MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE
HELD 9 JUNE 2026 at 5.30pm

Present: Mr Farouk Durrani (Chair)
Mr Spencer Bowen
Christine Downton
Nick Clark (Principal)
Chris Whelan (CEO)

In Attendance: Ms Claire Tait – Governance Professional
Ms Kim Saw – Director of Finance

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<tr><th></th><th></th><th>Action</th></tr>
<tr><td>1.</td><td>WELCOME
The Chair opened the meeting welcoming those present.</td><td></td></tr>
<tr><td>2.</td><td>APOLOGIES FOR ABSENCE
There were no apologies. The Governance Professional confirmed the meeting was quorate.</td><td></td></tr>
<tr><td>3.</td><td>DECLARATION OF INTERESTS
There were no declarations of interest</td><td></td></tr>
<tr><td>4.</td><td>MINUTES
The minutes of the meeting held 3 March 2026 were approved as an accurate record of the meeting (Paper 1).</td><td></td></tr>
<tr><td>5.</td><td>SUMMARY ACTION LIST & MATTERS ARISING
There were no actions, or matters arising from the previous meeting.

Trustees noted that the Financial regulation figures had been changed and the paperwork updated and that the funding factors, which were not available at the last meeting are now included in the budget.</td><td></td></tr>
<tr><td>6.</td><td>ANNUAL REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE
The committee conducted the annual review of the Terms of Reference for the Finance & Resources (Paper 2) and propose the following amendments for the Trust Board to approve:

- References to CEO or Principal to change to CEO and Principal.
- Remove Health and Safety from the remit of this committee and add to the Trust Board.

Action: CT to make these changes.

It was RESOLVED to recommend to the Trust Board to approve these changes.</td><td>CT</td></tr>
<tr><td>7.</td><td>MANAGEMENT ACCOUNTS
The Management Accounts for eight months of the financial year up to 30 April 2026 were subject to review (Papers 3a & 3b). The following headlines were noted from the review:

<table>
<tr><th></th><th>April 26 actual Surplus / (deficit) £000</th><th>Year to date actual Surplus / (deficit) £000</th><th>Year to date Budget Surplus / (deficit) £000</th></tr>
<tr><td>Before non-cash items</td><td>184</td><td>343</td><td>14</td></tr>
<tr><td>Retained surplus /(deficit)</td><td>184</td><td>(226)</td><td>(635)</td></tr>
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	Balance at 30.04.26 £000	Balance at 31.03.26 £000	Balance at 31.08.25 £000
Bank & cash	7,046	6,997	6,456
Net assets	22,599	22,415	22,825

These figures form the basis for the budget.

Movement from budget to forecast was highlighted:
The second half of the DfE grant relating to the NI contribution increase is only added when it has been released and had therefore not been assumed in the budget. Funding for high-needs students continues to be recognised only once received. At the start of the year the College does not know which students will enrol, their level of need, or what their local authority will agree to fund until confirmations are issued. Surrey has now settled in full. Sutton has agreed funding in principle for one student, and Croydon has agreed funding for one student, with decisions pending for a further three.

The pay award had been budgeted at 5% but was confirmed at 4%, generating a saving of £200k. The pay contingency has not been used and has been reduced from £200k to £100k, creating a further £300k saving in staffing costs.

Capital expenditure remains an estimate early in the year, with clarity improving as the year progresses.

Trustees queried the training costs which have increased this year. New Assistant Principals have undertaken significant training, and a member of SMT has completed a high-cost development programme involving visits to other colleges. Additional qualification-related training has also required budget cover. The training budget has been adjusted for next year to reflect these commitments. A local coach is working with staff on management style, and the SMT will receive a half-day session on developing coaching skills.

Trustees noted that legal costs have increased, with expenditure of £35k to the end of April. The matter was reported to be close to conclusion, with total costs expected to be approximately £60k, including settlement. The College has taken all necessary steps to ensure such an issue does not recur. The matter is expected to conclude within the next fortnight.

8. RLA BUDGET 2026/27

The Committee received for review the detailed RLA Budget 2026/27 and a high-level budget for the following 2 years 2027/28 and 2028/29 (Papers 4A & 4b Appendix)

The budget is based the assumptions of a 5% pay award and a general inflation assumption of 5% for 2026/27. There is a budgeted deficit of £750k, the committee were reminded that the Academies Trust Handbook requires a balanced budget unless sufficient reserves are available to cover a deficit.

Income: DfE income is fixed and confirmed. No income has been included for high-needs students or Local Authority claims (typically averaging £250k). Nineteen current high-needs students will leave this year, leaving only a small number in Lower Sixth. Future high-needs income remains unknown until student placements and LA funding decisions are confirmed.

Expenditure: Pay remains the largest expenditure item. The budget includes the assumed 5% pay award and a £200k pay contingency to cover unquantified staffing pressures such as long-term sickness, maternity/paternity cover and shared parental leave.

