



**MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE
HELD 09 NOVEMBER 2021**

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

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

The meeting commenced at 17.30

APOLOGIES, WELCOMES, QUORACY & DECLARATIONS OF INTEREST

1. There were no apologies. The Clerk confirmed the meeting was quorate. In terms of declared interests, the Chair of the Committee declared his usual interest in being the Chair/Secretary of the Reigate Priory Youth Football Club who on a regular basis hire the College's sports hall and Wallfield pitches. The Chair has no direct involvement in the negotiations for the hiring of these facilities or the College's sponsorship of the club. There were no other interests declared.

MINUTES

2. The minutes of the meeting held 14 June 2021 were approved as an accurate record of the meeting.

MATTERS ARISING

3. There were no matters arising from the minutes.

MANAGEMENT ACCOUNTS UP TO 30 SEPTEMBER 2021 (ONE MONTH)

4. The Management Accounts for one month of the financial year up to 30 September 2021 were subject to review. As the Management Accounts covered only one month of the financial year the Committee agreed to note the Management Accounts, as it was too early in the financial year to make any firm assessments on the financial figures contained within the Management Accounts.

5. One matter brought to the attention of the Committee was the difference in the cash balance between August and September that related specifically to a payment of £395k made to Stanton Construction as part of the payment schedule for the Refectory capital project. The College receives from the DoE a fixed amount per month with the final 40% of the grant paid on the completion of the project. There has been an issue with the DoE on data returns resulting in the delay of grant payments but, following a conversation today with DoE officials, this matter seems now to have been resolved.

FINANCIAL STATEMENTS & ANNUAL ACCOUNTS YEAR ENDED 31 AUGUST 2021

6. The draft of the '*Financial Statements & Annual Report 2020/21*' was received. Also received was a copy of the Financial Statement Auditor's '*Audit Findings Report*'. Also made available at the meeting was the reconciliation of management accounts to the statutory accounts.

7. The Committee reviewed the reconciliation of management accounts to the statutory accounts. The Trust Board at its meeting held 21 September 2021 received and reviewed the unaudited Management Accounts for the period 12 months up to 31 August 2021. Since the review undertaken by the Trust Board there were no issues of concern arising from the review of the reconciliation statement.

8. It was confirmed the Financial Statements have been prepared in line with the prescribed requirements stipulated in the Academies Accounts Direction 2020/21 issued by the Education & Skills Funding Agency.

9. The agreed Trust process for reviewing the Financial Statements requires the Finance & Resources Committee in the first instance to review the financial information and financial commentary in the year-end accounts, and once reviewed, to inform the Audit & Risk Committee of the outcomes of their review. The Audit & Risk Committee will then consider the outcomes of the review conducted by the Finance & Resources Committee, and to consider all audit and assurance opinions received, on the adequacy of the operation of financial and other controls, before making any final approval recommendations to the Trust Board regarding the accounts.

10. Trustees were referred to their key responsibility on assessing the Trust's going concern, and the following was noted from the commentary in the Financial Statements:

The effects of the COVID-19 pandemic continued to be felt during the 2020/21 academic year, and limited the opportunities to generate non-grant income. The academy trust received its grant income for 2020/21 from the ESFA in full, which represents 97% of the income for the year. ESFA General Annual Grant income for the year to 31 August 2022 is guaranteed to be £12,904,000, based on 2,596 funded students. The academy trust has submitted a number of 2,822 students to the ESFA on the enumeration date of 1 November 2021, and so expects that the funding for the year to 31 August 2023 will be in excess of the previous year. ``

As at 31 August 2021 the academy trust held cash reserves of £4,253,000, and cash flow forecasts for the following 2 financial years show that the academy trust can meet all liabilities as they fall due, including the completion of the building project to provide a new Independent Learning Centre.

The Trustees therefore have a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

11. The Committee **AGREED** to endorse the going-concern assessment on page 16 in the Financial Statements.

12. The Committee reviewed the text and financial figures contained within the Financial Statements. The Statement of Financial Activities for the period ended 31st August 2021 confirmed the following:

