MINUTES

Barnet and Southgate College Corporation
Finance Committee Meeting
held on Wednesday 29th November 2023
at 17:30
via Microsoft Teams

Present	Adam Goldstein, Meeting Chair Dominic Abbot, Hannah Sheath, External Governor Darren Mepham, CEO and Governor Rocco Huesch
In attendance	Hiten Savla, Director of Finance Tracy McIntosh, Executive Director of Commercial Partnerships James Russel, Interim Project Manager

Quorum 3
The meeting was quorate

Item	Description	Action
1	**Preliminary items** **i. Apologies for absence** There were no apologies for absence with all committee members present. Dominic Abbot and Rocca Huesch were welcomed to their first meeting of the committee. Chair referred to the questions posed by Dominic Abbot by email in advance of the meeting and encouraged this as it gives staff an opportunity to clarify prior to discussions that then actually take place at meetings. **ii. Declarations of interest** Chair reminded everyone present to declare any interests that they may have on matters to be discussed. No specific declarations were made and standing declarations were noted. **iii. Notification of urgent business** Chair and Director of Governance confirmed that no matters had been raised.	
2	**Minutes of the previous meetings** **1. Minutes of the meeting held on 9th October 2023**	

	The minutes were reviewed and it was agreed that they are an accurate record of discussions. AGREED: to approve the minutes of the meeting held on 9th October 2023. There were no matters arising.	
3	**Actions tracker** Committee were happy to note the content of the update provided and it was acknowledged that several aspects were scheduled for discussion later in the meeting.	
4	**Health & Safety annual report 2022/23** Interim Project Director referred to what he described as a lengthy and detailed report, and he indicated that this demonstrates that the college takes health and safety very seriously. He expressed the view that there is a strong health and safety team in place, with the intention being to expand this further. He described them as being very engaged and proactive with ELT which is a real positive. Team also complete pre meets with union representatives in advance of the health and safety committee meetings which is good practice and helps to narrow down any issues and give clarification. In terms of the report provided, he reminded that it covers the first full year post pandemic but that there was still some flexible working taking place. There were two particular positives that he wished to highlight including: • A reduction in the number of 'incidents' in the LLDD Centre. He explained that this can be a challenging environment with some challenging student behaviours and therefore a reduction is a really positive step forward and is a recognition of the hard work that staff have put into this centre. • Substantial number of the 'incidents' reported relate to general ill health, including mental health. He described this as a different sort of incident than seen in previous years and, whilst the number remains fairly similar, the type is different. He confirmed that the increasing ill health and mental health needs is now a focus for student services. One governor asked whether, in relation to the ill health increases, there is any more that the college can do to support students and staff. Interim Project Director advised that there is a piece of work still to do in terms of staff referral to health and safety and in some instances whether it is or isn't appropriate. He confirmed that there are two mental health first aiders in post and that they are increasingly called for support and the college may need additional resources to be committed to this given the number of campuses and the increasing student numbers. The	

	team are putting together a crib sheet of information so that staff know who to contact for a particular type of support required e.g. it could be student services rather than the health and safety team. Committee Chair referred to the stated position regarding fire risk assessments and asked how far the organisation is away from having a full set completed. Interim Project Manager expressed disappointment in relation to the time taken to get fire risk assessors appointed, however gave assurance that this will speed up now that they are in place. He confirmed the intention to make good progress in relation to this during January 2024. Committee asked whether there is a general health and safety risk on the risk register and all agreed that, particularly in relation to fire risk assessments, governors would need assurance that progress is being made in relation to this. It was agreed to provide an update on this to the next meeting (Interim Project Manager, 30th January 2024). Governors referred to the issues more generally reported regarding the outside area adjacent to the Barnet campus and asked for a short update. Staff advised that there is a change in the demographic and also in student behaviours, an example given was lack of discipline. This was described as a more general post pandemic issue that is having to be responded to. Governors were reminded that the college has changed its security service given that it was not happy with how the previous company dealt with behaviour issues and this now seems to be going well. In addition, the college has increased the number of staff who have access to radios so that they can access live information. Generally, there is increased awareness regarding student behaviours and how to address any issues. Request from the Chair was to doublecheck where health and safety reporting should be going forward i.e. is it Finance Committee or Audit & Risk Committee, given that the content of the report reviewed today feels more like an assurance audit piece. It was agreed that the Chair and the Director of Governance would review this outside the meeting (Chair/Director of Governance, December 2023). AGREED: to note the content of the annual report provided.	
5	**Review of Going Concern** Director of Finance introduced this item and explained that it is an aspect that external auditors will look at as part of the 2022/23 yearend financial statements process. He confirmed that the intention is that this forms the basis of assurance that the board can rely on. One new governor noted the month-to-month changes in the cash flow forecast, some of which are significant, and asked for a little more information in relation to this. Director of Finance	

