

MINUTES

**Barnet and Southgate College Corporation
Finance Committee Meeting
held on Thursday 4th June 2026
at 18:00
via Microsoft Teams**

Present: Tara Jayaratne, Chair
Phil Harding
Dominic Abbott
Neil Coker

In attendance: Sarah Surrey, CFO
Maxine Bagshaw, Director of Governance
Tracey McIntosh, Deputy Principal
Kam Nandra, Deputy Principal

Quorum 3
The meeting was quorate

Item	Description	Action
1	Preliminary items 1) Apologies for absence Apologies for absence were received from Adam Goldstein. 2) 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.	
2	Minutes of previous meetings 1) Minutes of the meeting held on 16th April 2026 The minutes were reviewed, and it was confirmed that they were an accurate record of discussions. AGREED: to approve the minutes of the meeting held on 16th April 2026 as presented. 2) Matters arising and actions tracker Members were happy to note the content of the actions tracker provided.	

3	Budget Monitoring 2025/26 – Period 8 The Chief Financial Officer introduced the Period 8 management accounts, emphasising that the reported £1m year-to-date surplus was largely attributable to timing and profiling differences rather than a sustained underlying financial position. The Committee was advised that the accounts reflected a “catch-up” effect, with income and expenditure not yet aligned to expected monthly profiles. Members were assured that, when normalised for these factors, the College remained broadly on track to achieve a breakeven or marginal surplus outturn by year-end. However, the Committee recognised that this position remained contingent on continued tight control of expenditure in the final quarter. A detailed discussion took place in relation to high needs funding, which had represented a material area of risk earlier in the year. The CFO confirmed that: • The majority of outstanding funding had now been received following agreement with local authorities; • Earlier budget assumptions had included an uplift which had not been formally agreed, resulting in a revised baseline position; • The final expected income for the year was now £5.9m, compared to the original £6.5m budget. Members probed the robustness of this revised position, particularly in relation to future years. In response, the CFO provided assurance that the revised figure was now underpinned by agreed funding methodologies and confirmed learner numbers, significantly reducing volatility for 2026/27. The Committee then scrutinised the overall forecast, noting apparent inconsistencies between the management accounts narrative and the forecast deficit shown in the summary tables. Members challenged whether this indicated a deterioration in the financial position. The CFO clarified that the forecast deficit reflected earlier assumptions regarding income risk, particularly high needs funding, and that mitigating action through non-pay cost control would enable the College to return to breakeven. This prompted wider discussion regarding the reliance on non-pay underspend as a balancing mechanism. Members expressed concern that recurring underspends, while beneficial in-year, could mask underlying weaknesses in budget-setting and limit transparency for governors. The Committee emphasised the need for more accurate forecasting and clearer articulation of “true” cost baselines going forward. In reviewing the balance sheet and cash position, the Committee noted that headline cash remained strong, with KPIs and benchmarks being met. However, members sought clarification	
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	on the implications of restricted versus unrestricted cash. The CFO confirmed that the College had formalised an agreement with its lender requiring a minimum cash balance of £4m, to be monitored monthly. Members explored the practical implications of this covenant, questioning whether it constrained financial flexibility or replaced other requirements. The CFO clarified that although other covenant metrics continued to be monitored, the £4m requirement was now the primary enforceable condition. The Committee recognised that this effectively limited the proportion of cash available for discretionary use and reinforced the importance of robust cashflow planning and clear distinction between restricted and unrestricted funds. A significant element of discussion focused on staffing controls and workforce planning, reflecting the scale of pay expenditure within the College's cost base. The CFO outlined a strengthened approach, including: • A comprehensive review of staffing structures, vacancies and agency usage; • A targeted recruitment campaign to reduce reliance on agency staff; • The introduction of a contingency "agency pot" to improve visibility and control; • Enhanced monitoring of vacancy fill rates and long-term agency usage. Members welcomed this approach, noting that improved transparency around agency spend would support more effective challenge and enable clearer links between staffing decisions and financial performance. Overall, the Committee concluded that while the current year position was secure, it remained heavily reliant on active in-year management, with limited headroom and ongoing structural risks. Stronger forecasting discipline and earlier identification of variances were identified as key priorities for improvement. AGREED to note the content of the management accounts presented.	
4	2026/27 Draft Budget It was agreed that discussions would be recorded on a confidential basis.	
5	Finance Committee Risk Register The CFO provided an update on key financial risks, highlighting: • Exposure relating to pay awards and industrial relations • Continued volatility in funding streams • Energy cost pressures and broader inflationary risks	

