MINUTES

HCUC

Directorate:	**Governance**		
Minutes of:	**Resources Committee**		
Date:	**20 June 2018**	**Time: 10.00**	
Venue:	**Executive Meeting Room, Uxbridge Campus**		
Present:	Alasdair MacLeod	Governor (Chair)	
	Laraine Smith	Group Principal & CEO	
	Steve Owen	Governor	
Apologies:	Sally Westwood	Governor	
	Vikash Patel	Head of Finance	
In attendance:	Imtiaz Aziz	HR Director *(present until the end of item 10)*	
	Pat Carvalho	Principal and Deputy CEO	
	Sara Sands	Group Director Finance & Resource Planning	
	Tracy Reeve	Clerk to the Corporation	

1. Chair's Agenda Item
The Chair did not have any matters to raise under this item.

2. Apologies for absence
Apologies had been received from Sally Westwood and Vikash Patel.

3. Notification of any urgent items members may wish to raise under Any Other Business
There was no other business.

4. Notification of Interests Members may wish to declare relating to any item
No interests were notified.

5. Minutes of the Resources Committee meeting held on 13 March 2018
The minutes were approved and signed by the Chair.

6. Matters arising from the minutes of the Resources Committee meeting 13 March 2018.
There were no matters arising that were not already covered by the agenda.

7. **Human Resources Update Report – FOR INFORMATION**
The HR Director (IA) presented the standing Human Resources update report to the meeting.

- ***HR Data Dashboard***

The meeting received the HR dashboard which reported on the following key HR metrics for 2017/18 year-to-date at 30th April 2018: staff headcount and FTE by College; staff turnover; recruitment activity; sickness absence rate; Equality data of the HCUC workforce; age profile data; and a Prevent update (in relation to completion of training). Governors noted the overall headcount (not FTE) for HCUC for permanent staff YTD was now 773; 77 managers (10%), 317 lecturers (41%) and 379 support staff (49%). The HR Director reminded the meeting that there were a number of support staff on fractional contracts which explained the higher headcount for this group compared with lecturers. IA confirmed that this overall picture was broadly consistent with the benchmark data from

Harrow College

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the AOC workforce survey report of March 2017. The current turnover figures were noted: Uxbridge College (UC) turnover YTD was at 8.38% (compared with 5.66% at 31 January 2018); and Harrow College (HC) turnover was now at 7.85% (compared with 4.6% in January 2018). The meeting was reminded that this was expected as teaching staff resigned to meet their 3 month 'notice period' towards the end of the academic year. The overall HCUC staff turnover figure was at 8.19% which was below the AoC benchmark of 17.4%. The report contained a detailed analysis of turnover by contract type at each of the individual colleges. The equality data was considered and IA highlighted that the current BME figure at each of the colleges was: HC 41%, UC 35%, and overall HCUC 37% against a target of 35%. The meeting discussed the varying age profile between the 2 colleges with HC having an older age profile. Governors sought confirmation on how the sector and more specifically HCUC was encouraging younger applicants. IA highlighted the historical strength of UC with a policy of developing their own staff and in some cases students for progression and employment. There had been cases where capable able students had been brought back into the college as teaching staff and developed as lecturers. The Principal Harrow (PC) reminded the meeting of the relatively high salaries at HC compared with other local colleges (due to historical factors). This made it less likely for lecturers to leave the College and so the age demographic of the teaching workforce had increased over time. SO cited the 'Future Leaders' programme which enabled staff development in the school sector and asked whether there was anything similar within the FE sector. The Principal UC reminded the meeting that the need for a strong vocational base and industry experience in some teaching roles made this less easy to implement. IA informed the meeting that the College offered access to an Institute of Leadership and Management Course for HCUC managers as a CPD opportunity where appropriate. IA also highlighted the current intention to use the College apprenticeship levy for some management training. Governors were pleased to note that the absence rates were below the AoC benchmark of 5.6 days in all categories of staff. The Chair sought, and was given, confirmation that the required Gender Pay Gap reporting was now complete and was now accessible via the College websites. The meeting was pleased to note the high completion rate for Prevent Training of staff with a figure of 98% at each of the individual colleges. Governors noted that recruitment processes had now been amended to ensure that all new appointees completed the mandatory HCUC training in Equality, Prevent and Safeguarding before their first day of service.

