income - Teachers' Pay Grant and Teachers' Pension Employers' Contribution Grant now confirmed for April to August 2021 resulting in an additional income of £280k. The Director of Finance reported that for future years, instead of receiving a grant payment, the payment will be incorporated into the national funding formula.
- (ii) Additional funding for High Needs students agreed with Surrey County Council, an increase of £60k.
- (iii) Other income – a forecast reduction in income of £94k resulting from the closure of College Refectory and Shop, and the Sports facilities being closed from January to March 2021.
- (iv) Administrative & Central Service Costs - Included in the 20/21 budget for Administration & Central Services costs was £100k for Initiatives and other expenses, which comprised of £50k general contingency and provision of £50k for extra costs relating to COVID. An extra £160k has been added to budgeted COVID costs based on the level of costs incurred up to 31 January 2021. It was reported the Department of Education will pay for some of the additional staff costs arising from the conducting of Covid testing on students but it is unlikely that the full costs will be covered. To administer the lateral flow tests required for each student has resulted in the need to recruit a total of twenty part-time staff.

7. The year-end forecast for the surplus before non-cash items now stands at £488k, against the budget surplus of £402k, a positive variance of £86k.

8. Pay expenditure is not forecast to deviate from the set budget. The budget included a forecast pay award of 1.7% for all staff. The teacher pay award has been settled at an average cost of 2.4%. Following an analysis on the impact on the budget of the larger pay award, the Director of Finance reported that the additional costs are covered in the budget. Last week it was announced that support staff have also settled for the same award but a similar analysis on the impact of this on pay costs has yet to be carried out. The difference between the 1.7% budgeted for in the budget and the actual 2.4% awarded to all staff equates to an additional cost of £70k.

8. It was noted the cashflow forecast includes estimated costs associated with the proposed capital project. If the grant funding application is approved the cashflow forecast will be updated to include costs associated with the project. It was reported that the final outcome on the bid application should be known in April.

9. It was **RESOLVED** to note the Management Accounts.

### **RECONCILIATION STATEMENT & 2020/21 PROPOSED BUDGET - ESFA FUNDING INCOME**

10. As part of the Board Assurance Framework and to provide assurances each year, it was agreed for the Finance & Resources Committee to receive, at its spring meeting, a reconciliation report comparing the Allocation Statement against the autumn term enumeration figures that were reported to Trustees. The Committee was informed the Allocation Statement for 2021/22 had not been received from the ESFA at the time the papers for this meeting were prepared, but, made available to the Committee for review, was the table of Funding Factors, generated by the ESFA, which will be used to calculate the amount of funding for 2021/22. It was reported that the table of Funding Factors shows a data error in respect of the condition of funding that impacts on the funding for 130 students on which the College will appeal against. If the appeal is successful this would result in additional funding of £29k. The other funding factors shown have been agreed to the College's data submissions to the ESFA.

11. It was **AGREED** to keep the Committee informed on the outcomes of the appeal and to receive, at its next meeting, the Allocation Statement.

### **FINANCIAL REGULATIONS**

12. The Audit Findings Report, issued by the External Auditors following their audit of the College's Financial Statements 2019/20, made the recommendation for the Financial Regulations to include a list of expenditures that do not require a Purchase Order. The list was presented to the Committee for review.

13. A discussion took place as to whether the Committee has the authority to agree the list or if Trust Board approval was required. The Clerk advised that the Trust Board should approve any material changes proposed to the Financial Regulations, but a case could be made that the list is not a material change as it just confirmed current custom and practice. To ensure full transparency, it was **AGREED** to attach the list to the minutes and, when the Trust Board receive the minutes for review, to seek Trust Board approval for adding the list to the Financial Regulations.

### **CHARGING AND REMISSIONS POLICY 2021/22**

14. It was confirmed the proposed policy is compliant with requirements outlined in the following:

- Academies Financial Handbook
- DfE advice "Charging for School Activities" May 2018
- Education Act 1996 s450-459

15. The material difference to the proposed policy for 2021/22 compared to the policy used for 2020/21 is on the College Fund. The annual voluntary contribution, currently £80 (or £130 for two years), is intended to contribute to the cost of activities

and facilities specific to Reigate College which are not funded through the funding body or another funding source, such as the College minibuses and Student Union. The proposal is to increase the two-year figure to £140. The Committee supported the proposed increase.

16. The other changes proposed in the policy were mainly textual changes with no material difference to the policy. For future reference, the Committee requested textual changes to be tracked for ease of reference.

