Minutes

Finance & Resources Committee

HRUC Governance

Date	30 April 2026	
Time	5.30-6.52pm	
Location	Microsoft Teams meeting	
Governors	Sujit Reddy	Chair
	Susan Kingman	Vice-Chair
	Divya Menon	
	Theresa Pope	
	Mike Sutcliffe	
Staff	Keith Smith	Chief Executive
	Tim Hulme	Chief Operating Officer
	Julie Amory	Chief People Officer
	Yomi Okunola	Chief Financial Officer
	Shashwati Wilkinson	Finance Director
	Jane Anderson	Director of Governance
Note taker	Nataliia Tymkiv	Governance & Data Protection Administrator

Agenda

1 - General disclaimer

The Committee noted that the meeting would be recorded for the purpose of minute-taking and securely stored until formal approval of the minutes. No objections were raised.

2 - Apologies for absence

Apologies were accepted for Amanda Priem.

3 - Declarations of interest

No declarations of interest were raised.

4 - Minutes

The Committee reviewed the minutes of the meeting held on 4 March 2026 and approved them as an accurate record.

Resolution: The minutes of the meeting of the Finance and Resources Committee held on 4 March 2026 were approved.

5 - Action log

The Committee received an update on the status of outstanding actions.

Governors queried progress relating to the installation of knife arches and sought assurance regarding implementation timelines ahead of the new academic year. It was reported that work would be integrated with the refurbishment of the Uxbridge reception area. It was confirmed that the systems were expected to be operational by September 2026. Governors questioned whether the installation covered the other colleges. In response, it was advised that wider rollout remained live and linked to capital discussions. Governors emphasised the importance of securing best value while ensuring delivery within agreed timelines.

A governor challenged the closure of Action 8 on staff survey funding. Following an explanation from a member of EMT, governors requested that the action remain open until a replacement solution had been implemented.

The Committee reviewed Action 6 relating to financial reporting on facilities projects. It agreed that this should remain open pending the development of a future profit and loss reporting approach for facilities activity.

6 - Draft budget 2026-27

The Committee received the draft business plan, budget and three-year financial plan.

The CFO presented the draft budget as a three-year plan built around stable 16 to 18 provision, growth in high needs, opportunities in apprenticeships and commercial income, and continued pressure on adult and international income streams.

The Committee reviewed the proposed financial position in detail. Governors noted that the draft budget delivers a forecast operating surplus and performance above sector benchmarks, noting the FE Commissioner benchmark of 6%. The Committee also noted that, on a worst-case basis including exceptional costs, the plan continued to deliver a forecast operating surplus in line with sector benchmarks.

The Committee reviewed sensitivities and discussed the level of efficiencies potentially required in a challenging operating environment. Governors also noted that the projected Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA) position reduced in 2028-29, implying a future efficiency requirement.

The Committee discussed the overall resilience of the financial plan. Governors noted that the modelling assumptions had been deliberately prudent, particularly in relation to income projections, but also acknowledged that the forecast operating margin remained relatively tight for an organisation seeking to maintain strategic reinvestment capacity.

The Committee considered the assumptions underpinning student recruitment and lagged funding. In response to questions, it was reported that the financial plan assumed broadly stable 16 to 18 recruitment, demonstrating a prudent approach.

The Committee discussed the operational implications of lagged funding arrangements and heard that additional recruitment growth generated immediate delivery costs before corresponding income was received. Governors noted that careful enrolment management, curriculum planning and infill strategies would therefore remain critical to protecting EBITDA performance.

The Committee reviewed the individual funding streams within the plan. Governors asked questions about income streams that remained under pressure and the continued uncertainty around future GLA funding levels. Anticipated areas of growth, including apprenticeship income, were highlighted. The Committee reviewed assumptions relating to higher education, international and commercial income.

The Committee reviewed the expenditure assumptions within the budget model. It discussed the affordability and wider workforce implications of the proposed pay assumptions. Governors discussed the likely sector position, wider inflationary pressures and union expectations. The Committee also heard that HRUC intended to maintain London Living Wage status and use targeted approaches in hard-to-fill curriculum areas.

The Committee discussed staff retention and workforce sustainability more broadly. It was noted that management was continuing to strengthen the wider employee value proposition through wellbeing support, organisational culture, benefits and career development opportunities.

The Committee reviewed pension and non-pay expenditure assumptions. Governors noted that pension contribution assumptions had reduced for 2026-27 following updated guidance, although prudent assumptions had been retained within later years of the plan. Non-pay expenditure assumptions remained broadly aligned to 2025-26 in the first year before inflationary uplifts were applied in later years.

The Committee discussed efficiency opportunities for non-staff costs and noted that procurement improvements would form part of the savings strategy. Management advised that further efficiencies were being pursued in areas where relatively modest percentage reductions could materially offset pay pressures.

The Committee also reviewed the proposed capital programme for 2026-27, including investment in IT transformation, cyber security and wider estates priorities. Governors referred to the appended cash-flow reconciliation and noted the planned cash outflow relating to asset acquisition alongside forecast cash balances increasing before reducing again later in the planning period. The Committee received assurance that future financial interventions and mitigation strategies would be implemented well before any material deterioration in cash performance. Governors also noted that previous capital grants, had provided significant support to recent investment activity.

