



**MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE
HELD 10 MARCH 2020**

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

In Attendance: Mr Jon Allen - Clerk

The meeting commenced at 16.30

APOLOGIES, WELCOMES, QUORACY & DECLARATIONS OF INTEREST

1. Apologies were received from Kim Saw. 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 12 November 2019 were approved as an accurate record of the meeting.

MATTERS ARISING

3. It was noted the one action point from the last meeting had been clarified with a footnote added to the minutes of the meeting.

4. It was confirmed the application to withdraw the planning restriction of 1,200 on student numbers that was submitted to the Council has been approved, with the revised restriction now at 1,900.

MANAGEMENT ACCOUNTS UP TO 31 JANUARY 2020 (FIVE MONTHS)

5. The Management Accounts for five months of the financial year up to 31 January 2020 were subject to review. The following headlines were noted from the review:

	January actual Surplus / (deficit) £000	Year to date actual Surplus / (deficit) £000	Year to date Budget Surplus / (deficit) £000
Before non-cash items	121	336	156
Retained surplus /(deficit)	121	144	(27)
	Balance at	Balance at	Balance at

	31.01.20 £000	31.12.19 £000	31.08.19 £000
Bank & cash	2,954	2,960	2,503
Net assets	13,882	13,762	13,738

6. In previous Management Accounts, a column had been added to record the forecast year-end outturn and the Chair **REQUESTED** for this to be included in all future Management Accounts.

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

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

8. 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.

9. Internal reports to Trustees in the autumn term reported the enumerated figure of 2,515. The Reconciliation Statement confirmed the final enumerated figure to be 2,521, a positive variance of 6. It was stated the difference related to the new treatment for returning Upper 6 students.

10. Confirmed ESFA income for 2020/21 will be £12,552m compared against £11,329m for the previous year, an increase in funding of circa 8%. The funding increase is due to changes to the funding formula with an increase of £188 per student, and with the 12% area uplift, the actual increase per student is just above £200. In addition, additional funding is being made available for high value A level subjects and for retaking English & maths GCSE.

11. The Committee welcomed the funding increase and noted the assurance made available on final enumerated numbers that were in line with the reported enumerated figures made available to Trustees in the autumn term.

FINANCIAL REGULATIONS

12. Made available for the Committee to review were revised Financial Regulations of Reigate College to reflect RLA academy status. To assist the Committee, the current version of the Financial Regulations was made available along with the proposed revised Financial Regulations.

13. It was confirmed the revised Financial Regulations fully meet the financial requirements set out in the Academies Financial Handbook, issued by the ESFA and updated annually.

14. The proposed Financial Regulations confirmed:

- The Chief Executive is the designated accounting officer in accordance with the requirements of the Academies Financial Handbook.
- The Director of Finance, who reports to the Chief Executive, is the designated Chief Financial Officer in accordance with the requirements of the Academies

Financial Handbook.

- The Financial Regulations are binding on all RLA employees.

15. The revised Financial Regulations propose that the Chief Executive has the delegated authority to waive the Financial Regulations in exceptional circumstances, and in exercising this authority he/she shall consult the Principal and the Director of Finance. The Director of Finance shall maintain a record of these approvals for inspection by internal and external audit.

16. It was **AGREED** to further strengthen this section by adding that any waiving of the Financial Regulations must at the time of the waiving be reported to the Chair of the Finance & Resources Committee and to the subsequent meeting of the Finance & Resources Committee. Subject to this amendment, It was **RESOLVED** to recommend to the Trust Board at its meeting on 31 March 2020 to approve the '*Financial Regulations*'.

AUTHORISATION FOR LEASING CONTRACT - REPROGRAPHICS COPIER LEASE REPLACEMENT

17. The Chair reported that he recently met with the Director of Finance to discuss the College's leasing contract arrangements. As there are four tranches of leasing contracts, the aim is to work towards one overarching contract covering all reprographic needs. As further work is required on the College's leasing contract arrangements, it was **AGREED** to defer this item to the summer term meeting.

CHARGING AND REMISSIONS POLICY 2020/21

18. 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

19. It was reported the material difference to the proposed policy compared to the policy used for 2019/20 is the administration fee of £5 to be applied on all refund transactions.

20. It was **RESOLVED** to recommend to the Trust Board at its meeting on 31 March 2020 to approve the '*Charging and Remissions Policy 2020/21*'.