- ***Staff Focus Group Feedback***

The meeting noted the summary feedback from the Staff Focus Groups that had been held in November 2017 for lecturing staff and February 2018 for support staff. In total just fewer than 50 staff had been involved. The Resources Committee had previously considered detailed reports from these focus groups in November 2017 and March 2018. The Principal reminded the meeting that the summary report from the 2017/18 Staff Focus Groups would be presented to the Corporation meeting in July 2018 for information.

- ***Performance Appraisal Policy and Procedure Update***

The meeting was pleased to note that that the College had now rolled out a new on-line performance appraisal process during the current week. To ensure consistent and fair treatment of staff the Performance Appraisal Policy & Procedure had been updated. The previous UC policy was used as the baseline and changes had been made to the policy to incorporate good practice from both colleges. The meeting noted the changes to the performance rating system with the new rating scheme as follows: Exemplary standard of performance; Exceeds expected performance standards; Meets expected performance standards; Partially meets expected performance standards; and Does not meet expected performance standards. IA confirmed that for teaching staff these ratings would be linked to lesson observation grades.

- ***HR Casework Update***

The following Human Resources casework activity was noted:
  - There had been no formal grievances registered during the year to date 2017/18.
  - An existing member of staff had registered two Employment Tribunal claims complaining

about race discrimination. The complaints had arisen after management took disciplinary action because of the member of staff's conduct with staff, students and customers. This member of staff had now been dismissed and the dismissal decision was upheld at appeal.
- The relevant Head of School had successfully resolved one complaint under the College's Whistleblowing procedure.

- ***AoC College Workforce Survey 2017***

The meeting noted the AoC College Workforce Survey 2017 that was published in May 2018. This annual survey was based on 2016/17 academic year information. The Principal highlighted the summary of findings, with some interesting points to note including:
- The average staff turnover was 17.4% (12.8% for management, 16.0% for teaching staff and 18.3% for support staff). In 2015/16 the average staff turnover was 18.2%.
- 67% of colleges reported having voluntary redundancies and 63% reported having compulsory redundancies.
- 90% of colleges reported having difficulty filling posts in 2016/17.
- The top three most difficult posts to fill in teaching jobs were engineering, construction and mathematics (the same as in the previous two years' annual surveys).
- The top three reasons for recruitment difficulties across all college staff were lack of specialist skills, looking for more pay than college could offer and no applicants. This was similar to the previous year's survey.
- The overall staff absence rate was 5.6 days per employee and a lost time percentage of 3.0% (compared to 5.8 days and 3.1% respectively in the previous year).

Governors agreed that this was useful benchmarking data for FE Colleges.
The Human Resources Report was RECEIVED.
[The HR Director left the meeting.]

ITEMS FOR DECISION/ APPROVAL

8. Draft Budget 2018/19 and Plan for 2019/20 and 2020/21

The GDFRP (SS) presented the report to the meeting and confirmed that this final version of the budget had been considered and agreed at the College Senior Leadership Team (SLT) meeting during the previous week.

- **<u>HCUC Forecast Final out-turn 2017/18</u>**

The revised forecast reports an operating deficit for the period of £171,000 compared to the previous forecast deficit of £883,000 (positive variance of £712,000).

The GDFRP highlighted the following significant points:
- *Income:* Overall negative variance of £169,000 against the forecast of £46,143,000.
  - *ESFA 19+ funding:* an adverse variance of £49,000 due to lower delivery than planned.
  - *Agency other funding:* an adverse variance of £111,000 due to lower high needs support invoicing and lower distribution of free college meals.
- *Materials Fees:* Adverse variance of £47,000 but income matched expenditure, which was lower than planned.
- *Services and other activities:* This was showing a positive variance of £4,000 against the forecast negative contribution of £119,000. SS informed the meeting that £80,000 of the £115,000 was due to a catering subsidy at Harrow College. Governors were reminded that this subsidy would not remain during 2018/19 as a new catering contract had been agreed in April with Aramark now providing the catering at both College sites (HC from April 2018 and UC from August 2018). This new contract would generate income for HCUC rather than require a subsidy.
- *Employer Services Income:* An adverse variance of £116,000 for SFA Contracts (against the forecast of £914,000). The contribution from Employer Services had now fallen to £967,000 in

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year due to a downturn in WBL income and the very challenging funding scenario under the new Apprenticeship Levy.