	Where cost increases are known, these have been applied; where unknown, a 5% uplift has been used. Utility costs have been budgeted at the same level as the current year. The committee queried this assumption. It was noted that indicative figures had been received from the current provider and year-to-date expenditure had also been reviewed. The amount budgeted for this year turned out to be too high; it was considered prudent not to reduce the allocation given market volatility and limited data from the new supplier. No provision has been made for increased estate costs of the new build, as these will not arise until the following year. The three-year forecast does not yet include costs associated with the new building. The committee discussed whether the pay assumption should be reduced to 4%, noting that unions have submitted claims linked to inflation and negotiations may result in a lower award. SCFA benchmarking indicates other colleges are budgeting for 3.5–4%. The Committee agreed to retain the 5% assumption, noting that historically the College has benefited from prudent budgeting, unrecognised high-needs income and unused pay contingency. A higher assumption also ensures staffing capacity can be maintained. The committee reviewed the table showing underspends against budget and discussed whether elements of contingency could be released to reduce the deficit. The draft budget shows a £750k deficit, with reserves of over £3m remaining after expenditure on the SEND building. Contingencies are built into the budget and high-needs income has not yet been recognised. The committee noted that this represents a theoretical rather than actual deficit, as potential income of £250k (high-needs), £100k (contingency) and savings from a 4% pay award could materially reduce the position. The committee agreed that setting a realistic and prudent budget demonstrates to the DfE that additional funding is required. Historically the College has generated surpluses to support capital projects, and the proposed budget continues this prudent approach. The forecast for 2027/28 and 2028/29, which have been prepared on the basis of inflation at 4% and 3% respectively, also do not include any provision for the new build. Student numbers are expected to remain at around 3,000 next year; DfE program funding does not increase from 2026/27 level and pay, and expenses rise in line with inflation. The resultant large deficits are purely indicative of these factors. External factors, including the forthcoming Ofsted report, may increase applications. Two versions of the cash-flow chart were reviewed: – one excluding the new building. – one including estimated new-build costs. The committee recorded its thanks to KS for her work in preparing the budget. The committee **RESOLVED** to recommend the RLA Budget 2026/27 to the Trust Board for approval.	
9.	**APPROVAL OF SPEND ON BUILDING PROJECT** The Committee had reviewed the tender documents with the Buildings subcommittee before this meeting to consider the approval of the spend on the proposed building project. The Buildings subcommittee recommended for the Finance Committee to approve the appointment of Stanton with the proviso that the contractors provide a bond to ensure the completion of the project and that an extra £100k be added to the budget plan as further contingency.	

	The Finance Committee **approved** this project and the appointment of Stantons to conduct the works. The committee recorded its thanks to Garry for his work on this project and for the others involved in the planning.	
10.	**REVIEW OF CONTRACTS** A table confirming all current and historical contracts was made available (Paper 5). 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. There were no issues arising from the review and the Committee noted the report and proposed actions to be taken on contract renewals.	
	Any Other Business – taken at this point in the meeting **Theatre Upgrade** The Committee received an update on the proposed upgrade to the College theatre. It was noted that a balance remained within the summer works budget, and the theatre required significant replacement and improvement works. Current equipment, including amplifiers, is failing and causing operational issues, and a wireless communication system is required for safety purposes. The sound desk and lighting systems also require upgrading. The Committee agreed that the proposal represented a *need* rather than a discretionary enhancement. Given the age of the existing equipment (approximately ten years), undertaking the full upgrade now would avoid further replacement for at least five years. Some items could be sold, and others repurposed for the second theatre. An audit had been undertaken with the College technicians. Several companies were approached, but most declined to quote. One provider submitted a proposal with bronze, silver and gold options, enabling the College to select a level that would also allow for future professional hire of the space. The theatre is a heavily used facility that showcases the College and supports curriculum delivery. The total cost of the recommended option is £111k. **The Committee approved the theatre upgrade.** **Tennis Courts** The Committee discussed the planned building of the tennis courts on the Wallfield site, with an estimated cost of £140k. A specialist contractor will be required due to the specific surface needed. Funding has been allocated within next year's capital works. The intention is to submit a planning application before the summer, with works to commence in the next academic year. The College is also considering applying for planning permission for two padel courts as part of the application, with a view to potential rental income. This would not form part of next year's build but may be explored over the next few years. **The Committee agreed to recommend to the Trust Board that planning consent be sought.** **Local Authority Update** The Committee discussed the impact of recent local elections. It was noted that Surrey County Council is progressing plans to divide into two authorities. Staff are currently being allocated across the two new structures. The main risk identified is the potential for changes in key contacts as the reorganisation progresses.	

11. BOARD ASSURANCE

To conduct termly board assurance assessments for those areas of the BAF that fall under the committee's responsibility - **Paper 11**

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 following assessments were agreed on reports considered at this meeting:

Paper	Subject	Report prepared by	Board Assurance (yes/no)	RAG rating	Any recommendation(s) or action(s) arising from discussions on the agenda item; Any comment(s) on the quality of the paper(s)/presentation(s) made available for the agenda item.
2	F&R Terms of reference	CT	Yes	Green	Remove H&S and 'or'
3a and 3b	Management accounts	KS	Yes	Green	
4a and 4b	RLA Budget	KS	Yes	Green	
5	Review of contracts	KS	Yes	Green	

12. ANY OTHER BUSINESS

Covered before item 11

13. DATE OF NEXT MEETING

The next meeting of the Finance & Resources Committee to be held on Tuesday 17th November 2026 at 5.30pm

The meeting was closed at 6.55pm