Barnet and Southgate College Corporation
Finance Committee

Date:	**5th May 2022**
Time:	**18.00-20.00**
Venue:	**Remote by Microsoft Teams**

Present:
Imelda Galvin (Chair)
Jenny Jarvis (Governor) by teams
Hannah Sheath (Governor)
Darren Mepham (CEO)
Adam Goldstein (Chair of Governors)
Sue Baker (Governor)

In Attendance:
Mark Sellis (Executive Director of Corporate Services)
Hiten Savla (Director of Finance)
Lorna Lloyd-Williams (Head of Governance)
Tracey McIntosh (Executive Director of Commercial Partnerships)
Neil Coker (Principal)

MINUTES ***italics denotes absence***

Item	The meeting opened at 18.01 and was quorate with 3 members including at least two external governors present.
1	**APOLOGIES FOR ABSENCE** Apologies were received and accepted from Sue Baker**.**
2	**DECLARATIONS OF INTEREST** There were no declarations of interest.
3	**NOTIFICATION OF URGENT BUSINESS** There was no urgent business.
4	**MINUTES OF THE MEETING HELD ON THE 3rd March 2022** The minutes of the meeting on the 3rd March 2022 were approved as a true and correct record of the meeting.
5	**MATTERS ARISING** The Chair dealt with the actions within approval of the minutes and it was noted that actions in relation to the management accounts had been completed.

	The Director of Finance gave an update regarding the London Borough of Enfield contracts and advised the committee that there were no further surprises coming through.
7	**MANAGEMENT ACCOUNTS & ESFA financial health rating** **This was elevated on the agenda** The committee considered the P8 management accounts for the period ending 31st March 2022. The overall position was noted to be a year-end forecast deficit of £131k against a budgeted deficit of £958k, due in the main to one off gains in the year. Governors noted that without these the college's position would have been a loss of £975k, a worsening position of £17k to budget. The following was also noted: • The cash position remains above £5.8m throughout the year with average cash days of 70 for the year and the lowest number of days being 53 cash days in March. • Financial health score was projected to be good within both the old and the new ESFA financial health score and the college remained within its banking covenants. • Staff costs ratio are slightly above ESFA recommendation at 67% • In relation to Enfield contracts there was still an amount outstanding from last year which might have to be written off. • An allowance was included on a possible clawback The Principal advised the committee of the current position regarding discussions with Enfield. Phase 1 and 2 had been paid and phase 3 was outstanding with two queries to be finalised. It was advised that there was still not absolute clarity on what the final payment would be. Both the college and Enfield were looking at how the mechanism would work more effectively next academic year. **Action: ELT to report outcome on these discussions regarding mechanism at a future meeting.** The chair of the committee asked that the aged debtors table be added back into the management accounts. **Action: Director of Finance**

	The CEO advised the committee of the work done in relation to debt for some refugee students and the impact of this in terms of numbers of students having been taken out of the debtors' figures Governors noted and were supportive with the proposal for the one-off payment of £500 to staff, it having been made clear that this would not be paid to ELT.
8	**ADULT LEARNERS REPORT** **This item was elevated on the agenda the chair of the committee advising that it was important to also look at growth.** The EDCP summarised the report to the committee noting that AEB contributed a significant amount of income to the college. The committee noted the report.
6	**DRAFT BUDGET** The committee considered the first draft of the budget for the 2022/23 noting there were a number of additional actions ongoing which it was anticipated would reduce the planned deficit to around £1million, which would be consistent with Good Financial Health and within banking covenants. The committee discussed where the budget should be pitched and governors questioned how bold the college wanted to be and what the arguments were for areas of priority. Governors asked to see some blue sky thinking and asked how the college was getting ready for various things such as T levels. There was discussion amongst the committee about areas of potential growth and measures to improve productivity and efficiency. It was agreed there needed to be a multi-pronged approach to reducing the deficit. **19.07 the Director of Finance left the meeting.** The committee concluded that the budget was not acceptable in its current state because the Board does not know why there is a deficit and there was nothing in the papers to give the Board confidence that the college was able to build a sustainable income growth. Governors advised that the Board needs to see a plan around this at the next meeting and governors advised that it was an absolute that there was headroom around the bank covenants.

	Action: EDCS Governors also asked to be kept updated on the workings of the budget between now and the next finance committee meeting **Action: EDCS**
7	**FEES POLICY** The committee **Resolved** to recommend the fees policy to the Governing Board for approval.
9	**AOB** There was no AOB
10	**Date of forthcoming meetings** 30 June 22 at 18.00
	The meeting closed at 19.27