Finance and Resources Committee
Minutes

Date and time: 5.30pm on Wednesday 24 June 2026

Location: Virtual, using MS Teams

Corporation members present: Sujit Reddy (Chair), Sue Kingman, Amanda Priem, Mike Sutcliffe and Keith Smith (Chief Executive, ex-officio member)

In attendance: Yomi Okunola (Chief Finance Officer), Julie Amory (Chief People Officer), Jane Anderson (Director of Governance) and Alex Denley (Chief Technology Officer)

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1 - Disclaimer

It was explained that the meeting would be recorded for minute-taking purposes. No objections were raised.

2 - Welcome and apologies for absence

The Chair welcomed those present. Apologies for absence were received from Divya Menon. It was also noted that the regular attendee -Tim Hulme - had asked that his apologies be recorded.

3 - Declarations of interest

No declarations of interest were raised.

4 - Approval of minutes

Resolution: The Committee approved the minutes of the meeting held on 30 April 2026 as an accurate record.

5 - Action log and matters arising

The Committee reviewed the action log and noted that the action relating to the managed service provider no longer needed to go to full Corporation.

The Committee noted that, through a written resolution on 1 June 2026, approval had been given in relation to the Uxbridge College Construction Teaching Centre for the purchase hybrid option, subject to approval by the Acting Corporation Chair and conditional on the GLA bid being successful; if the bid was unsuccessful, the previously agreed lease option would apply. The Committee also noted that the Acting Chair had separately authorised a bid to the GLA for refurbishment of the South Block, Uxbridge.

6 - Management accounts

The Committee received the April management accounts and a verbal update on the May financial position. April year-to-date performance was reported as £1.4m ahead of budget, driven by favourable variances of £3.0m, partly offset by adverse variances of £1.6m. The May year-to-date position was reported as £0.5m ahead of budget, with an operating surplus of £4.1m compared with a budgeted surplus of £3.6m. The full-year forecast operating surplus was £4.2m against a budget of £4.6m. Cash balances remained strong and financial health was forecast to remain outstanding.

The Committee questioned the sustainability of the current position, noting that favourable staffing and estates-related variances were offsetting income shortfalls across a number of funding and income streams. Members sought further understanding of the variances within Adult Education Budget (AEB), high needs funding, higher education, international fee income and interest income, and whether these pressures were likely to continue into the next financial year. The Committee also sought assurance regarding cash management and the implications of the forecast outturn.

The Committee was advised that the overall trend remained positive, the forecast year-end position remained manageable, and cash reserves and financial health were expected to remain strong.

7 - Capital expenditure reconciliation

The Committee considered the report on the reconciliation of capital expenditure for 2025/26. It was reported that a net overspend of £2.27m had been identified across the capital programme following reconciliation. This included a proposal to accelerate £1.292m from the 2026/27 capital budget into 2025/26, comprising £1.137m for Project Ambition and £155k for Barra Hall.

Management advised that the approved budget change control process had not been fully applied. However, the expenditure remained affordable and did not adversely affect HRUC's forecast year-end financial position or financial health rating.

The Committee scrutinised the report and sought assurance regarding the reasons why the overspend had not been identified earlier, the utilisation of available grant funding and the effectiveness of budget monitoring and control arrangements. Members also discussed the deliverability of the accelerated programme and the need for governance arrangements that would enable HRUC to respond effectively to future strategic opportunities. In response, management outlined a number of factors that had contributed to the position, including weaknesses in budget allocation, expenditure coding and monitoring arrangements.

The Committee was advised that a range of actions had been implemented to strengthen financial control and oversight, including revised coding structures, enhanced monthly monitoring arrangements, formal monthly review and sign-off processes, and the establishment of an internal investment panel.

The Committee also considered the Richmond upon Thames College section 106 and section 278 retention matters. Members sought assurance regarding the HRUCs financial exposure, the implications of revised planning conditions and the options available to minimise the use of working capital. It was reported that management was seeking agreement for relevant works to be funded directly from escrow arrangements. However, if this could not be achieved, additional funding of up to £2m might be required in 2026/27.

In considering its recommendation to the Corporation, the Committee agreed that retrospective approval of the overspend should not be sought. The Committee requested that the Corporation report should clearly distinguish between expenditure already incurred in 2025/26, expenditure being brought forward from 2026/27 and the resulting revised 2026/27 budget position.

