

MINUTES

**Barnet and Southgate College Corporation
Finance Committee Meeting
held on Thursday 2nd July 2026
at 18:00
via Microsoft Teams**

Present: Tara Jayaratne, Chair
Phil Harding
Neil Coker

In attendance: Sarah Surrey, CFO
Tracey McIntosh, Deputy Principal
Simon Evans-Evans, COO

Quorum 3
The meeting was quorate

Item	Description	Action
1	Preliminary items 1) Apologies for absence Apologies for absence were received from Adam Goldstein, Dominic Abbott, Kam Nandra and Maxine Bagshaw. 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 meeting Minutes of the Meeting Held on 4 June 2026 The minutes of the previous meeting were reviewed. Members confirmed that they were an accurate record of discussions and decisions taken. The minutes were approved without amendment. Matters Arising No matters arising were raised that were not otherwise covered on the agenda. AGREED: To approve the minutes of the meeting held on 4 June 2026.	
3	Budget Monitoring 2025/26	

	The CFO presented the latest budget monitoring position, advising members that the College was approaching year-end with a much clearer understanding of the likely financial outturn. While a range of income pressures had materialised during the year, including T Level clawback arrangements, the cessation of overseas student income and adjustments relating to high needs funding, the College remained on course to achieve a small surplus or breakeven position by year-end. This remained possible due to underspends achieved across both pay and non-pay budgets during the year. Members explored the impact of a number of smaller income streams which, while individually modest, collectively represented a significant value. Discussion focused on improving forecasting accuracy and strengthening accountability for income-generating activity throughout the year. The CFO advised that enhanced budget ownership arrangements were being introduced through the business planning process and that budget holders would receive clearer accountability for expenditure and income targets in 2026/27. The Committee scrutinised the apparent difference between the year-to-date surplus and the forecast year-end position. The CFO explained that expenditure profiling remained imperfect, with significant costs such as examination fees, marketing expenditure and estate-related spending typically occurring later in the academic year. Work was underway to refine profiling assumptions based on historic trends to improve the accuracy of future reporting. Members also revisited the distinction between restricted and unrestricted cash balances. The CFO advised that reporting of cash restrictions required further refinement and confirmed that the position presented in current reporting did not yet fully reflect all restrictions attached to specific funding streams. The Committee was assured that management reporting to the Executive Leadership Team provided a clear picture of available cash resources and that reserve positions were monitored carefully. Further discussion focused on non-pay expenditure. Members welcomed the increased challenge being applied through the budget-setting process and noted examples where expenditure had historically been budgeted repeatedly but not subsequently incurred. Officers confirmed that greater scrutiny would be applied during 2026/27 to ensure that budget assumptions more accurately reflected planned activity and deliverable outcomes. The Committee concluded that the College remained in a stable financial position for 2025/26 and noted the improved controls being implemented to strengthen forecasting and budget management. AGREED: To note the budget monitoring position and management accounts presented.	
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4	2025/26 Procurement Report The CFO introduced the annual procurement report and provided an overview of current procurement activity. Members noted the College's continued use of specialist procurement support through CPC and heard that the arrangements were working effectively, delivering assurance around contractual terms, market testing and compliance with procurement requirements. Members sought assurance regarding the value derived from the external procurement service. Officers advised that the relationship was operating effectively and that the lead procurement adviser had become fully integrated into organisational processes, participating in regular oversight meetings and proactively supporting contract reviews and procurement planning. The Committee heard that the service extended beyond framework procurement, with additional support being provided to identify alternative solutions where standard procurement routes were not appropriate. Members were satisfied that procurement arrangements remained effective and proportionate. AGREED: To note the Procurement Report.	
5	AEB and Sub-Contracting The Deputy Principal presented updates on Adult Education Budget performance, subcontracting arrangements and the annual subcontracting review. Members noted that an independent annual review undertaken by Scrutton Bland had concluded that the College's subcontracting arrangements remained effective and provided additional external assurance regarding governance and management arrangements. The Committee heard that subcontractor performance remained strong, with contract values tracking as expected and quality indicators continuing to demonstrate positive outcomes. New subcontracting partners, including Boreham Wood and Chicken Shed, had now completed due diligence processes and contract negotiations, and were expected to commence delivery during 2026/27. Members considered the impact of the revised procurement requirements introduced nationally, requiring annual tender exercises for subcontracting arrangements. Officers confirmed that three contracts remained subject to ongoing procurement activity and that the outcomes of those exercises would be reported to the Board prior to final approval. Members received assurance that no concerns had been identified regarding the procurement process and that successful delivery arrangements were expected to continue. Discussion also considered Adult Education Budget performance. Members noted that the College remained on track to achieve or	