	indicated that one of the significant influencing factors on the income lines is because of when payments are received from local authorities, which over the year is circa £5 million. Historically they don't make payments until after November 2023 and some instances after two terms in, although the college does continue to push them to make earlier. There is a further impact in relation to HE loans as they are paid in three instalments. Committee were advised that expense payments are also influenced by some annual contracts as they can be significant e.g. licence fees and are only paid out at one point in time. He provided assurance that the college is organised so as to be able to manage the situation and knows when there will be dips. Committee was reminded that ESFA payments are now on an equal monthly profile which is very helpful and avoids the previous historic position of low payments in the period January to March each year. Committee noted that July 2024 and July 2025 are two points where there is a significant decline in the cash position and asked whether this is a concern. Director of Finance explained that this is a general trend and an example given was because college is paying out some deposits for the following academic year. In relation to the information provided to the meeting today it was explained that the CFFR template has been used, as required by the ESFA, however this template automatically populates some areas which gives some negative/variations which will not be as significant as presented. This can be seen on the colleges own systems. One governor asked whether external auditors had had any particular areas of interest during their work. Director of Finance indicated that they look at any potential impact on income and an example given was clawback. Generally, they look at the 12 month running cash flow at the point of signing the accounts and, if there is no deficit envisaged, then they are happy to support the proposition that the college remains a going concern. He advised that despite some anticipated dips in cash, some significant, the position remains healthy. Lowest point in the forecast is £7 million, however the average is closer to £9/£10million. Committee asked whether there were any other external auditor concerns raised. Director of Finance confirmed that the yearend position is slightly better than the period 12 accounts which is a positive, circa +£300k. There have been no significant adjustments required by auditors which is a positive. Committee were advised that the current risk is linked to MPM permissions and the strike pay paid. Impact, if permission is not forthcoming, could be audit qualification in relation to regularity. He confirmed that the college is still waiting for the ESFA/DFE to respond formally to the college. College is also waiting for a response in relation to bad debt provision. Committee asked what the risks associated with qualified accounts are versus a delay in signing to try and avoid a		

	qualification. Director of Finance indicated that, feedback to date from ESFA, is that a qualification is unlikely to lead to an intervention. College has been very transparent about actions taken and there are only small financial sums involved in the two issues. Director of Finance expressed the view that any wider view of qualification, other than with regulatory organisations, was unlikely to be significant. On the basis of detailed discussions, committee were happy to recommend that the board approve, as part of the 2022/23 yearend process, that the college remains a going concern. AGREED: a) To note the content of the update provided b) Recommend that the board approve that the college remains a going concern.	
6	**Budget monitoring 2023/24** 1) Monthly management accounts – Period 3 Director of Finance introduced this item and indicated that, whilst forecasting an increased deficit at this point of time (a further £161k) there are opportunities which are not yet recognised and where there is confidence additional monies will be received in some areas. He indicated that, because of this, the position will be better than currently forecast. Governors' cross referenced with the opportunities register scheduled for discussion later in the meeting and all agreed that the context for current position was helpful. Director of Finance explained the period 3 drivers and governors agreed that they were reassured that the current position reported relates to timing. Director of Finance explained that current income is profiled over 12 months equally, however does come in at different points in the year which leads to month by month changes. For the benefit of new governors, the impact of lagged funding was explained, and all acknowledged that there was a mismatch between income and costs because of this. Director of Finance confirmed that the sector is unable to carry grants over even if they are not spent which does impact on the year-to-year position. All acknowledged that funding rules within the sector for different lines of provision are complex and not always consistent. One governor asked, in relation to HE enrolments, when final numbers will be known and whether the income forecast is contingent on students securing loans. Director of Finance confirmed that the college has become tighter this year in terms of enrolment and associated fee payment/loans. Intention is to withdraw students early if fees are outstanding and/or no loan application has been submitted on the portal. This is to prevent a rise in HE debt and consequently college may see student numbers reduce. He explained that student numbers do significantly swing year to year and that the senior team are	

	currently working with the business team to better understand the future landscape of HE in FE. One governor referred to the 'further funds being released' narrative and asked how likely and/or common this is. Director of Finance advised that the organisation knows where additional income will come from, specifically when contracts have been signed with the local authority and an example given was the value associated with students who have EHCP's. In relation to this, the college is likely to charge significantly more than is in the budget (potentially +£1 million) however the organisation does not yet know the costs associated with delivery required and therefore has to take a cautious approach. He confirmed that the college will know the position with much more clarity at period 4. Committee referred to the anticipation of 16-18 growth funding and asked how confident the college is in relation to this. It was explained that this is based upon what the ESFA have communicated to the sector i.e. if student numbers increase past a particular threshold then colleges are likely to be funded in year for 30-40 students. It was however noted that ESFA will not be able to confirm this until they have completed their reconciliation in December and that, up to that point in time, it cannot be guaranteed as ESFA will have to assess what is affordable across the sector. Committee all agreed that knowing opportunities as well as risks was important and relevant to ensure a 'no surprises approach'. Committee Chair noted that agreeing the size of the budgeted deficit this year has not been a decision reached easily and therefore it is important to be clear when looking at this set of management accounts that the position is trending positively even though the forecast now is an increased deficit. Committee asked for a reminder on the position regarding staff pay award funding. Director of Finance reminded that the budget set allowed for 2.5% and that in addition to this 4.16% was paid from additional funding received. Reforecast includes the additional income (£800k) and this appears as an equal cost in the staffing line. Total monies paid over to staff is circa £1.2 million. AGREED: to note the content of the report provided. 2) Day 42 student numbers – lessons learned analysis Comprehensive written report was noted with key matters highlighted including: • 358 more 16-18 year old students this year. • This is 284 more than allocation. • If in year growth funding is provided this could mean an additional £220k this year. • There will be an increase to the 24/25 allocation based upon lagged funding of between £1.3 and £1.5 million.	