Resolution: The Committee:

- noted the capital expenditure reconciliation report, including the causes of the 2025/26 overspend
- noted the management actions being put in place to strengthen control and governance
- agreed to recommend to the Corporation that it:
    - note the 2025/26 capital overspend and the reasons for it
    - approve the acceleration of £1.292m from the 2026/27 capital budget into the 2025/26 capital budget
    - approve the revised capital budget position for 2025/26 and 2026/27 following that transfer between years

Action: Prepare Corporation paper on capital expenditure reconciliation issue, including revised budget position and amount of brought-forward spend already committed before Corporation meeting - Yomi Okunola

8 - Update on operational matters

The Committee received a verbal update on operational matters covering legal services, the Group Place Strategy and the White House business case. It was reported that legal services were being retendered and that a proportion of costs continued to be reimbursed by insurers.

The Estates and Place Strategy framework was in draft and would return to EMT on 14 July 2026 before progressing through governance in September. The White House business case had secured £1.1m of NHS funding and remained within the approved HRUC budget of £1.7m, although planning permission for change of use was still pending.

Governors asked whether the current level of legal expenditure remained proportionate and whether some functions might be brought in-house over time. Members also questioned whether the financial and curriculum case for the White House remained sound and whether planning delays posed any material delivery risk. The Committee received assurance on these points.

9 - Relevant strategic risks
The Committee considered the strategic risks relevant to its remit, including workforce recruitment and retention, financial sustainability and policy / governance. It was reported that the workforce and financial sustainability risks were expected to reduce as current actions were embedded, while policy and governance risk remained unchanged.

Governors challenged whether the proposed reduction in risk scores was sufficiently evidenced, particularly in relation to contingent labour, workforce planning, organisational efficiency and succession planning. Questions were also raised about how utilisation reporting was being strengthened and how the organisation was developing leadership capacity below SLT level.

The Committee heard that tighter controls had been introduced over contingent labour approvals, utilisation reporting was being refined, broader organisational efficiency work was underway, and a leadership development pathway for SLT was being finalised, with a similar approach intended for the next level down.

10 - Delivery Subcontracting Fees and Charges Policy
The Committee considered the Delivery Subcontracting Fees and Charges Policy. It was noted that there had been no subcontracting arrangements since 2023/24. Members heard that the policy had been refreshed as part of its regular review cycle and that the management fee cap had been updated from 15% to a range of 15-20% to align with sector benchmarking.

Resolution: The Committee agreed to recommend the Delivery Subcontracting Fees and Charges Policy to the Corporation for approval.

11 - Disciplinary Policy
The Committee considered the proposed amendments to the Disciplinary Policy. It was explained that the changes standardised the appeal deadline at 10 working days and routed submissions through a dedicated email address rather than an individual inbox.

Governors queried whether the revised process remained appropriate for senior postholders and whether the policy was sufficiently clear where separate arrangements applied. Assurance was given that senior postholder arrangements remained unchanged and were dealt with separately.

Resolution: The Committee approved the Disciplinary Policy.

12 - Grievance Policy
The Committee considered the amendments to the Grievance Policy. Members heard that the changes mirrored those made to the Disciplinary Policy, including the standardised 10 working day appeal period and use of a dedicated email address for submissions.

Resolution: The Committee approved the Grievance Policy.

13 - Update on implementation of People Strategy

The Committee received an update on implementation of the People Strategy. Progress was reported in relation to agency oversight through the managed service provider, operation of the Establishment Committee, progression of job evaluation work, pay modelling and the development of a new leadership pathway.

The Committee discussed workforce planning, organisational resilience and succession planning. Members sought assurance regarding the effectiveness of payroll and HR systems, recruitment and retention within the People Team and the development of future leadership capacity across the Group.

The Committee was advised that work was ongoing to address payroll and HR system challenges and strengthen reporting and operational processes. Members noted the appointment of a Head of Payroll and the actions being taken to improve service resilience and future delivery arrangements.

The Committee had a brief discussion on employee relations matters.

Action: Provide a more detailed employee relations report to a future meeting, including information on employment tribunal cases and insurance arrangements - Julie Amory

14 - Any other business

No other business was raised.

The Chair closed the meeting at 7.14pm.

Referrals to other governance groups resulting from this meeting:

None.