	exceed its funding allocation. Officers advised that future management of contracts may require a more phased approach to avoid significant over-delivery against allocations and to improve alignment with funding ceilings. Achievement funding remained the principal variable in the final funding position, although quality indicators suggested positive outcomes. Members also reviewed the annual update regarding subcontracting management fees and noted that the College continued to apply a 20% management fee, in line with regulatory requirements and sector expectations. The Committee was satisfied with the transparency of the methodology used to calculate and publish the fee. AGREED: • To note the current AEB and subcontracting position. • To support the proposed subcontracting partners for 2026/27 and recommend approval to the Board. • To note the Subcontracting Fees and Charges Statement and recommend approval to the board.	
6	Utilisation Reports Estate Utilisation The Committee received the first comprehensive physical utilisation survey undertaken across the estate. Members noted that the review had confirmed several known trends, including lower utilisation on Fridays and lower occupancy during afternoon and evening periods. The survey also demonstrated that a number of spaces were routinely booked but not subsequently used. The COO explained that the survey would support improved timetabling and more effective use of accommodation. Future timetabling arrangements would place greater emphasis on spreading activity throughout the week and reducing unnecessary room booking. Members noted that consideration had also been given to establishing a central timetabling function, although resource implications meant that this would be explored further in future years. Discussion considered whether some lower utilisation levels reflected student demographics and learner needs rather than inefficiency alone. Officers acknowledged that certain curriculum areas, particularly ESOL provision, naturally generated concentration of activity at particular times. Nevertheless, the data provided a useful evidence base for more effective planning and utilisation. Members explored opportunities to generate additional income from underutilised space, particularly during evenings and on Fridays. The Committee heard that a commercial resource had recently been appointed to develop opportunities for greater external use of the estate and that initial commercial bookings had	

	already been secured for specialist facilities, including studio spaces. Further discussion focused on specialist accommodation pressures. While general classroom space was considered sufficient to support future growth, significant pressure remained within workshop environments, particularly at the Colindale campus. Estate development plans were in place to address these constraints over coming years. Members concluded that the findings supported the College's current estates strategy and demonstrated that further growth could be accommodated within the existing estate footprint. Staff Utilisation A verbal update regarding staff utilisation was received and noted by members. AGREED: To note the Estate and Staff Utilisation Reports.	
7	2026/27 Budget and Three-Year Commentary The Chief Financial Officer presented the final 2026/27 budget, highlighting the key income assumptions, expenditure forecasts, cashflow implications and associated sensitivities. Members noted that the budget had been prepared on a prudent basis, with limited assumptions regarding in-year growth and full provision made for staffing, operational expenditure and known cost pressures. Extensive discussion took place regarding income growth, staffing costs, agency expenditure, cashflow management and affordability. Members scrutinised the staffing assumptions contained within the budget. The Committee received assurance that all current vacancies had been included within the budget on the basis that posts would be filled for the full year, together with provision for agency cover and sickness absence. The CFO explained that greater transparency would be achieved through the introduction of a dedicated agency budget, allowing costs associated with hard-to-fill vacancies and temporary staffing arrangements to be monitored separately and reported more clearly. The Committee discussed the continuing recruitment challenges in specialist curriculum areas, particularly construction and electrical provision. Officers advised that some leadership and curriculum management posts had proved consistently difficult to recruit to on a permanent basis, resulting in a reliance on agency appointments. Members explored the financial implications of this approach and sought assurance that alternative structures and workforce models were being considered. It was confirmed that a review of staffing structures in affected curriculum areas would take place during the autumn term with the aim of identifying more sustainable solutions.	

