

Minutes
Finance & Resources Committee
HRUC Governance

Date	03/12//2025	
Time	16:15 - 17:30	
Location	Microsoft Teams Meeting	
Present	Sujit Reddy (SR) Susan Kingman (SK) Divya Menon (DM) Amanda Priem Mike Sutcliffe (MS)	Chair Vice-Chair Governor Governor Governor
	Keith Smith (KS) Shane Woodhatch (SW) Yomi Okunola Tim Hulme (TH) Karen Elliott (KE)	CEO, Ex-Officio Chief Financial Officer Chief Financial Officer Chief Operating Officer Assistant Director, Employee Experience and Compliance
	Melissa Gomez	Assistant Director, Employee Data and People Services
Clerk	Clare Mitchell (CM)	
Note Taker	Nataliia Tymkiv	

Minutes

1 - General disclaimer at start of meeting

The meeting was recorded for minuting purposes. No objections were raised.

2 – Apologies for absence

Apologies were received from Julie Amory and Alex Denley. The Committee welcomed the new CFO, Yomi Okunola.

3 - Declarations of interest

There were no declarations of interest.

4 - Minutes of the meeting on 10 September 2025

Resolution: The minutes of the meeting on 10 September 2025 were approved subject to minor typographical corrections.

Action: Minutes of the meeting on 10 September 2025 to be amended

5 - Actions from previous meetings

The majority of the actions had been addressed or were on the agenda for this meeting. Four actions—specifically numbers 3, 10, 14, and 16—remained ongoing, and updates had been provided

The Committee received an update from SW on action 8 relating to bad debt. Six debt collection agencies had been approached to purchase the debtors' book, but all declined for a variety of reasons The Executive recommended proceeding with the write off

of these debts. Provision for this write off had been made at year-end and was included in the financial statements.

Resolution: The committee agreed to the write off of bad debts as discussed at its meeting on 10 September 2025.

6 - Committee self-assessment and terms of reference

The Committee received the results of the self-assessment process and noted that only three responses had been submitted. The committee noted the suggestions for improving effectiveness, including the need for a review of the financial information provided to the Committee. The Committee also noted progress on recruiting a governor with HR expertise, with an interview planned for January 2026.

The Committee reviewed the proposed changes to its terms of reference, which included greater clarity on its responsibilities re human resources and new sections on estates and IT.

The Committee asked for clarification regarding the HR expertise being sought. It was explained that the ideal candidate would have broad, senior-level HR experience, given the wide range of HR responsibilities within the Committee's remit.

The Committee discussed meeting duration and agreed that meetings considering the business plan or other substantial items would be scheduled for 90 minutes, with others remaining at 60 minutes and extended as needed.

Resolution: The Committee agreed that its revised terms of reference should be recommended to the Corporation for approval.

Action: The revised terms of reference to recommended to the Corporation for approval at its meeting on 16 December.

Action: Committee meetings considering the business plan to be extended to 90 minutes

7 - Management accounts - October 2025

YO reported that as at 31 October 2025, the College was ahead of budget by £1.3m, with positive variances of £2.2m, offset by negative variances of £0.9m. The most significant positive variances were due to staff costs, which were lower than budget by £1.1m and the timing of operating costs (£0.8m). The operating costs would be incurred at a later date. The most significant negative variances included lower income from international and HE courses and the FRS102 pension adjustment of £0.3m no longer required as the pension was in a surplus position.

The Chair commented that the financial information generally presented to previous meetings included more detail, particularly in relation to operating expenditure and asked for more detailed information to be provided in future packs.

YO provided a more detailed breakdown of ytd expenditure on screen following discussions with the Chair. This would be added as an appendix to future management accounts.

The Committee noted that the financial information in the management accounts and reforecast of the budget were in a different format from the 2025/26 business plan and

therefore it was difficult to reconcile the two. The Committee asked to see the October management accounts in the format previously used.

The Chair agreed to meet with YO to review the format of information to be provided to the Committee so that there is consistency between the summary reporting and the business plan / forecasts as well as providing sufficient detail to support important elements of the summary reports.

Action: Management accounts for October 2025 in previous format to be circulated to the Committee

Action: Chair and YO to discuss the financial information to be presented to the Committee prior to the next meeting

The CEO reported that the in-year savings target had been met and staff costs as a percentage of income reduced to 66%. Positive contributions to central costs were anticipated from both apprenticeships and programmes for the unemployed. Since the budget had been approved, the College had been notified that it would receive £216K of additional ASF income for running bootcamps.