- *Employee Costs:* A favourable variance of £644,000 (against the forecast of £32,384,000) due to posts filled later than anticipated and use of agency staff covering vacant academic posts.
- *Expenses:*
  - *Schools Costs:* Adverse variance £65,000 due to higher Examination costs, particularly at UC in HBHEY, Academy and English and Maths.
  - *Marketing and Student Services:* A positive variance of £125,000 due to an under-spend on Advanced Learner Loan Bursary and free College meals (both in line with income). There were also savings within the Marketing department (£28,000) due to lower expenditure on some campaigns.
  - *Finance:* A positive variance of £85,000 mainly due to savings in audit costs (£31,000) and a release of provision within Harrow costs now included in lines above.
- *Depreciation:* An adverse variance £36,000 in line with current levels of capital expenditure.
- *Total Overheads:* A positive variance of £786,000 against the forecast of £47,864,000
- *Balance Sheet:* Cash was at £18,524,000 (against a forecast of £17,632,000) due to higher surplus and higher creditors offset by lower grant income and higher capital expenditure. Fixed Assets were showing a positive variance of £1,011,000 against the forecast of £89,327 due to the timing of capital expenditure. The meeting noted that £1,100,000 was included in 'other creditors' relating to 2017/18 delivery. Reserves were at £51,737,000. All ratios were strong: a cash day in hand figure was at 135.4 compared with a forecast of 127.8; the 'Outstanding' SFA financial health rating would be maintained. GDFRP informed the meeting that the College score on the SFA financial health scorecard was 290, out of a maximum 300; so was a very strong 'outstanding' score.

SS informed the meeting that there would be some additional costs – circa £100,000 - to be included in 2017/18 which were not yet finalised. One of these was a potential legal case with a previous sub-contractor of the College; this would result in legal fees for HCUC to pay but at this stage the actual costs were unknown but best estimates were around £50,000. ***SS informed the meeting that she would e-mail Resources Governors with details of these additional costs in advance of the final budget being presented to the HCUC Corporation on 10th July 2018.***

<u>Budget 2018/19</u>

The Principal reminded the meeting that there was some uncertainty around the future two years as no one was yet sure of the impact of devolution even though FE Colleges in London had been assured that their budget figures would be guaranteed. The ESFA funding to 16-18 learners in 2018/19 was the same as for the current year but the 19+ funding was still not yet finalised. An operating surplus for the period was now budgeted at £791,000 compared to the approved plan (approved in February 2018) of £494,000. Members were assured that the College would maintain its SFA financial health rating of Outstanding, based on the budget as presented. GDFRP highlighted the following significant variances to the Plan:

<u>Income</u>

- *Agency (SFA and EFA) Recurrent Funding*: No variance on the 16-18 funding which is increased by £76,000 on 2017/18 levels. A positive variance of £346,000 on 19+ funding as the planned 5% reduction in 19+ funding had not materialised. It was noted that a £400,000 provision for under-achievement had been included. A positive variance of £858,000 on the planned ALS Funding income of £1,416,000 to reflect the higher number of high needs learners at both Harrow and Uxbridge (this would rise to 240 from the current year's figure of 196). Governors sought clarification on whether modifications had been made to the estate to make it more accessible for High Needs Learners. SS informed the meeting that 2 specialist bathrooms had been installed at Uxbridge and an additional one was being installed at Hayes. There was also a new sensory room at Uxbridge College for these learners. It was noted that Hayes Campus had dedicated more space to learners with complex needs.

- *Agency Other Funding:* An adverse variance of £646,000 due to a reduced need to claim high needs funding from local authorities.
- *HEFCE Funding (Grant):* A negative variance of £52,000 as the grant awarded for targeted allocations was lower, mainly due to lower student numbers.
- *HEFCE Funding (Fees):* A positive variance of £140,000 due to an increase in learner numbers and rate of fees.
- *Services and other activities:* A positive variance of £81,000 due to the new catering provision and the removal of the planned Harrow College subsidy.
- *Employer Services (now badged as West Met Skills)*: An adverse variance of £301,000 against the planned £1,029,000.
  - School Link – U19*:* Adverse variance of £61,000 as several courses had been removed for 2018/19 due to low numbers.
  - SFA Contracts: This was showing an adverse variance of £251,000 against the plan of £976,000. Work Based Learning delivery would be lower than planned (adverse variance of £202,000) due mainly to increased competition and difficulty recruiting suitable candidates. Programmes for the Unemployed also £49,000 below plan.

