

Minutes
Finance & Resources Committee
HRUC Governance

Date	10/09/2025	
Time	17:30 - 19:00	
Location	Microsoft Teams Meeting	
Present	Sujit Reddy (SR) Susan Kingman (SK) Divya Menon (DM)	Chair Vice-Chair Governor
	Keith Smith (KS) Shane Woodhatch (SW) Tim Hulme (TH) Julie Amory (JA) Alex Denley (AD) Susan Evans (SE)	CEO, Ex-Officio Chief Financial Officer Chief Operating Officer Chief People Officer Chief Technology Officer Interim Financial Consultant
Clerk	Clare Mitchell (CM)	
Absent	Amanda Priem (AP) Mike Sutcliffe (MS)	
Note Taker	Nataliia Tymkiv (NT)	

Minutes

1 - General disclaimer statement at start of meeting

The meeting was recorded for the purpose of minuting. No objections were raised.

2 - Apologies for absence

The Committee acknowledged the absence of MS and AP. The meeting was quorate.

3 - Declarations of interest

There were no declarations of interest.

The Chair introduced the interim Financial Consultant, SE.

4 - Minutes of the last meeting on 27 June 2025

The Committee received the draft minutes. This meeting primarily covered the anticipated year end position for 2024/25 and the business plan for 2025/26. It was noted that the change of auditors reported at the last meeting had not taken place. The Corporation had agreed that Cooper Parry should be appointed for a further year to undertake the 2024/25 external audit. A new tender for external audit services would take place in 2025/26. The minutes were approved subject to this update being recorded as an audit trail.

Resolution: The minutes of the 27 June 2025 Finance & Resources Committee were unanimously approved.

5 - Action list

The Committee received the updated list of actions from the previous meeting.

Actions 1-3 were not yet due and would be brought forward to the next meeting.

Action 4 had now been completed. Data on spend on consultants in 2024/25 had been circulated earlier in the day.

Action 5 –The Committee received an update on c 16-18 enrolments, which stood at 9,053 compared with 9,043 at the same point last year. Student numbers were broadly stable compared to 2024/25, with only marginal growth. Enrolment activity was still ongoing, and further updates would be provided as the picture developed. Additional staff costs would not be incurred if student numbers remained similar to 2024/25 but there would be no increase in 16-18 funding in 2026/27. The reforecast would be brought to the next meeting.

Action 6 – monitoring expenditure would be a focus for the Committee during the whole of 2025/26. It was agreed that the review of actuals against budget should remain as a standing item on the agenda, given the tight financial parameters for the year and the need for assurance that the College was delivering against budget.

The Committee noted the update.

6 - Committee self-assessment

The Committee considered the arrangements for its annual self-assessment. This exercise would form part of the overall Board effectiveness self-assessment for 2024/25.

It was proposed that a questionnaire be circulated to members to gather views on the Committee's effectiveness, the appropriateness of its terms of reference, and any areas for improvement. The outcomes would be collated and presented at the next meeting.

The Committee agreed to this approach.

Action: Finalise the committee self-assessment questionnaire and circulate it to members for feedback - CM

7 - People and Organisational Development (POD)

7.1 - Reward and Recognition Project Update

The Committee received a progress report on the Reward and Recognition project. The work focused on developing a clear employee value proposition, including the removal of generic job titles, through job evaluation and benchmarking pay structures across the sector and the wider labour market.

The project was being undertaken with the support of an external consultant. The College did not have the internal expertise to carry out the necessary reward analysis and benchmarking. The consultant was upskilling members of the POD team so they could take this work forward in the future.

The Committee questioned the reliance on external consultancy and sought assurance on the cost. It was explained that consultancy spend in 2024/25 had been in line with

forecast and that the current year's activity was within the budget approved by the Corporation. Some consultancy time had also been used to address pay issues arising from organisational restructures. The Chair clarified that the figures circulated earlier in the day (Action 4) related to spend in 2024/25. The CFO confirmed that the current year's position was tracking within budget and would continue to be monitored closely, with any change escalated to the Committee. A breakdown of consultancy costs to date and the remaining commitment would be provided to the Committee.

The Committee then questioned the potential financial impact of the project, asking whether the work was expected to result in upward pressure on payroll costs. JA acknowledged that while the evaluation process could lead to the pay for some roles being adjusted downwards, the overall impact was likely to be an increase in costs. The financial effect could not yet be quantified as the modelling work was still underway. Detailed modelling was expected to be available by April or May 2026, which would then inform the September 2026 pay award.