The Committee discussed the management accounts for the period to 31 October 2025. The Chair commented that it was still too early in the financial year to be able to identify trends within the management accounts.

8 - Reforecast against the 2025/26 budget

The Committee discussed the reforecast against the 2025/26 budget. YO reported that the reforecast showed a surplus of £4.816m against a budgeted surplus of £6.135m. The balance of £1.3m was reported as a contingency against staff costs. The staff headcount reconciliation would be completed by the end of the week at which point accurate staff costs would be available. If the £1.3m was reversed out, then the surplus returned to the budgeted figure of £6.1m. There was a discussion about whether the £1.3m had been added as an additional cost line, which would require the agreement of the CEO and the Committee. The Chair undertook to review the final forecast with YO and report back to the Committee.

Action: Chair to review the budget reforecast with YO and report back to the Committee

8.1 - IT Capex 2025/26

The CEO provided an update on IT capital expenditure for 2025/26. As agreed by the Corporation, a separate IT capex budget would be included within the 2026/27 budget.

The CEO reported that he had authorised funding for year 1 of the cyber security operations centre project from within the approved budget for 2025/26. This was an area of significant organizational risk. Cooper Parry had confirmed that operational expenditure on IT projects can be capitalised in year one. This meant that the full costs of the cyber security project in 2025/26 (£360K Opex and £30K Capex) could be found from the existing IT capital expenditure budget of £778K, which had not yet been utilised, and there was no requirement to release any of the contingency in the 2025/26 budget to fund this project. There would be ongoing operational expenditure costs which would need to be included in future budgets.

The Committee noted the update.

9 - 2025/26 Staff pay award

The Committee received the staff pay award proposal, which had been previously discussed at the SGR Committee on 21 November. The recommendation was to approve a 4% pay increase for staff, This would comprise a 3% consolidated payment and a 1% non-consolidated payment. The pay award would be implemented in the December 2025 payroll and backdated to 1 August 2025.

The Committee noted that the proposed pay award was within the 4% pay increase included within the budget approved for 2025/26.

Resolution: The Committee approved a 4% pay increase for staff, effective in the December 2025 payroll and backdated to 1 August 2025, comprising a 3% consolidated payment and a 1% non-consolidated payment.

10 - Human Resources

10.1 - Harmonisation of contracts and pay

The Committee received an update on the progress of the harmonisation of contracts and pay. It was reported that 521 academic staff had accepted the new harmonised contracts via collective agreement with unions. However, the support staff harmonisation process had been more challenging as Unison had not engaged in the process. Consequently, individual consultations were necessary. 92% of HRUC support staff had accepted the terms. Only 18 support staff had raised concerns. The remaining contracts for term-time-only staff and support managers would be rolled out in December 2025 and January 2026.

A Governor asked why the 18 staff members had raised concerns. The primary reason for not accepting the new contract was the lack of any significant change to their existing contract.

The Committee noted that academic staff had already moved to new pay grades but for support staff the majority of the financial impact would be in 2026/27. A consultant was working on the financial implications as part of the reward and recognition project, which would be reported to the Committee as soon as they were known. The Committee noted that no decisions had been made regarding the implementation of recommendations from the ongoing job evaluation process, as affordability and practicality needed to be assessed.

10.2 - Reward and recognition project - update

The Committee received an update on the reward and recognition project. The project was progressing in line with the planned timetable and formed part of the wider harmonisation and post-merger alignment work.

The consultant leading on job evaluation and harmonisation was expected to complete their contracted work in July 2026, after which a full update would be brought to the Committee. No decisions had yet been taken about any revised reward model, as these will depend on the consultant's findings and an assessment of affordability.

The Committee noted the update.

10.3 - HRUC Workforce Report 2024/25

The Committee received the workforce report covering the period September 2024 to November 2025. Sickness absence levels remain high, although still below the national benchmark. The main causes of sickness absence were stress and back pain, consistent with sector trends. A series of actions had been implemented, including the launch of a new sickness absence policy, mandatory management training, and the reinforcement of consistent application of return-to-work procedures.

The Committee noted recent wellbeing initiatives from the POD team, which had been positively received.

The Committee noted the report.

10.4 - Gender pay gap - snapshot 30 March 2025

The Committee received an initial update on the College's Gender Pay Gap. The median gender pay gap currently stood at 13.79%, an improvement on 2023. However, further work was required before the final report could be produced.

Once this work was complete a comprehensive gender pay gap report would be prepared for submission by the March 2026 reporting deadline.