Expenses

- Employee Costs

Members were reminded that the budget for Employee Costs assumed that all posts were filled 100% of the time, which was not usually the case; however, a provision of £1,050,000 had been included to account for efficiencies (£650,000 UC and £400,000 HC). SS confirmed that the budget also took account of the proposed restructure. The budget included a consolidated 1% increase for all staff not on protected salaries. It also included a 2% increase in employers LGPS pension contribution from 1 August 2018 and a 2% increase in TPA contributions from April 2019. The budget for employee costs was £31,386,000 against the planned £31,418,000 (positive variance of £33,000) this was a reflection of the reduction in post numbers or fractions in line with curriculum or business support needs. The meeting noted the recent deletion and creation of posts by department; this Principal confirmed that this reflected what had been discussed with the Governors at the April 2018 Training and Planning Day. It was noted that the average proportion of agency teaching was now budgeted at 5% across all the schools; the final outturn 2017/18 had been circa 11% due to the complications around the merger. The Principal assured the meeting that there was now tight control on agency costs at Harrow College, which was in line with the previous approach at Uxbridge College. The meeting noted that staff costs as a percentage of income in the 2018/19 budget were 64% compared to 67% in the plan.

- Non-Pay Expenses

SS confirmed that all curriculum expenses (staffing and non-staffing) had been rigorously challenged through the course costing model. Total expenses including depreciation were budgeted at £15,233,000 compared with the planned £14,963,000.

- *Schools*: Adverse variance of £74,000 due to confirmed growth, increasing exams and materials costs to meet the course portfolio.
- *Marketing & Student Services*: Total adverse variance of £40,000 against the plan of £2,349,000. It was noted that the majority of this figure was due to an increase in the Advanced Learner Loan Bursary which was in line with allocations from the ESFA.
- *Human Resources*: A positive variance of £13,000 against a plan of £514,000 due to savings across staff training and staff development.
- *Estates*: A positive variance of £203,000 with a budget of £3,496,000 against the planned £3,699,000. The meeting noted that this reflected savings from improved contract values for cleaning and M&E which had been retendered by HCUC.
- *Finance:* An adverse variance of £395,000 against the planned £1,443,000. This large variance was due to: the reduction in efficiency savings of £650,000 to £200,000. This accounted for further savings from tenders still to be completed and general merger synergies. Offset by savings to audit costs, IT Services and Other.

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- *Executive:* A positive variance of £92,000 due to the cessation of the Career College at Harrow in the budget year.
- *Depreciation:* The adverse variance of £69,000 against the planned £4,165,000 was in line with capital spend.

Balance Sheet

- *Cash:* Budget of £16,020,000 against plan of £18,983,000 (adverse variance of £2,693,000). Due to increased capital expenditure offset by improved outturn.
- *Fixed Assets:* Positive variance of £4,528,000 against planned £89,161,000 due to timing of expenditure and additional capital works: Refurbishment of Newton Building at Weald which would be funded from reserves, in addition to the completion of the Harrow Campus enabling works and the start of planning for the IoT.
- *Accruals and Other Creditors:* Variance of £247,000 with a budget of £4,914,000 against the plan of £5,161,000 which was in line with 2017/18 year end provision after discounting SFA creditor.
- *PAYE/ NI:* At £782,000 against the plan of £1,030,000 in line with 2017/18.
- *Deferred Capital Grant:* At £938,000 against the plan of £0 due to timing.
- *Cash Days in Hand*: 114.9 (138.3 planned) compared with 135.4 final outturn 2017/18; due to higher capital spend.
- *Current ratio*: 2.22 (2.69 planned) compared with 2.03 final outturn 2017/18.
- *EBITDA*: 11% in budget and plan.
- *Financial Health Score*: This was 290 points in the budget (as planned) this would yield an ESFA financial health grade of 'outstanding'.