REVIEW OF CONTRACTS

21. 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 3 months (or time until the next meeting of the Committee). It was **AGREED** for such a report to be made available at the summer term meeting and at subsequent meetings.

BUILDING PROJECT 2020/21

22. The College's Independent Learning Centre (ILC) currently has insufficient space to accommodate all students who want a quiet space for independent study. From February 2020 onwards, the Forum in the Enhancement Centre has been opened as an overflow ILC.

23. A number of options for creating additional accommodation has been considered and the most cost effective solution would appear to be:

- Extend the footprint of the New Refectory
- Add an additional floor to the Old and expanded New Refectory

This will provide additional seating capacity for the Refectory and additional ILC space. The total additional floor space would be approx. 1200 m²

24. In addition there would will be some facilitating works required, these being:

- Construct student car park on back field
- Reconfigure existing ILC
- Hire of temporary accommodation for academic year 2020/21

25. The primary aim of the proposed building project is to improve existing facilities for students in respect of independent learning space and catering, to further enhance their student experience. The new building would not be intended to accommodate classrooms.

26. The report stated initial indicative costs for the total project are in the range £2.5m to £3.5m. The College intends to apply for grant funding from the Department of Education's Condition Improvement Fund (CIF) to cover a proportion of the cost. CIF bids are subject to strict application criteria. Applications can be submitted in November and December 2020, with the outcome notified in March 2021. The College has engaged a consultant to assist with the bid process, who will advise on the appropriate split of College contribution and grant funding most likely to achieve a successful bid.

27. The Committee asked what are the estimated upfront costs for building design and planning approval and a figure of circa £40k was suggested. The Committee agreed that this was an affordable cost.

28. The Committee sought assurances on whether there was a 'Plan B' in place if grant funding was not made available. In response it was stated that it might be possible to fund the full costs from the College's reserves and the funding of the project could be split over 2 years. Alternatively, reducing student numbers on site would have to be considered if the proposed building project could not be fully funded by the College. Although reducing student numbers on site would be a drastic course of action to take, the College could be at risk of a negative Ofsted inspection if inspectors saw that students could not access ILC and catering facilities.

29. Following a thorough discussion, the Committee **RESOLVED** to approve the suggested direction of travel and to agree 'in-principle' the proposed building project 2020/21. It was further **RESOLVED** to seek outline approval from the Trust Board at its meeting on 31 March 2020 for the proposed building project, with any formal

approval of the building project to be put to the July Board Trust meeting for consideration and final approval.

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

30. 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).

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

Agenda item number	Paper number	Subject	RAG rating	Recommendations
6	2	Management Accounts	GREEN	To add a column to record the forecast year-end outturn
7	3	Reconciliation Statement	GREEN	No Recommendations
8	4	Financial Regulations	GREEN	To add to the FR - waiving of the Financial Regulations must at the time of the waiving be reported to the Chair of the Finance & Resources Committee and to the subsequent meeting of the Finance & Resources Committee.
10	5	Charging and Remissions Policy 2020/21	GREEN	No Recommendations
11	6	Review of Contracts	GREEN	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).
12	7	Potential Building Project 2020/21	GREEN	Trust Board to make the final decision on whether to approve the potential building project 2020/21

ANY OTHER BUSINESS

32. There was no other business.

DATE OF NEXT MEETING

33. Tuesday 16 June 2020 @ 17.30

The meeting closed at 18.10

Signed: _____ Date: _____
(Chair)

SUMMARY ACTION LIST

MIN	ACTION	REVIEW DATE
6	In previous Management Accounts, a column has been added to record the forecast year-end outturn and the Chair REQUESTED for this to be included in all future Management Accounts.	16/6/20
16	To add to the Financial Regulations for any waiving of the Financial Regulations must at the time of the waiving be reported to the Chair of the Finance & Resources Committee and to the subsequent meeting of the Finance & Resources Committee.	16/6/20
17	The Chair reported that he recently met with the Director of the Finance to discuss the College's leasing contract arrangements. As there are four tranches of leasing contracts, the aim is to work towards one overarching contract covering all reprographic needs. As further work is required on the College's leasing contract arrangements, it was AGREED to defer this item to the summer term meeting.	16/6/20
21	For this meeting, a table confirming all current and historical contracts was made available. 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). It was AGREED for such a report to be made available at the summer term meeting and at subsequent meetings.	16/6/20