

MINUTES

**Barnet and Southgate College Corporation
Finance Committee Meeting
held on Thursday 9th October 2025
at 18:00
via Microsoft Teams**

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

In attendance: Sarah Surrey, CFO
Tracey McIntosh, Deputy Principal Skills Curriculum & Business Development
Maxine Bagshaw, Director of Governance

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. 3) Welcome and introductions Sarah Surrey was welcomed to her first Finance Committee meeting since starting her employment with the college.	
2	Minutes of previous meetings 1) Minutes of the meeting held on 26th June 2025 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 26th June 2025 as presented. 2) Matters arising and actions tracker	

	Committee were happy to note the content of the update provided.	
3	Enrolment Update The Deputy Principal drew governors' attention to her detailed report and an updated position was provided with key matters highlighted including: • This is an interim report, with final position known after October half term. • College is confident that student number allocation will be exceeded. Current position is 106%. • College still has a few more weeks to manage non-starters and withdrawals. • There 'could' be in year growth funding, but sector position is not yet confirmed. • For every additional 100 students the value is circa £600k. • If no in year growth funding is provided, then the college will have to carry the additional associated costs. Committee asked what is different this year. Deputy Principal advised: • Significant increase in demand for construction courses. To respond to this college opened a new plumbing centre at Southgate. Estates team worked hard to make this possible. Future planning now taking place will include more construction activity at Southgate. • Enrolment position is similar to prior year, but the detailed breakdown is not yet known e.g. those students progressing internally, new that enrolled, walk-ins etc. • College has again struggled to recruit T-Level numbers to plan. Committee asked what the comparison is with previous years. Deputy Principal advised that at the same point in prior year numbers were 108% of allocation. Current position at 106% is lower but this is against a higher target/allocation amount. Committee referred to the three scenarios set out in the report in relation to non-starters and withdrawals and particularly the implications of each. It was confirmed that, even if the college were to lose 11% before day 42 (which was the level in prior year) then the organisation would still be above allocation, however there would be no growth. Committee asked whether there are any particular trends in relation to non-starters and withdrawals. Deputy Principal advised that the numbers are similar but that the rate is slowing down. College has a new retention strategy in place and withdrawals have been processed earlier. Committee were advised that the team do not yet have detailed intelligence in relation to those non-starters who enrolled but did not materialise. Deputy Principal expressed the view that internal targets set were pretty accurate. Much of which was based upon internal progression numbers (a third), with it being much easier to predict	

	this if students are supported well. 75% of those students eligible to progress did progress. This is against the college target set at 85%. Committee asked if it is known why the remaining 25% did not progress. Deputy Principal advised that it could be for several reasons, including: • Some may have failed to get the grades required to progress to the next level e.g. Level 2 to Level 3. • Some may have secured employment or apprenticeships. • Some may have moved to another college or 6th Form. Governors asked whether college sees construction as a growth area. It was confirmed that it does, and it was explained that plans are being developed, with the intention of increasing capacity at the Colindale and Southgate campus's AGREED: to note the content of the update provided.	
4	Financial Position 2024/25 1) <u>July 2025 Management Accounts</u> (including early indications for Financial Statements and KPIs) CFO introduced this item, and key matters highlighted were: • This position should be cross-referenced with the forward planning strategy. • This is the first draft which will be the starting point for the external audit. • Income: - This has been included at 100% but has not been overstated as there are no guarantees - Limited accruals - High Needs funding is showing as under by £400k. This is because, at the time of preparing the two Local Authorities were in dialogue about who would be paying what. Position has since been clarified and monies received. There will be some discussion with auditors as to whether this shows in 24/25 or 25/26 accounts. - Income currently showing as £50.7m against a £51.4m target. • Pay: - There are some variances, but this is because some staff were showing in the wrong place. - Costs were £500k less than predicted. - This is due to vacancies and careful control of agency spend. - There are some accruals to give a contingency. • Non-Pay: - College has always taken a prudent approach to this line. - Year end is £1m under forecast - There could be some late fees e.g. exams and therefore there are some accruals to give a safety net.	