A governor proposed that the College should begin preparing for ethnicity pay reporting, noting expected future reporting requirements and the value of early action to address issues. The Executive confirmed that this work would be taking place. Action plans would be developed for both gender pay gap and ethnicity pay gap reporting as part of the ongoing HR equality and workforce strategy.

The Committee noted the report.

11 - Campus Security Investment

The Committee received a report from the COO on the proposed investment in additional campus security measures. This would involve installing permanent knife arches at all campuses. This was in response to the increasing prevalence of knife-related offences affecting young people. Trials already conducted at the College had resulted in several items being seized, reinforcing the need for a permanent solution.

The initial cost across the five campuses would be in the region of £211K+VAT subject to the final specification. This cost was additional to the 2025/26 budget. Cash balances were forecast to be higher than budget by £0.5m and the Committee was asked to release these funds for the installation of the knife arches.

Governors discussed the proposal and expressed strong support for taking proactive steps to improve student and staff safety. A governor asked whether bleed-control kits should be procured alongside the arches as part of a wider emergency readiness package; EMT agreed to consider this. The installation of the knife arches was part of a wider programme across the College to tackle knife crime. A knife crime strategy was also being produced.

The Executive confirmed that this additional investment was expected to be affordable based on the College's current cash position. The Committee, while supporting the project, emphasised that final approval for the release of these funds must be contingent on confirmation of the revised reforecast.

Resolution: The Committee supported the request for additional funding for the installation of knife arches; however final approval for the release of funds must be contingent on confirmation of the revised reforecast.

Action: Finalisation of the specification and costs for the installation of the knife arches and confirmation that these could be funded from higher than budgeted cash balances once the reforecast had been confirmed

12 - Emerging estates and infrastructure costs

The Committee received an update from the COO on the development of the Group Place (estates) Strategy. The COO reported that there was an emerging risk around significant parts of the College estate. This was an issue across the FE sector. The recent condition survey had assessed the cost of addressing the backlog of estates maintenance across HRUC as in the region of £28m. For planning purposes, this figure had been notionally spread across a 10-year period, equating to nearly £3 million per year. Some grant funding might be available from the DfE for backlog maintenance but this had not been confirmed.

In addition, there were a number of strategic priorities which had estates and digital implications, specifically curriculum, commercial and community, which would need to be factored into the business planning process.

The COO reiterated that the priority would be to ensure that campuses remained safe, legal, and compliant, and that the most urgent categories of work would be prioritised first. Further refinement of the estates strategy was required and that this would consider affordability constraints and the sequencing of essential maintenance.

Governors discussed the update and acknowledged the strategic importance of aligning estates planning with broader strategic priorities, including curriculum planning and financial sustainability. The Executive confirmed that further work was underway to evaluate options and explore potential external funding sources to support the long-term strategy.

The Committee agreed that the scale of the capital investment set out in the paper highlighted the importance of the ongoing strategy discussions and that the estates strategy would need further development before final approval.

The Committee noted the update.

13 - Policy approval

13.1 - Disciplinary policy and procedure

The Committee noted that the disciplinary policy and procedure had been reviewed in consultation with the relevant stakeholders.

Resolution: The Committee approved the updated disciplinary policy and procedure.

13.2 - Grievance policy and procedure

The Committee noted that the grievance policy and procedure had been reviewed in consultation with the relevant stakeholders.

Resolution: The Committee approved the revised grievance policy and procedure.

13.3 - Updated Financial Regulations and Treasury Management Policy

The Committee discussed the updated Financial Regulations and Treasury Management Policy, which had been revised to incorporate new fraud prevention requirements.

The Committee noted that additional changes, based on the recommendations from the internal audit of key financial controls, would be circulated to the Committee for review. The Committee approved the changes related to fraud prevention and agreed to review the additional changes via email before final approval by the Corporation.

Resolution: The Committee approved the changes related to fraud prevention in the Financial Regulations and Treasury Management Policy and recommended the amended policy to the Corporation subject to further amendments

Action: Committee to review further changes to the Financial Regulations prior to submission to the Corporation for approval

14 - Any other business

SW reported on the evaluation of year one (2024/25) of the implementation of HRUC's access and participation plan (APP) approved by the OfS in April 2024. SW provided assurance that the spend of £50.4K was within the budget of £57K. The underspend had been due to delays to the start of all three projects while staff were recruited and would be spent in year two to ensure that the College met its AAP investment commitment.

15 - Date of next meetings

- Wednesday 4 March 2026 from 5.30pm to 6.30pm
- Wednesday 24 June 2026 from 5.30pm to 6.30pm