	Members also considered the pay assumptions built into the budget. The CFO confirmed that the budget contained provision for a pay award together with incremental progression costs and a degree of flexibility linked to successful growth in learner numbers and the delivery of planned provision. Members sought assurance that the proposed pay award was affordable and appropriately reflected the College's financial position. Members noted the wider national context, including ongoing discussions around further education funding, national negotiations involving sector representative bodies and recent announcements regarding teacher pay awards within schools. The Principal advised that future government funding announcements could potentially strengthen the College's position and create opportunities for further discussions regarding staff remuneration. It was noted that the College had a strong track record of directing additional funding towards staff pay where this was financially sustainable. The Principal sought the Committee's view on whether he should communicate a proposed 1% pay award to staff ahead of formal Board approval. Members acknowledged the importance of maintaining constructive employee relations and considered the potential risks associated with postponing communication until after the Board meeting. Having reviewed the budget assumptions and financial modelling, members concluded that there was no material financial risk associated with communicating the proposed award in advance of Board approval, provided it was made clear that formal approval remained subject to the Board's decision. Board meeting. Having reviewed the budget assumptions and financial modelling, members concluded that there was no material financial risk associated with communicating the proposed award in advance of Board approval, provided it was made clear that formal approval remained subject to the Board's decision. The Committee also discussed the longer-term financial planning horizon and agreed that a more detailed review of the College's three-year financial strategy would be beneficial later in the year once enrolment, funding and audit outcomes were known. Members suggested that a strategic financial discussion take place during the autumn term to inform longer-term planning. Members welcomed improvements to the format of the budget papers, noting that the presentation provided a clearer link between financial planning, strategic priorities, cash generation and financial sustainability. Particular praise was given to the alignment between the budget assumptions and the College's strategic objectives. AGREED: To recommend the 2026/27 Budget and Three-Year Financial Commentary to the Board for approval.	
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	- To support the Principal in communicating a proposed 1% pay award to staff in advance of Board approval, subject to the award remaining formally contingent upon the Board's decision. - To receive a future strategic review of the College's medium-term financial position and three-year financial planning assumptions. - CFO to provide members with a breakdown of the constituent elements contributing to the increase in pay expenditure within the 2026/27 budget. Action: CFO to provide additional analysis of pay cost movements and sensitivities to Committee members.	
8	Socio Economic Impact Statement Members received a verbal update on development of the College's first Socio Economic Impact Statement. Officers outlined the framework being used, aligned to the Association of Colleges methodology, and described the six core dimensions against which evidence was being gathered. The Committee heard examples of emerging evidence, including support provided through digital inclusion initiatives, learner achievement and social mobility programmes, employer engagement, community regeneration projects, sustainability activities and capacity building initiatives. Officers advised that additional financial and workforce data remained outstanding, but that the final report was expected to provide a compelling demonstration of the College's wider impact. Members welcomed the development of the statement and noted its potential value in evidencing the College's contribution to the wider community. AGREED: To note progress on the Socio Economic Impact Statement.	
9	Modern Slavery Statement for Year Ending July 2027 The CFO presented the annual Modern Slavery Statement and advised that no significant changes were proposed. Members noted ongoing work to strengthen procurement documentation and supplier terms and conditions, ensuring modern slavery requirements were embedded more explicitly within contractual arrangements. The Committee was satisfied that appropriate controls continued to operate. AGREED: To recommend the Modern Slavery Statement to the Board for approval.	
10	Committee Annual Review	

	In the absence of the Director of Governance, members agreed to defer detailed consideration of the Committee Annual Review to the next meeting. Discussion nevertheless took place regarding committee membership, frequency of meetings and terms of reference. Members considered whether the Terms of Reference should explicitly include oversight of capital investment and capital project monitoring following the cessation of the previous Property Group. Officers agreed that this could be incorporated within future revisions. The Committee also reviewed the proposed schedule of meetings for 2026/27 and discussed whether the October meeting should take place later in the month to better align with financial reporting and audit timetables. Officers agreed to discuss the position further with the Director of Governance. AGREED: • To defer the formal Annual Review to the next meeting. • To explore inclusion of capital monitoring responsibilities within the Committee Terms of Reference. • To review the timing of the October 2026 meeting. Action: Director of Governance to review October meeting date and propose amendments if required.	
11	AOB None for this meeting.	
12	Date and time of forthcoming meetings The Committee noted the proposed meeting schedule for 2026/27, subject to review of the October meeting date. Members were content with the proposed arrangements, including the planned joint meeting with the Audit Committee in December 2026. Meeting closed at 7.20pm.	