17. It was **RESOLVED** to recommend to the Trust Board, at its meeting on 23 March 2021, to approve the '*Charging and Remissions Policy 2021/22*'.

## **REVIEW OF CONTRACTS**

18. For this meeting, a table confirming all current and historical contracts was made available. As part of the Board Assurance Framework, it was agreed for the Finance & Resources Committee to review the list of contracts each term, concentrating on the renewals coming up in the following three months (or time until the next meeting of the Committee) that were over the value of £1,000.

19. A discussion took place on the significant costs relating to the NBS Teacher Training, Professional Development and Consultancy provided by an external consultant. It was confirmed the consultancy will not be used once the consultancy concludes at the end of the academic year and will, instead, be delivered by an existing member of staff.

20. The Committee asked if the waste transfer could be subject to market testing. As the current contract comes to an end on 31 March, it was agreed there was not sufficient time to conduct market testing. It was agreed to proceed with the contract for another year and to undertake testing the market during the year.

21. The BNP Paribas item related to the leasing of photocopiers. As previously discussed by the Committee, the aim was to try to put in place a holistic overview covering all leasing of photocopiers instead of the current arrangement of having several separate contracts. This was not possible and one of the contracts was approved last September. The BNP Paribas lease expires on 31 July 2021 but the review was brought forward in order to install the new equipment during the Easter holidays. The Chair reported that, as cost threshold was below the threshold that required Committee approval, and as the proposed costs had been subject to market testing with two suppliers, he authorised the signing of the leasing contract.

## **BOARD ASSURANCE FRAMEWORK - ASSURANCE ASSESSMENT TO BE CONDUCTED BY THE COMMITTEE**

22. Under the Board Assurance Framework (BAF), each Committee is asked to conduct, at the end of their meeting, an assessment on the level of assurance agreed against each report received (including briefings and verbal updates), and for the assessment to be reported to the Audit Committee and Trust Board. (The assessments being: Green = high assurance - no additional actions or monitoring are recommended at this point; Amber = medium assurance – a further report is likely to be required at

the next meeting; Red = low assurance - additional actions are likely to be required and reported at the next meeting).

23. The following assessments were agreed on reports considered at this meeting:

Agenda item	Subject	RAG rating	Any Committee Recommendation(s)
6	Management Accounts	Green	No concerns/no recommendations
7	Reconciliation Statement	Green	No concerns/no recommendations
8	Financial Regulations	Green	No concerns/no recommendations
9	Charging & Remissions Policy 2021-22	Green	No concerns/no recommendations
10	Review of Contracts	Green	No concerns/no recommendations

### ANY OTHER BUSINESS

24. The Director of Finance asked the Committee on their preferred notice period for when decisions are required to be made outside the normal meeting cycle. If the decision required the approval of all Committee members, the Chair advised that a notice period of a week would be best. Committee members also suggested the use of What's App to notify members that a decision is required, with the full details confirmed in an email to members to enable a written resolution to be considered for approval. As per the Standing Orders, any decision taken outside of the normal meeting schedule to be reported on at the subsequent meeting of the Committee.

25. The Chief Executive updated the Committee on the two planning applications submitted to Reigate & Bansted for the refectory and student car park. The Committee was reminded the planning officers had advised that two planning applications should be made instead of submitting one to cover both projects. A total of four objections have been logged on the Council's planning portal and one of the complainants had made the accusation that the College had not followed its commitment given to local residents to consult with them when submitting the planning application on the car park. The Chief Executive reported that a meeting had been held with local residents and the minutes of the meeting (the minutes were taken by a local resident who in turn circulated the minutes) confirmed that planning applications for both the build and car park were to be submitted. The individual who logged the complaint was in attendance at the meeting.

26. There was no other business.

**DATE OF NEXT MEETING - Monday 14 June 2021 @ 17.30**

The meeting closed at 17.00

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**Action Point** - Allocation Statement - To keep the Committee informed on the outcomes of the appeal and to receive at its next meeting the Allocation Statement.