In concluding the discussion, governors noted that the draft budget and financial plan appeared materially clearer and more transparent than in previous years. The Committee acknowledged that flattening revenue growth increased the importance of strong cost control and operational discipline but considered the income assumptions appropriately prudent and the expenditure plans achievable with continued management focus. Governors also discussed the extent to which tighter financial conditions might constrain future strategic projects. The Committee was advised that future opportunities would require stronger business cases and greater financial caution, but that strategic investment activity would continue where justified.

The Committee noted that the draft budget would only need to be revisited if something exceptional arose in the remaining 2025-26 results. The Chair thanked the CFO for the quality and clarity of the paper.

Resolution: The Committee **approved** the draft budget for recommendation to the Corporation.

7 - Construction facilities at Uxbridge

The Committee received a business case for additional construction facilities at Uxbridge College as part of the delivery of the 2030 Curriculum Strategy which included three options for consideration.

It was noted that Construction teaching remained one of the College's priority curriculum areas and aligned strongly with Local Skills Improvement Plan (LSIP) priorities across West and South London. The proposal involved the development of a modular Construction facility at Uxbridge College, replacing an existing block. The new facility would create approximately 1,100 square metres of specialist teaching and learning space dedicated to Construction provision delivered well by the College, but where demand regularly exceeded capacity.

The CFO summarised the financial appraisal including the upside, base-case and downside scenarios. The Committee reviewed the assumptions behind the downside scenario and noted that the principal risk related to lower-than-forecast student recruitment. Governors sought assurance regarding wider curriculum viability and questioned whether additional efficiencies could be achieved elsewhere within the curriculum portfolio to offset short-term investment pressures. The Committee was advised that curriculum reviews were already underway, with less viable areas being reduced or removed in favour of growth sectors. It was reported that curriculum planning processes remained focused on viability and sustainable delivery.

The Committee discussed the leasing model proposed within the business case. Governors challenged the extent of flexibility provided by the lease arrangement given that termination provisions remained limited. The Committee was advised that the principal benefit related to cashflow management and avoidance of an immediate capital outlay. Leasing allowed the College to preserve liquidity while aligning expenditure more closely to operational cashflows.

The Committee discussed potential funding opportunities but was advised to assess the proposal on a standalone basis given the uncertainty surrounding this. It was clarified that any CTEC funding could support upfront capital costs but not lease payments.

The Committee received assurance regarding the estates and delivery case for the proposal. It was confirmed that the modular solution represented significantly better value than a traditional build approach, with indicative costs compared over a 25-year lifespan. The Committee noted that alternative off-site options had been considered but discounted due to planning lead times, landlord negotiations and future dilapidation liabilities.

Governors noted that the facility would be delivered through a public sector procurement framework, with the proposed supplier providing a turnkey solution covering demolition, design, installation and fit-out. The College would separately provide loose furniture, fittings and equipment.

The Committee reviewed key project risks, including the accelerated planning timetable, temporary decant arrangements, environmental requirements relating to the nearby pond area, and final works associated with access control and fire strategy. Governors were advised that two temporary units would be installed to allow assessment activity to continue while an existing block was demolished and the site prepared. It was confirmed that the facility was planned for completion ahead of September 2026.

Governors also sought assurance regarding structural loading, long-term adaptability and futureproofing of the facility. The Committee was advised that structural and services engineers had already worked with curriculum teams to assess intended usage. The current proposal was based on medium-weight construction activity. Governors noted that the modular design and suspended ceiling layout would allow substantial future adaptability.

The Committee noted that the strongest strategic rationale related to improving internal progression and strengthening Level 3 delivery in areas such as Plumbing and Electrical Installation, where employer demand remained particularly strong. Governors noted that employers were actively seeking learners with those technical skill sets.

The Committee also discussed the wider estates strategy for Construction provision across the Group. Governors sought assurance regarding future provision at Harrow and Richmond. EMT replied that emerging master-planning work would address this area.

The Committee noted that the first-year investment amounts required had already been incorporated into the proposed Business Plan for 2026/27 using downside assumptions. Governors also noted that the proposal included provision for known site removal obligations and that there remained an option to purchase the modular building at the end of the lease term for a further negotiated sum. The Committee noted that modern modular buildings of this type were often assessed by insurers as having a lifespan of up to 30 years.

Resolution: The Committee approved the outline Business Case for the Construction Teaching Centre and progression to procurement under the recommended lease model, with delegated authority to EMT to finalise commercial terms within agreed financial parameters.

The Director of Governance reminded members that, under the Scheme of Delegation, formal approval rested with the CEO and Acting Chair alongside the Committee's recommendation. The CEO and Acting Chair confirmed their approval of the proposal.

8 - Any other business

No additional business was raised.

9 - Date of next meeting

- 5.30pm-6.30pm on Wednesday 24 June 2026

The Director of Governance reminded the Committer of the wider governance timetable of:

- Corporation on 12 May 2026
- Finance and Resources Committee on 24 June 2006
- Corporation on 7 July 2026

The meeting closed at 6.52pm.