| | Notes | Unrestricted funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Funds £'000 | Year ended 31 August 2021 £'000 | Year ended 31 August 2020 £'000 |
|--|-------|-----------------------------|-----------------------------------|---------------------------------------|------------------------------------|------------------------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 2 | 67 | 13 | 67 | 147 | 186 |
| Charitable activities | | | | | | |
| Funding for the academy trust's educational operations | 3 | - | 13,499 | - | 13,499 | 12,143 |
| Other trading activities | 4 | 11 | 400 | - | 411 | 657 |
| Investments | 5 | 4 | - | - | 4 | 16 |
| Total income | | 82 | 13,912 | 67 | 14,061 | 13,002 |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| Academy trust educational operations | 6 | - | 13,275 | 849 | 14,124 | 13,124 |
| Total expenditure | | - | 13,275 | 849 | 14,124 | 13,124 |
| Net income / (expenditure) | | 82 | 637 | (782) | (63) | (122) |
| Transfer between funds | 17 | - | (655) | 655 | - | - |
| Other recognised gains / (losses) | | | | | | |
| Actuarial (losses) on defined benefit pension schemes | 19 | - | (529) | - | (529) | (234) |
| Net movement in funds | | 82 | (547) | (127) | (592) | (356) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | 17 | 261 | (1,920) | 15,041 | 13,382 | 13,738 |
| Total funds carried forward | 17 | 343 | (2,467) | 14,914 | 12,790 | 13,382 |

13. The Committee reviewed the Audit Findings Report, and in particular, the parts of the audit report relevant to the Committee's terms of reference. There were no issues of concern arising from the review of the Audit Findings Report.

14. Committee members had submitted in advance of the meeting their suggestions to address some typos and presentation errors in the draft and the Director of Finance thanked them for their input.

15. During discussions following additions were proposed for inclusion in the Financial Statements:

- On pages 5 and 6 to provide a statement that the analysis of the College's

value-added and examination results are subject to reliable data being published, especially national benchmark data, which has not been made available for the last 2 years due to the Covid-19 pandemic and the cancellation of examinations.

- Add a commentary in the Trustees report on the refectory capital project outlining the costs involved, receipt of grant income, and the benefits arising from the capital project, especially for students.
- To confirm that the focus of the Local Governing Body is to monitor the performance of Reigate College, and not the Trust as stated.

16. Following a review of the financial figures and commentary in the Financial Statements, it was **RESOLVED** to inform the Audit & Risk Committee that there were no issues of concern to report to the Audit Committee.

17. The Committee placed on record its thanks to the Executive and Finance Department on the excellent financial results achieved for 2020-21.

CONTRACTS

18. As part of the Board Assurance Framework and to provide assurances, it was agreed for the Finance & Resources Committee to review list of contracts each term, concentrating on the renewals coming up in the following 3 months (or time until next meeting). The paper presented reported on those renewal contacts due between 01 November 2021 and 28 February 2022 with a value more than £1,000.

19. There were no issues arising from the review and the Committee noted the report and proposed actions to be taken on renewals.

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

20. Under the Board Assurance Framework (BAF), each Committee is asked to conduct at the end of their meeting an assessment on their 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).

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

| Agenda Item | Paper | Subject | RAG rating | Any Committee Recommendation(s) |
|-------------|-------|---|------------|---|
| 6 | 2 | Management Accounts up to 30/9/21 | | No concerns/ no recommendation |
| 7(i) | 3 | Financial Statement Year Ended 31 August 2021 | | No concerns/no recommendations other than to inform the Audit & Risk Committee that there were no issues of concern to report to the Audit & Risk Committee on the financial figures contained in the Financial Statement |

| | | | | |
|--------|---|---|--|--------------------------------|
| 7(ii) | 4 | Reconciliation Statement | | No concerns/no recommendations |
| 7(iii) | 5 | Financial Statement Auditor's 'Audit Findings Report' | | No concerns/no recommendations |
| 8 | 6 | Review of Contracts | | No concerns/no recommendations |

ANY OTHER BUSINESS

22. It was reported the teachers' pay settlement was agreed well ahead of expected timescales at 1%, back dated to 01 September 2021. The budget had budgeted for a pay award of 1.5%.

23. The recent Government budget made several announcements on funding, but the specific details have still to be confirmed. A commitment was made for funding per student to be increased in line with inflation rates. A commitment seemed to be made to continue with the teachers' pay grant and the pension grant. The current grants are in place up to August 2022. Mention was made in the budget on a grant being made available to assist students to catch up for the time lost due to the Covid-19 pandemic but no details on this have been made available.

24. An update was made available on the building project which is about two weeks behind schedule. This was due in the main to shortages in the supply of bricks and steel. Most of the steel structure has been erected. The expectation is that Stanton will work to bring the project back on schedule for completion within the agreed timescale.

25. There was no other business.

DATE OF NEXT MEETING

26. Tuesday 01 March 2022 @ 17.30

The meeting closed at 18.30

Signed: _____ Date: _____
(Chair)