	- Interest and depreciation is as expected. - There has been a pension actuarial adjustment. One governor noted that 'contracted services' came in £600k less than forecast and asked why this was the case. CFO indicated that it is likely to be that the figure for the year was overstated and there have been better spend controls in place. One governor noted the large LGPS adjustment which is entirely outside the college's control. It was agreed that he and the CFO would discuss further outside the meeting to better understand this. • EBITA is £5.6m against a forecast of £4.2m (this is 11.36% compared to 8.5%) • Staff to income ratio is 59.5% which is well within FEC benchmark Governors queried the 59.5% figure as it has always been envisaged that BSC position would be higher than FEC benchmark. CFO advised that the percentage for 2025/26 will be higher and that the rate can be influenced by sub-contracted and partner activity. CFO expressed the view that the amount of pay is in the right area but that there is more work to do to capture costs in the right place. College position in relation to cash days is very good, with the organisation comfortably sitting within FEC benchmarks. That said, all agreed that the cash position needs to be carefully monitored. Committee asked whether any significant adjustments are expected and whether there is sufficient flexibility to respond if required. CFO advised that none are expected and that there is adequate flexibility. She indicated that any issues will be in relation to exceptional unknowns e.g. clawback, but that this is unlikely. She confirmed that the initial start of external audit has taken place, and they seem comfortable with college position which is reassuring. Committee commented on the £500k pay underspend and, whilst not significant within the context of the full year staff pay budget figure, questioned whether there will have been an unintended negative impact on outcomes. CFO reminded that in 2025/26 there has been a £2m staffing investment made to improve outcomes and quality. • Balance Sheet: - This is very strong - One area to review is cash. Currently all is showing as 'unrestricted' which cannot be correct. Team will now try and unpick what is and isn't unrestricted. - Bad debt – there is provision at £500k but a large amount of this is old debt (£250k). College will need to decide whether this amount will ever be recovered.	
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	Team is currently in the process of assessing whether write offs are required. If yes, this may require a business case to be submitted to DfE for permission. Governors asked what the level of risk is in relation to restricted/unrestricted cash. CFO described it as small but that there is a need to review to ensure better transparency. Governors agreed that this was important to ensure accurate cashflow monitoring. All agreed that it is highly likely that some will be unrestricted given the capital funds received. In relation to cashflow, committee asked whether more 'headroom' is required in relation to the lowest months. CFO confirmed that there is more for her and the team to do in relation to forecasting e.g. when payments are made and associated implications. She expressed the view that the organisation needs to be more aware of cash implications. CFO advised that the finance team are just starting to work with Curriculum Managers, Directors etc so that they have a better understanding of spend and cashflow implications. Committee requested an update on this at a future meeting, this was agreed for January 2026 with progress then reported throughout the year (CFO, January 2026). CFO advised that she has been discussing investing cash with Barclays as they have a better rate than Lloyds. If appropriate college will move some cash to them. AGREED: to note the content of the report provided. 2) <u>Accounting Estimates Report</u> CFO confirmed that there were no significant changes proposed when compared to prior year. One aspect highlighted was the assumption made in relation to the roof with the figure taken over 5 years. This is something to be discussed with auditors to check they are happy with this approach. AGREED: to approve the accounting estimates proposed as presented. 3) <u>Value for Money report/Procurement</u> CFO expressed the view that there was no robust tracking in 2024/25 in terms of savings achieved and that this can be improved. That said, CPC are now tracking for 2025/26 in more detail, and they seem to be making a good impact. Committee asked whether 'social value' is embedded within procurement activity. CFO advised that it is but that there is an opportunity to maximise further going forward. College is confident it can build on the current position. One governor commented on the cleaning contract tender and noted that, when looking at the benchmarking data, BSC is higher than others. CFO confirmed that the contract is currently out to	*
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	tender with seven tenders received. Amounts are mainly around £2.5m and £2.6m. She described it as a 'good field' who have submitted, one of which is the current provider. CFO advised that BSC is committed to paying the living wage as an organisation and that this may have an impact when looking at benchmark comparisons. AGREED: to note the content of the update provided. 4) <u>Financial Benchmarking report 2023/24</u> Key matters highlighted were: • This shows a mixed picture. • The benchmarking tool is quite new to the sector and some headings used vary differently from college to college. This means that there is not a consistent approach. • Overall BSC position looks strong. • Energy spend is good • College has robust financial health. • There is a high learner to staff ratio • As previously mentioned, cleaning costs are higher than some others. Committee chair indicated that it is hard to get any real idea around specifics and that it does appear at certain points to be comparing 'apples with pears'. Overall, it was agreed that BSC appears to stand up well when compared to others. AGREED: to note the content of the update provided.	
5	Budget Monitoring 2025/26 Key matters highlighted were: • College hasn't yet run the first set of accounts for the year as Periods 1 and 2 (August and September) are completed together. These will be ready in a week. • There are some known changes: - Costs of establishing the plumbing provision at Southgate - New software costs - Likely need to complete a systems review • In relation to T-Levels there is the potential for clawback at around £375k. Deputy Principal advised that the targets set were higher than they should have been. This is because of uncertainty around L3 qualification funding when targets were set. The amount defunded was a lot less than envisaged which will have impacted on T-Level recruitment. She explained that the college will be in a similar position when planning for 2026/27 i.e. no real clarity on potential courses to be defunded until after T-Level targets set. Despite asking, the college was not permitted to adjust the targets in year. In relation to the 2025/26 budget, committee asked whether the assumptions made look to be right. CFO advised that the quarter	