	Mitigation actions focused on conservative budgeting, cost control, and energy efficiency measures. The Committee emphasised the importance of maintaining visibility of emerging risks, particularly those with sector-wide implications. AGREED to note the update provided.	
6	DfE Financial Statements Review The Committee noted the updated financial health assessment, confirming that the College had improved from 'Good' to 'Outstanding'. While this was welcomed, members recognised that this reflected stronger-than-expected EBITDA driven by underspending, and could invite external challenge regarding budget accuracy and use of resources. Members agreed that maintaining a strong but realistic financial position should be the objective. AGREED to note the update.	
7	Summer Capital Works The CFO introduced the proposed summer capital works programme for 2026, outlining planned investment focused on: • Refurbishment of the Learning Resource Centre (LRC); • Ongoing decarbonisation and sustainability initiatives; • Health and safety improvements; • Enhancements to reception and student-facing areas. The Committee noted that the programme aligned with the College's broader estates strategy and reflected a balance between maintaining infrastructure, improving the student environment, and supporting environmental sustainability objectives. Members sought assurance regarding the affordability and prioritisation of the programme, particularly in the context of constrained revenue budgets and broader financial pressures discussed earlier. The CFO confirmed that the programme had been developed within available funding envelopes and aligned to identified priorities. The Committee explored the funding sources underpinning the programme and the extent to which works were supported by external grants versus internal reserves. Members recognised that, in addition to grant-funded activity, the College typically committed approximately £500k annually from its own resources to capital investment.	

	A number of members highlighted the importance of ensuring that capital investment decisions remained strategically driven, particularly in relation to: • Supporting learner growth and curriculum development; • Improving operational efficiency (including energy savings); • Maintaining compliance with health and safety requirements. Specific challenge was provided in relation to procurement and delivery assurance, with members seeking confirmation that projects were being delivered within budget and in line with expectations. The CFO confirmed that: • All projects were currently on track and within approved budgets; • Procurement processes had been appropriately applied; • Oversight arrangements were in place to monitor delivery. Members requested that future reports include a clearer breakdown of capital projects, including: • Approved budget versus actual/forecast spend; • Status of procurement and delivery; • Timing of expenditure across financial years. The Committee also recognised the importance of linking capital investment to broader financial metrics, including cashflow and EBITDA, to ensure long-term sustainability. Overall, members were satisfied that the proposed programme was appropriate and deliverable, but emphasised the need for continued visibility and oversight given the financial context. AGREED to note the planned expenditure presented.	
8	Scheme of Delegation – Proposed Changes The CFO presented proposed updates to the Scheme of Delegation to align with Finance Regulations and clarify approval thresholds. It was noted that: • The proposals aimed to strengthen clarity around contract approval and signatory authority. • Adjustments to financial thresholds were being considered to ensure governance oversight remained proportionate. • Additional provisions would be included to ensure continuity of authorisation in the absence of the CEO. Members emphasised the importance of clear segregation of duties and appropriate internal controls.	

	AGREED to recommend the updated Scheme of Delegation to the Board, subject to final revisions. Action: CFO to present final version to the board meeting in July 2026 incorporating agreed amendments.	*
9	AOB Internal Audit Procurement The Committee received an update on the internal audit tender process. It was confirmed that: • Two strong providers had been shortlisted and evaluated. • The incumbent provider was recommended for reappointment, reflecting continuity and organisational benefit. Finance Director Recruitment The Committee noted that recruitment for a Finance Director was ongoing, with the process currently at advertisement stage. No further business was raised.	
10	Date and time of forthcoming meetings Committee noted: • Thursday 2 July 2026 Meeting closed at 7.10pm.	