Plan Years 2019/20 and 2020/21

SS confirmed that the income and expenditure plans for 2019/20 and 2020/21 had been reworked to reflect the proposed budget for 2018/19. Members noted that the college cash position and current ratios would remain strong throughout the two plan years. It was noted that the plan years 2019/20 and 2020/21 showed operating surpluses of £740,000 and £620,000 respectively. The stand-still assumptions for 16-18 and 19+ learner number growth and rate of funding were noted. The plan years assumed 5% growth in WBL funding under the apprenticeship levy-funding regime. Governors noted that each of the plan years included a provision for under-achievement of £400,000. Other income was assumed to be subject to 3% inflation except for short courses where a rate of 4% inflation had been used. The planned Employee costs included: all pay increments; a pay award of 1% in each of the plan years; an increase in LGPS employer contributions of 1.8% from August 2019. The detail of the capital investment programme over the plan years was considered; capital expenditure of £8,916,000 and £3,910,000 was assumed. Inflation of 3% was assumed in relation to non-pay expenditure and non-pay efficiencies were assumed at £200,000 in each Plan Year. Pay efficiency savings of £1,300,000 and £1,800,000 (cumulative) were assumed in the plan years. An apprenticeship levy of 0.5% of salaries was included each year. Governors were pleased to note that cash levels would remain strong at £18,290,000 and £21,278,000 in each of the two plan years. SS confirmed that the health category of the College would remain at 'outstanding' for both plan years. Members commended the very thorough budget and planning process and the clear accompanying narrative.

The Committee APPROVED the HCUC Budget 2018/19 and Plan 2019/20-2020/21 and recommended that it be submitted to the Governing Body for approval.

9. Update on Tenders for approval

The meeting was reminded that post-merger, the College had been reviewing major contracts in order to retender and produce the savings required for HCUC. The meeting noted that HCUC currently contracted with 2 different cleaning companies and 14 different mechanical & electrical (M&E) maintenance companies (13 at Harrow, 1 at Uxbridge). For efficiency in both cost and management, it was decided to retender all contracts. Following a comprehensive tender process

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conducted by Tenet procurement, the GDFRP presented a paper which recommended the appointment of: CBRE for Mechanical & Electrical Maintenance for HCUC and Lewis & Graves Partnership Ltd for cleaning for HCUC Both contracts to be for a period of 3 years commencing 1st August 2018.

- ***Cleaning***

Tenders were received from 7 companies, including 1 from the Uxbridge incumbent. Lewis & Graves Partnership Ltd scored the highest at 93.26. The Uxbridge incumbent came second with 89.94. The lowest score was 80.10. All tenders were to cover the whole College, and it was confirmed that existing contracts had been terminated where appropriate. Lewis and Graves were the second cheapest company. They scored highly on all aspects of the bid, particularly for their proposal to have non-working supervisors at the 2 main campuses, and working supervisors at all other campuses. The lowest priced tender did not score well on supervision aspects, and also returned a non TUPE compliant bid. Lewis & Graves had reduced the working weeks to 51 at Harrow and maintained the predominately term time only basis at Uxbridge. SS informed Governors that it was anticipated that further savings would be made by bringing the Harrow schedules in line with Uxbridge, i.e. skeleton staff during the holidays only instead of the full compliment. Full details of the tender and analysis were provided for the meeting. The overall annual saving 2018/19 would be £53,503.

- ***Mechanical & Electrical***

Tenders were received from 7 companies, with both incumbents submitting tenders (Hollywell Building Services for Harrow and Incentive Tec for Uxbridge). Hollywell came third in the scoring and Incentive Tec seventh. CBRE scored the highest at 91.75. The lowest score was 60.77. CBRE had the lowest tender price, the highest number of maintenance hours and in addition in line with all tenderers, propose to have 2 engineers on site, whereas there was currently only one, who would TUPE across. SS confirmed that CBRE had a very good reputation in the sector and already worked with several colleges in the vicinity. Full details of the tender and analysis were provided for the meeting. The overall annual saving 2018/19 would be £29,644.

After discussion the Resources Committee Governors commended this work and the strong value for money that the ongoing contract with Tenet Procurement provided for the College.

The meeting AGREED to recommend the following to the Corporation for approval:

i. ***the appointment of Lewis and Graves as cleaning suppliers to HCUC across the 4 main sites for a period of 3 years, and a commencement date of 1 August 2018.***

ii. ***the appointment of CBRE as M&E suppliers to HCUC across all sites for a period of 3 years with a commencement date of 1 August 2018.***

ITEMS FOR INFORMATION

10. Capital and Property Update

A comprehensive HCUC property update report was considered by the meeting.