The Committee asked further about timescales and whether there would be outcomes this year that could influence workforce planning. It was confirmed that no immediate impact was expected, but the project remained on track to deliver in line with the timetable already set out.

The Committee noted the update and agreed that further scrutiny would be required once financial modelling was available.

Action: Committee to receive details of consultant spend on the reward and recognition project. - JA

8 - Year end position 2024/25

The Committee received the management accounts for July 2025 and an update on the draft outturn position. The forecast deficit now stood at £209k compared with the earlier projection of a deficit of £713k. There would be some further adjustments, both positive and negative, before the financial position for 2024/25 was finalised.

EBITDA was £3.6m, ahead of the reforecast figure of £2.4m, reflecting tighter controls on discretionary expenditure at the end of the financial year. Cash balances were £33.2m against a forecast of £31.2m, with timing adjustments expected to bring the balance closer to £34m once capital expenditure accruals were reconciled. The current ratio was 1.84:1, and staff costs were steady at 69% of income. The FRS 102 pension adjustment from the actuary was still awaited and the final position would be clearer by the end of the following week. HRUC's projected financial health grade for 2024/25 was Good and was within approximately 20 base points of Outstanding.

The final outturn would be known within two weeks, in readiness for the external audit commencing in October 2025. A clean audit opinion was anticipated.

The Committee noted the position.

Action: Circulate the final outturn position for 2024/25 to the Committee as soon as it is known – SW, SE

9 - Approval of Bad Debt Write Off

The Committee received a report requesting approval to write-off bad debts totalling £188k. SW provided assurance that the debts had been subject to repeated recovery efforts and were no longer considered recoverable. These debts had already been fully provided for in the 2024/25 accounts and the write-off would not worsen the reported outturn.

Since the paper had been written there had been further discussions about selling the debtors' book to a specialist firm to reduce the overall loss. The Committee questioned the potential benefits and risks of this approach. Any decision to sell the debtors' book would require careful due diligence. Governors raised concerns about the aggressive collection methods sometimes used by debt recovery firms, highlighting the potential reputational risk. The Executive confirmed that due diligence would be carried out to ensure appropriate safeguards were in place. Any viable options for selling the debtors' book would be brought back the Committee.

The Committee asked for all efforts made to recover the bad debt to be formally recorded.

Resolution: The Committee agreed to the Executive exploring the option of selling the debtors' book, subject to due diligence checks, and bringing any viable options back to the Committee for further consideration

Resolution: If there were no viable options for selling the debtors' book, the Committee approved the write-off provision of £188k

Action: All efforts made to recover the bad debt to be formally recorded – SW. SE

Action: Explore the option of selling the debtors' book, subject to due diligence checks, and bring any viable options back to the Committee for further consideration - SW, SE

10 - Plan for 2024/25 External Audit

The Committee received the external audit plan provided by Cooper Parry. The audit would commence on 13 October 2025, with fieldwork taking place over three weeks. The financial statements and the auditor's report would then be presented to both the Finance and Resources and Audit and Risk Committees and approved by the Corporation at its meeting on 16 December 2025.

The plan set materiality at £1.5m, consistent with previous years. The areas of focus were confirmed as income recognition, management override of controls, going concern, retirement benefits and related party transactions. The FRS 102 pension adjustment would be reviewed once actuarial figures were available.

The Committee questioned the approach to apprenticeship income. The CFO confirmed that Cooper Parry's testing would include apprenticeship funding reconciliations and completion claims to ensure compliance with DfE requirements. The Committee also questioned how going concern would be assessed. It was confirmed that this assessment would take account of the College's £33m closing cash balance and forward-looking cashflow forecasts.

The fee for the 2024/25 external audit would be £56,200k +VAT. No overrun was expected this year. The Committee was assured that the audit would be delivered within budget and on time.

Resolution: The Committee recommended the external audit plan for 2024/25 and associated fee to the Corporation for approval.

11 - Budget controls 2025/26

The Committee received a detailed presentation on budgetary controls from SE. The in-year adverse movement of approximately £2.5m in 2024/25 underlined the need for strengthened budgetary controls and accurate forecasting.