	one reforecast will be what is important and will give a much clearer picture. She confirmed that the finance team will be going out to work with all budget holders to ensure an accurate reforecast. Alongside this, the MIS team are looking to maximise funding opportunities. AGREED: to note the content of the update provided.	
6	2025 Colleges Financial Handbook CFO confirmed that the report provided gives a summary of the 2025 changes, none of which are significant. She advised that there is some sector debate around the 'permissions' required as there just doesn't to be enough DfE and Treasury resources committee to respond quickly enough. Challenge from the committee was to build in enough time required to obtain relevant permissions. AGREED to note the content of the update provided.	
7	Lloyds Loan Options CFO confirmed that the report provided gives a short summary of current loan arrangements, including covenants. Main decision for the college is what to do with the Tudor Hall sale proceeds. Lloyds are seeking 60% repayment to go towards the load. Current dialogue is taking place with the DfE to ascertain if the college needs to seek their (or Treasury) permissions. DfE are working with the college to determine a way forward. It was explained that permission may be required if it is felt the sale may be 'novel and/or contentious'. This is linked to the building being deemed to be 'an asset of community value' and therefore any sale may lead to community and/or press interest. CEO reminded that, as the building is listed it does restrict what it can be used for and hopefully this will go some way to give assurance regarding controls likely to be applied by planning after sale. CFO advised that these discussions today will contribute to further debate planned at the board meeting next week, as the COO has a report on this. AGREED: to A, note the content of the update provided, and B, support the approach being taken to assess whether DfE permission is required.	
8	Policies 1) <u>Reserves Policy</u> CFO presented with minor changes proposed.	

	AGREED: to recommend that the board approves the Reserves Policy as presented. 2) <u>Modern Slavery Statement</u> Committee all agreed that the content was self-explanatory. AGREED: to recommend that the board approves the Modern Slavery Statement as presented.	
9	Financial Regulations Update CFO presented her report and referred to the minor changes proposed in relation to approval levels. She explained that these would bring BSC in line with best practice. She indicated that the broader regulations need a further review and therefore what is suggested now is an interim update. Committee asked whether there is anywhere within the approval flow that requires 'finance team' approval. CFO explained that no one can approve spend that is outside a budget set and that controls in place are good. She indicated that the issue relates solely to the limits set. She explained the higher amount approval process which would include firstly the budget holder, secondly the CFO and then finally another ELT member (other than the CFO) to sign off. Committee asked what the timeframe is for the fuller refresh. CFO confirmed that she would bring it to the January 2026 meeting (CFO, January 2026). AGREED: to recommend that the board approves the amendments to the Financial Regulations as presented.	*
10	AOB Committee asked how the new finance team are settling in. CFO advised that they are settling in well but that there is still work to do. In terms of risks there are still two interims in payroll and, whilst they are performing well a permanent position needs to be reached. The recent internal audit on payroll went well which gives some assurance. In terms of the management accounts team, a lot of training is taking place. There are still some gaps to be addressed, and work is underway to ensure clarity in relation to roles and responsibilities. Controls in place are good. CFO advised that she is now looking at what is required for the future.	
11	Date and time of forthcoming meetings Committee discussed whether a meeting was required in both December and January. It was agreed to remove the December meeting from the schedule with potential agenda items to either	

	go to the joint meeting with the Audit Committee or January meeting instead. Meeting closed at 7.15pm.	
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