



**MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE
HELD 28 FEBRUARY 2023**

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
Ms Pat Frankland – Chair of Trust

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. There were no other interests declared.

MINUTES

2. The minutes of the meeting held 08 November 2022 were approved as an accurate record of the meeting (Paper 1).

3. The confidential minutes of the meeting held 24 November 2022 were approved as an accurate record of the meeting (Paper 2).

SUMMARY ACTION LIST & MATTERS ARISING

4. The '*Summary Action List*' (Paper 3) was received, and the following updates were noted on agreed action points from the last meeting:

MIN REF	ACTION POINT FROM THE MINUTES OF THE LAST MEETING	UPDATE FOR MEETING
4, 5 & 6	In terms of any general updates, the Chair asked if there was any further feedback from the ESFA on their recent queries made in relation to the amount of reserves held by colleges and their plans for the use of such reserves.	It was confirmed this was discussed with DfE officials at a recent meeting attended by both the CEO and Trust Chair and the officials were content with the explanations given.
10	ILR Building Costs	Agenda item at this meeting.

22	LGPS and actuarial assumptions: The Committee was of the opinion that RSM do need to make a statement in the final draft of their ' <i>Audit Findings Report</i> ' to confirm that they are comfortable with the assumptions.	The required statement was included in the final draft that was an agenda item at the December Trust Board meeting.
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5. There were no other matters arising from the minutes.

ILR BUILDING COST

6. It was agreed for this agenda item to be declared confidential as the discussion related to commercially sensitive information and for the minutes to be recorded separately as confidential minutes.

MANAGEMENT ACCOUNTS UP TO 30 DECEMBER 2022 (FOUR MONTHS)

7. The Management Accounts for four months of the financial year up to 31 December 2022 were subject to review (Paper 4). The following headlines were noted from the review:

	December 2022 actual Surplus / (deficit) £000	Year to date actual Surplus / (deficit) £000	Year to date Budget Surplus / (deficit) £000
Before non-cash items	245	608	81
Retained surplus /(deficit)	245	349	(199)
	Balance at 31.12.22 £000	Balance at 30.11.22 £000	Balance at 31.08.22 £000
Bank & cash	4,059	3,836	4,041
Net assets	20,474	20,228	20,125

8. It was noted there was a positive variance in income of £117k due to receipt from the funding agency of an energy saving grant that was received in December that was not budgeted for.

9. It was confirmed the 5% pay award, that was budgeted for and back dated to 01 September, has been awarded to all staff as agreed by the Trust Board. National pay negotiations are continuing with no resolution expected in the short term. It was noted that there was currently a positive variance on pay costs of £141k.

10. The car park work is due to be completed shortly and the costs will be shown in the cashflow forecasts in the January Management Accounts.

11. The Committee welcomed confirmation of there being minimum variation in performance against the set budget and there were no concerns to report to the Trust Board.

12. The Committee was informed the Management Accounts up to 31 January 2023 will shortly be issued to Committee members. It was agreed for Committee members to raise with the Director of Finance any queries they may have following their review of the January Management Accounts, and for the January Management Accounts to be the version to be made available at the March Trust Board meeting.

ESFA FUNDING FACTORS

13. The Committee received for review (Paper 5) the ESFA's '*Allocation Calculation Toolkit*' that calculates the funding to be received for 2023/24 that is based on confirmed student numbers for 2022/23. 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 2023/24 being in line with the enumeration numbers reported to Trustees.

14. Made available at the meeting was a table confirming the ESFA funding income for 2023/24. Total funding income, including a Teachers' Pension Employers Contribution Grant, was confirmed at £16,141m, an increase of £291k on funding received for 2022/23. Funding per student was confirmed at £5,421k as against £5,403k for 2022/23.

ANNUAL REVIEW OF THE FINANCIAL REGULATIONS

15. The '*Financial Regulations*' were made available for annual review before being put to the Trust Board for approval (Paper 6).

16. Investment Policy – as recommended by the external auditors, it was agreed to add to this section that, in accordance with the Academy Trust Handbook, the exposure to investment products is tightly controlled so security of funds takes precedence over return maximisation.

17. Reserve Policy – the current policy requires a minimum cash reserve of £1m to be held. It was agreed to change this to a new requirement for the academy trust to aim to maintain minimum cash reserves equivalent to the average cost of two months payroll in the previous financial year (for 2022/23 the minimum cash reserve is £1.8m).

18. As requested at the December Trust Board meeting, it was noted the final draft will add the requirement to employ an independent Quantity Surveyor from outside the local area when reviewing quotations received from any construction company based in the local area.

19. It was **RESOLVED** to recommend for the Trust Board to approve these revisions to the '*Financial Regulations*'.

CHARGING AND REMISSIONS POLICY 2023/24

20. The '*Charging and Remissions Policy 2023/34*' was made available for review (Paper 7) and for recommending to the Trust Board to approve as regulatorily required by the ESFA.

21. It was noted there were no material changes to the policy compared to the policy approved for 2022/23.

22. It was **RESOLVED** to recommend for the Trust Board to approve the 'Charging and Remissions Policy 2023/24'.

REVIEW OF CONTRACTS

23. A table confirming all current and historical contracts was made available (Paper 8). 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.

24. It was noted the contract for waste management is due for review. As there are recycling sustainability issues with the current contract not providing for the recycling of plastics and glass, it was **AGREED** for the Executive to explore the possibility of a new supplier for waste management.

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

25. 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

26. 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	ILR Building Costs	Amber	Further action being taken before the matter proceeds to the Trust Board for decision making
8	Funding Factors	Green	No concerns/no recommendations
9	Financial Regulations	Green	No concerns/no recommendations
10	Charging & Remissions Policy 2023/24	Green	No concerns/no recommendations
11	Review of Contracts	Green	No concerns/no recommendations

ANY OTHER BUSINESS

27. There was no other business.

DATE OF NEXT MEETING

28. Tuesday 20 June 2023 @ 17.30

The meeting closed at 18.40

Signed: _____ Date: _____

SUMMARY ACTION LIST

MIN REF	ACTION POINT	NEXT REVIEW
24	It was noted the contract for waste management is due for review. As there are recycling sustainability issues with the current contract not providing for the recycling of plastics and glass, it was AGREED for the Executive to explore the possibility of a new supplier for waste management.	20/6/2023