



**MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE  
HELD 01 MARCH 2022**

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

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

The meeting commenced at 17.30

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

1. Apologies were received from Mr Farouk Durrani. 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 09 November 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 31 JANUARY 2021 (FIVE MONTHS)**

4. The Management Accounts for five months of the financial year up to 31 January 2022 were subject to review. The following headlines were noted from the review:

	<b>January 2022 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	69	275	149
Retained surplus /(deficit)	69	35	(72)

	<b>Balance at 31.01.22 £000</b>	<b>Balance at 31.12.21 £000</b>	<b>Balance at 31.08.21 £000</b>
Bank & cash	4,040	3,845	4,253
Net assets	12,826	12,756	12,791

5. The Committee welcomed confirmation of minimum variation in performance against the set budget for 2021/22. There were no concerns to report to the Trust Board.
6. The Committee asked about the impact of rising energy costs on the budget. In response it was confirmed there will be no impact on the current budget as energy costs are fixed until September, so the expected significant rise in energy costs will impact on the 2022/23 budget and beyond.
7. It was noted, and welcomed, the payment profile for grant funding for the building project is now included in the Management Accounts.
8. *The Committee asked* if the project was on schedule against the various completion dates. It was reported the build is two weeks behind schedule, which would not be a significant delay in most building projects. However, the build has always been operating within a very tight completion schedule and a delay of two weeks will impact on the available space for examinations that are due to start after the Easter break. Alternative arrangements will be made to ensure there is no adverse impact on examinations.
9. *The Committee asked* if costs are in-line with the agreed budget. In response the Committee was informed that the Phase 1 build costs are £120k above budget. Costings for Phase 2 of the build have yet to be confirmed. *The Committee agreed* that as Phase 1 nears completion, it is important to get budget costs confirmed for Phase 2.
10. The Committee was updated on cost forecasts that are not in the Management Accounts.
11. The roof of the County Building is in need of repair following a recent roof collapse. The estimated cost of the repair is £30k. It is expected this will be financed from the existing budget lines with no material impact on the year-end position.
12. The budget has £180k allocated for summer works with the bulk of the summer works expenditure to be on making available additional classroom space and associated costs. Based on current student numbers, the Executive has identified extra classroom space is required at an additional cost of £80k.
13. The Committee **RESOLVED** to increase the summer works budget to £260k, an increase of £80k.
14. It was **RESOLVED** to note the Management Accounts.
15. The Committee was informed of two changes to income that will have a material positive impact on income for both 2021/22 and 2022/23.

16. As previously reported to both this Committee and the Trust Board, the College was in an unusual position this year of enrolling more students than normal because of the uncertainty on recruitment arising from the Covid-19 Pandemic. Most of the additional students enrolled into subject areas where the College had some spare capacity resulting in little or no additional costs.

17. With lagged funding, the expectation was for the extra income arising from increased student numbers to be made available in the budget income for 2022/23. However, the ESFA has announced that in the situation where a College exceeds its student number allocation by a certain percentage, extra funding is to be made available in-year. Based on the information issued by the ESFA, the forecast is for the College to receive extra funding of £560k in the current financial year. Receipt of this income to be phased over the remaining year. This extra funding paid in the current year will not impact on the lagged funding received for 2022/23.

18. The second change announced by the ESFA related to the funding increase per student. Since 2008, except for one year, there has been a year-on-year decline in funding per student. Extra income per student is to increase to address inflationary costs and to fund changes being made to the funding band on teaching course hours. The funding band adjustment will take effect from next year and will be in place for three years. Students currently are required to receive 540 teaching hours. This is to be increased to 580 hours, with extra money to be made available to fund the extra 40 hours. It was confirmed the extra income will have to meet agreed criteria which the College is in the process of assessing to ensure it meets the criteria. However, current guidelines from the ESFA indicate that there will be no clawback mechanism associated with this additional income.

19. The additional income is forecast at net £1.2m, after taking into account the removal of the teachers pay grant that will be withdrawn from 2022/23 and estimated increases in both pay and non-pay costs due to inflation.

20. The Committee welcomed confirmation of the material changes that are in the right direction, with additional income of £560k for 2021/22, and net £1.2m for 2022/23.

21. In terms of how this will be managed and communicated to staff, the CEO confirmed this will be subject to further discussion by the Executive.

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

22. 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.

23. As the Allocation Statement has yet to be received from the ESFA, the Committee received for review the ESFA's 'Allocation Calculation Toolkit' that calculates the funding to be received for 2022/23 that is based on confirmed student numbers for 2021/22. The Toolkit shows the various funding factors which are used in conjunction with student numbers to calculate the funding. Given all the information on the various funding factors outlined in the Toolkit, the Committee agreed there were no issues of concern, with the expected lagged funding received for 2022/23 being in line with the enumeration numbers reported to Trustees.

## **ANNUAL REVIEW OF THE FINANCIAL REGULATIONS**

24. It was confirmed no changes were proposed to the Financial Regulations.

## **CHARGING AND REMISSIONS POLICY 2022/22**

25. 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 sections 450-459

26. There are 2 minor changes proposed to the policy, with the policy confirming the following:

1. *Students who are studying A level music may apply to the College Music Bursary Fund for support for the cost of private instrumental or vocal tuition. The support is available only for the first 30 minutes of tuition per week in the student’s main instrument. The amount of financial assistance given each term will not exceed the cost of 10 individual 30 minute lessons which are offered by Surrey County Council.*
2. *The circumstances where a student may be charged a fee to sit a public examination have been updated so that the required attendance levels are now 90% actual or 95% adjusted to be consistent with the progression policy.*

27. It was **RESOLVED** to recommend to the Trust Board, at its meeting on 22 March 2022, to approve the ‘*Charging and Remissions Policy 2022/23*’.

## **REVIEW OF CONTRACTS**

28. 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.

29. Following review there were no issues of concern.

## **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 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

31. 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 2022/23	Green	No concerns/no recommendations
10	Review of Contracts	Green	No concerns/no recommendations

#### **ANY OTHER BUSINESS**

32. There was no other business.

#### **DATE OF NEXT MEETING**

33. Monday 14 June 2022 @ 17.30

The meeting closed at 18.30

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