A restructure of the finance department meant that each campus and support area would now have an allocated business partner, who would meet monthly with the budget holder to review actuals and forecasts. These meetings would focus particularly on growth, income, pay costs and vacancy management, with the intention of providing greater challenge and transparency.

The Committee noted that the vacancy position remained high, with a value of £13m across 279 posts, offset by a vacancy factor of £4m. Work was underway to cleanse the establishment list and categorise vacancies into posts covered by agency staff, those in recruitment and posts which could be removed. Agency posts would be converted into permanent or fixed-term contracts wherever possible. Once the establishment data had been fully cleansed it would be uploaded into Civica, after which responsibility would transfer from Finance to POD. The vacancy factor would be phased out over time, so that budget holders operated against a more accurate cost base. It was possible that staff costs were currently overstated, but this could not be confirmed until this data cleanse was complete.

The Committee challenged the effectiveness of the controls on agency spend, and whether the finance business partner model had the capacity to provide effective challenge. Assurance was given that a new monitoring report on agency spend was being developed with Reed. This would enable agency costs to be tracked at campus, school and subject level. Finance would run a parallel report for a six-to twelve-month period to validate the data. Training was being rolled out to support the business partners in delivering challenge.

The Committee was advised that tighter scrutiny would also be applied to non-pay expenditure, particularly in the areas of health and safety, routine maintenance, security and consultancy; all of which had been areas of overspend in 2024/25.

The Committee queried the proposed forecasting cycle. A structured timetable would now be followed, with reforecasts in October/November after enrolment, at quarter two in February, and at quarter three in May, followed by a final out-turn. This process was intended to ensure earlier visibility of risks and avoid material late changes.

An interactive business plan was also being developed to support decision-making. All new proposals for growth or investment would require a formal business case to ensure financial scrutiny and alignment with strategic priorities.

A new finance reporting pack was being developed. As well as detailed financial information, the pack would provide an executive summary and a commentary highlighting the key financial issues and variances alongside the headline results. The Committee emphasised the importance of the finance pack being provided to governors on a monthly basis, and it was confirmed that the August 2025 results would be produced in the new format.

The Committee discussed the presentation and supported the introduction of strengthened controls.

Action: Provide the post enrolment reforecast against the 2025/26 budget to the next meeting of the Committee – SE

Action: Circulate the Finance Pack to governors in the new format on monthly basis, starting with the August 2025 results. – SE

12 - COO Update

12.1 - Capital Projects Update

The Committee received an update from the Chief Operating Officer on the current suite of estates and capital projects. Four projects were in progress and one, the new catering facilities at Hayes, had completed. The financial status of each project as at 31/07/2025 was reported separately as part of the earlier paper on the year end position.

The COO reported on Barra Hall, purchased for £2.9m with a total investment forecast of £6.5m to convert the site for SEND provision. Structural issues had been identified, leading to additional works, but completion was scheduled for March–April 2026 with occupation planned for September 2026. The business case and pay back period for this project were being reviewed due to the overspend resulting from the additional works. The College was working closely with the Council to ensure that Barra Hall was on the approved list of SEND provision for September 2026. The facilities that would be available for SEND students also needed to be publicised to parents.

Project Ambition encompassed a series of works at the Uxbridge campus including upgrades to facilities and improved access. Phase 1 had been delivered in 2024/25 in accordance with the approved budget. However, the College had accelerated the use of grants and revenue budgets to undertake other works which had been identified as necessary as the project progressed. Phase 2 of the project was currently under review. Overall capital expenditure on phase 2 had been budgeted as c£12.5m. The Executive was now working towards a plan based on an overall capital investment sum of c£9.5m for works in 2025/26 and 2026/27. Governors would have the opportunity to tour the project ambition works on the 21 October 2025 strategy day. The Committee noted that the additional work undertaken in Phase 1 related to compliance with fire safety regulations and asked for assurance that Uxbridge campus met the current requirements. The COO confirmed that new fire risk assessments had taken place, and a fire strategy was in place. There was some additional work to do as part of phase 2, but the Uxbridge campus was currently compliant with fire regulations.

The Committee also received an update on the delivery of a modular units at the Harrow Weald campus, which provided 720 square metres of modular SEND facilities on a leased model with the option to purchase.

The White House project at the Harrow on the Hill campus would see a Grade II listed building refurbished to create a GP and Community Care Centre, providing student placements and community services. Completion was expected by April 2026. £1.5m had been allocated for this work.