## Amendment to RLA Financial Regulations: 5. Purchasing Authorisations

The following items of expenditure do not require a Purchase Order to be raised:

COST CENTRE CODE	COST CENTRE NAME	PURCHASE TYPE	AUTHORISED SIGNATORY	ANNUAL BUDGET £000
UTL	UTILITIES	GAS ELECTRICITY WATER RATES TELEPHONE INSURANCES REFUSE OIL CLEANING GROUNDS MAINTENANCE	GARRY HOLMES <i>Director of Estates &amp; IT</i>	638
PRE	PREMISES	BUILDING/PLUMBING/ELECTRICAL/EQUIPMENT REPAIRS CARETAKING CONSUMABLES FURNITURE MAINTENANCE CONTRACTS SUMMER WORKS AND BUILDING PROJECTS VEHICLE COSTS	GARRY HOLMES <i>Director of Estates &amp; IT</i>	531
FIN	FINANCE	CASH COLLECTION AUDIT COSTS	KIM SAW <i>Director of Finance</i>	54
HR	HUMAN RESOURCES	VACANCY ADVERTS DBS CHECKS WELFARE ITEMS EMPLOYMENT ADVICE PAYROLL ADMIN CHARGES	CAROLINE LOUGHLIN <i>Director of Personnel</i>	92
PAY	PAY	PAYROLL	CAROLINE LOUGHLIN <i>Director of Personnel</i>	10,300
SFD	STAFF DEVELOPMENT	COURSES ( <i>RED FORMS AUTHORISED/PAPERWORK HELD BY PRINCIPAL'S PA</i> ) TRAINING FEES TRAVEL EXPENSES	SARAH WALTERS <i>Deputy Principal</i>	40
TSF	TRIPS - SELF FUNDING	BOOKING OF TRIPS E.G. THEATRE TICKETS	HODS VIA FACULTY ADMINISTRATORS	300
ACT	ACTIVITIES	REFEREES' FEES SPORTS INSTRUCTORS COACHES ACTIVITY PROVIDERS	SARAH WALTERS <i>Deputy Principal</i>	35
DOE	DUKE OF EDINBURGH	ACCOMMODATION EXPEDITIONS REGISTRATION FEES	SARAH WALTERS <i>Deputy Principal</i>	31
ADM	ADMISSIONS	POSTAGE TOP UP WELFARE ITEMS	SALLY-ANN HOPPER <i>Student Services Manager</i>	35
CUS	CURRICULUM SUPPORT	STUDENT HELPERS TAXIS PROFESSIONAL SERVICES (LEGAL, COUNSELLING)	CHRIS WHELAN/SAM DAVEY/ SARAH WALTERS/NICK CLARK/ RYAN BULL <i>members of SLT</i>	58
EXF	EXAM FEES	FEES	HELEN SAUNDERS <i>Exams Officer</i>	475
ILC	INDEPENDENT LEARNING	SUBSCRIPTIONS <i>BOOKS HAVE NJT'S ORDER NUMBERS</i>	NICOLA TAGART <i>Independent Learning Centre Manager</i>	5
TXB	TEXTBOOKS	<i>BOOKS HAVE NJT'S ORDER NUMBERS</i>	RYAN BULL	55
PRI	PRINCIPAL'S EXPENDITURE	STAFF INCENTIVES HOSPITALITY ITEMS CONSULTANCY FEES	CHRIS WHELAN/NICK CLARK/ JANE MCBRIDE/JULIA WILLIAMS <i>Chief Executive, Principal and Principal's PAs</i>	60
REP	REPROGRAPHICS	PHOTOCOPIER CONTRACTS PHOTOCOPIER/PRINTING SUPPLIES LICENCES <i>PAPER AND STATIONERY HAVE SLP ORDER NUMBERS</i>	GARRY HOLMES <i>Director of Estates &amp; IT</i> JEN PARMENTER <i>Reprographics Manager</i> SHEREE PAYTON <i>Reprographics Assistant</i>	178
SUB	SUBSCRIPTIONS	SUBSCRIPTIONS	CHRIS WHELAN <i>Chief Executive</i>	46
CAT	CATERING	CATERING SUPPLIES	GAVIN CHAMBERS <i>Catering Manager</i>	330
PGC	PGCE	TRAINING FEES CONSULTANCY FEES	SARAH WALTERS <i>Deputy Principal</i>	64
PRO	PUBLICITY	ADVERTISING COSTS EVENT COSTS BROCHURES/LEAFLETS WEBSITE DEVELOPMENT	NICK CLARK/KAREN GERRARD <i>Principal / Associate Director of Marketing</i>	75
ILT	INFORMATION LEARNING TECHNOLOGY	EQUIPMENT AND LICENCES	CHRIS WHELAN <i>Chief Executive</i>	5

Other purchases where no purchase order is required:	
CREDIT CARD TRANSACTIONS	
PRINTING/COPYING	
INTERNAL STATIONERY PURCHASES	
REFRESHMENT REQUESTS	
<b>Approved by Resources Team February 2020</b>	