	Staff confirmed that, as the processes put in place this year seem to have worked the intention is not to change them significantly going forward but that they will be refined. Staff confirmed that there are lessons learned all the time and an example given was the open day at Colindale today. It was confirmed that the focus again for next year needs to be on retention in the first 42 days. Position slightly improved this year but not significantly, however college is in line with national averages i.e. 6% attrition. Committee all agreed that the position was positive. One governor noted the reference to WhatsApp messages being sent to students who did not materialise, and they asked whether the college knows why the 300 students referred to went elsewhere. Staff indicated that detail is not known but that often students complete multiple enrolments/applications at different organisations 'just in case' with often the intention being to stay on at school sixth form as a first choice but having a college place as back up just in case grades required are not obtained. One governor asked for a little more information regarding take up of new curriculum. Staff confirmed that the college is always looking to ensure ladders of learning and internal progression. Numbers this year build upon prior year development work. All subject sector areas save for ESOL have provision now from entry level to level 3. In relation to T Levels there was good take up for plumbing. College offered six T Levels but was only to start three because of numbers. Intention is to offer all six again in September 2024. One governor asked how accurate the college is in projecting/forecasting student numbers. Executive Director of Commercial Partnerships expressed the view that the organisation is very accurate now. She explained that numbers in relation to new provision are not usually included but that this year the vast majority did start hence student numbers are 10% over. She confirmed that a top-down approach to target setting had taken place in 2022/23 and will be repeated again this year because it has been effective. One surprise highlighted however was the high number of 16-18 part time learners, at 40+ this is higher than foreseen and/or planned for. Committee asked how BSC compares to other colleges nationally and locally. Staff advised that the sector uses MIDAS/RCU data to obtain benchmarking. Current information provided relates to 2023 outcomes. Further information will be circulated to the sector regarding student numbers when R04 submissions are made. Anecdotal view is that London Colleges have done well in terms of increasing student numbers. It was confirmed that BSC has had a lot more 'walk in's' which may be a consequence of the fact that GCSE results nationally are down on prior year. It was acknowledged that this is the first full year of a return to exams following previous CAGs and TAGs which may have influenced this.	

	AGREED: to note the content of the update provided. 3) Bad debt – analysis and reduction action plan Committee were happy to note the content of the report, and all agreed it was self-explanatory. It was agreed that outside the meeting the Director of Finance would email a short note detailing further the plans to address the Enfield debt referred to (Director of Finance, December 2023). 4) Risks and opportunities Committee were happy to note the information provided and all acknowledged that it was an extension of earlier discussions. Committee asked for assurance that ELT are currently discussing how to prioritise use of any additional income if and when it is received. Staff confirmed that there are five or six options currently being considered, with each to be RAG rated and this will then be shared with the board. In terms of the report, Director of Finance indicated that anything currently RAG rated as green in the opportunities list is almost certain to convert and be received. AGREED: to note the content of the update provided. 5) AEB report Committee were given assurance that delivery of this area of provision is tracked carefully and at the moment it looks to be on target to plan and position is ahead of where the college was at the same point in the prior year. Committee were reminded that a lot of ESOL delivery is termly. Autumn term is tracking ahead but college needs to be cautious in terms of the position for spring and summer terms. Committees' attention was cross referenced to the additional approval requested for subcontracting allocations i.e. +£600k. This relates to DSL/bursary income. College has taken a very prudent approach this year and has not planned for any income and the intention is to subcontract out to Promise Training, this is to ensure that the college hits the 100% allocation figure and avoids the risk of clawback. AGREED: to note the content of the update provided. 6) KPI's Board acknowledged that these were reported as part of the monthly management accounts. 7) ESFA dashboard – College financial forecasting return 2022-2025 Committee were happy to note the content.	

	8) Changes to subcontractors' contract values Committee all agreed that the content of the report and the rationale was clear and, on this basis, they were happy to recommend the changes proposed for board approval. AGREED: to recommend that the board approve the changes to subcontractor contract values as presented.	
7	**AOB** There were no items of additional business.	
8	**Confidential minutes of the meeting held on 9th October 2023** The minutes were reviewed and it was agreed that they were an accurate record of discussions. AGREED: to approve the confidential minutes of the meeting held on 9th October 2023. There were no matters arising.	
9	**Date and time of next meeting** It was confirmed that there is a joint meeting scheduled with the Audit & Risk Committee on Monday 4th December 2023. Next meeting of the Finance Committee is Tuesday 30th January 2024. Meeting closed at 7.30pm.	