One of the conditions attached to planning consent for the work at the RuTC campus was the removal of the footbridge across the A316 (s278 works). The conditions attached to the sale of part of the RuTC site to Clarion housing meant that only 50% of the residential units could be occupied until this work was complete. Discussions had been taking place between TfL and the College to progress this work for a number of years. However,

recent discussions had been more positive. If the bridge works were not completed the College would not be able to secure the retention sum from the developer.

The Committee questioned the balance between essential compliance works and discretionary estates developments. It was confirmed that compliance projects would be prioritised, and that discretionary investment, including Project Ambition and the Barra Hall development, would only proceed within the approved funding envelope once statutory obligations had been met.

The Committee further questioned the cost pressures arising from Project Ambition and requested a review of project costs and savings as part of the reforecast to be presented to the next meeting. The COO agreed and confirmed that a report on facilities management costs would also be presented, following condition surveys identifying significant backlog repairs across the Group.

The Committee discussed the COO update.

Action: A review of estates capital project costs and savings to be included in the reforecast to be presented to the next meeting.

12.2 – IT Budget 2025/26 – Expenditure and Benefits

This was a confidential item and is not included in the published version of the minutes.

12.3 Facilities Maintenance

The Committee noted that condition surveys had identified a significant backlog of maintenance work across HRUC report. Further details would be provided to a future meeting

The Committee noted the report.

Action: The COO to provide further details on the significant backlog of maintenance work across HRUC identified by the condition surveys - TH

13 - Review of Relevant Strategic Risks

The Committee received a verbal update on strategic risks. A new risk management framework and policy had been developed, which included the articulation of risk appetite. Six tactical risk registers would be consolidated into a single strategic risk register. This was designed to align risks more closely with the College's strategic objectives and provide clearer oversight. The full strategic register would be presented to the Executive Management Team on 26 September and then to the Audit and Risk Committee. The relevant strategic risks would be presented to future meetings of each of the committees.

The Committee questioned the benchmarks used for setting the risk parameters. It was confirmed that the benchmarks were consistent with other colleges, ensuring that the new scoring system was sector appropriate.

The Committee asked for assurance that the risk framework adequately reflected risks associated with changes in government policy and funding reforms. The Committee was assured that the Executive closely monitored government announcements, undertook scenario modelling to test the impact of potential reforms on funding streams, and escalated any material changes.

The Committee noted the Risk Register update.

Action: Relevant strategic risks to be presented to the next meeting of the Committee

14 - Policies approval

14.1 - Tuition Fees Policy 2025/26

The Committee received the proposed changes to the Tuition Fees Policy for the 2025/26 academic year. It was reported that the fees for Level 4 and 5 courses had been increased by 5% in order to remain consistent with expectations across the FE sector. It was also reported that the fee for Level 4 part-time provision had been reduced by 20% to £3,500 to address enrolment challenges and to ensure the College remained competitive in the market.

The Committee was informed that the proposed adjustments had been developed following consultation with the Assistant Principal overseeing Higher Education and the International Portfolio Manager. The changes were intended to ensure that fees were realistic, justifiable, and aligned with sector expectations.

The Committee considered the proposals and acknowledged the need to balance compliance with sector standards against the requirement to remain competitive.

Resolution: The Committee recommended the proposed changes to the Tuition Fees Policy 2025/26 to the Corporation for approval

15 - Any other business

Under any other business, it was raised that the joint meeting with the Audit and Risk Committee later in the term carried a significant amount of business. It was suggested that a separate Finance and Resources Committee meeting be scheduled beforehand to allow sufficient time for other items to be considered. The possibility of an additional meeting to discuss the reforecast was also discussed. The reforecast would not be available until towards the end of November.

It was agreed that potential dates for an additional meeting would be discussed outside the meeting, with governance to circulate options.

Action: Governance to circulate potential dates for an additional meeting – CM

The meeting concluded with no further business raised.

16 - Dates of next meetings

The committee confirmed the dates for the next meetings as follows:

- Wednesday 3 December 2025 (Joint meeting with the Audit and Risk Committee) from 5.30pm-6.30pm
- Wednesday 4 March 2026 from 5.30pm-6.30pm
- Wednesday 24 June 2026 from 5.30pm-6.30pm

The dates were noted, and the meeting was adjourned at 7:17p.m.