<u>LEP Further Education Capital Investment Fund for Health & Social Care Building</u>: The Health and Social Care building had now been in use since November 2017. The meeting noted that there were still a number of snagging items being addressed: water was entering the gas supply and caused the gas condensers, which heat the water and building, to be damaged. These had been repaired by the contractor. Classes had to be relocated to the Gaskell building whilst work was completed but the facility was now fully operational again. Ashe had still not formally submitted their final account; AA Projects had responded to the documents submitted and were developing their Final Statement of Account in order to progress the account. At present, the project was forecast to be within the agreed overall budget. Part of the external works and the demolition of Gaskell had been omitted from their works and would now be completed under the Estate Strategy Enabling Works. Retention

was still being held by the College and may be used to settle the account to offset the LADs due from the late completion of the project. The official opening of the building would take place on July 10th, by the Deputy Mayor for London, Jules Pipe (Planning, Regeneration and Skills).

Weald Masterplan: The meeting noted that the Local Planning Authority failed to review the initial design information in time to discharge pre-commencement conditions so a new S73 application was submitted in May 2017 at their request. Final planning approval should have been determined on 18 September 2017, but was delayed until April 2018. There were several conditions to discharge; an updated travel plan and a cycle scheme.

The Local Skill for Londoners Capital Investment Fund: The meeting noted that the College had been successful in its application to the LEAP for funds to refurbish the LRC at Harrow Weald. Governors noted that the works had been split into 3 sections in order to progress on a timely basis and enable the procurement to progress.

- External works – Access road and demolition of Ramsey Building
- LRC reconfiguration to incorporate High need learning.
- Landscaping works – Demolition of Gaskell building and hard and soft landscaping, including work transferred from the Health and Social Care Building project.

PC confirmed that the recent and planned changes to the Weald Campus were really positive, the demolition of the Gaskell Building over the summer would take forward the significant change.

Refurbishment of Newton Building including workshops and classrooms: GDFRP reminded the meeting that the College had intended to apply for funding for the above building from the LEAP at the same time as the Armstrong building. However, it had now been announced that applications for the fund would not be open before April 2019. There was a need to consolidate provision onto the two main Harrow sites, so it was the intention of the College to continue with plans to refurbish the Newton building prior to any application of funds. By consolidating provision on the 2 Harrow sites, the College would save approximately £250,000 in lease and associated operating costs, in addition to improving efficiency and synergy by consolidating science provision at Harrow on the Hill, and co-locating provision at Weald. SS confirmed that the College had just received a detailed cost analysis which was estimated at £3.54m; this would be analysed further before final proposals were presented to the Corporation for approval to continue. SS confirmed that funding would need to come from reserves and or loan financing.

Local Skill for Londoners Capital Development Fund – Armstrong Building, Harrow on the Hill: The meeting was reminded that the College had submitted a full planning application for the Armstrong Building at Harrow. However, Resources Committee were informed that applications for the fund had now been delayed until April 2019. This would mean that the project was now on hold until funds were made available but the planning process would be completed in advance of this.

Estates Strategy – Enabling Works: The meeting was reminded that an overall Estate Strategy for both Harrow Campuses was presented to the HCUC Corporation and agreed in May 2018. A series of Enabling Projects were identified which were able to be delivered independently, and released the Newton and Armstrong Buildings to be redeveloped as funding became available. These projects would have an immediate benefit on each of the campuses for both utilisation and the message to the Staff and students that HCUC was investing in the future. The following projects would be delivered for completion by Mid-August/ September 2018 in time for the new enrolment.

Harrow Weald

- Planning Application Newton Building for new Workshops to accommodate the offsite Construction facilities.
- Relocation of the Refectory and associated facilities to the DAC building
- Reconfiguration of the Art Facilities to release ground floor space for the refectory.
- Uplift of Bronte Building with new power operated doors to address DDA and provide future opportunity for access barriers.

- Transfer 3 laboratories and associated prep room to Harrow on the Hill (reusing and relocating existing FFE).

Harrow on the Hill

- Enterprise Building– Alteration work to create better space utilisation, creation of new floor space / classrooms. Relocation of the LRC from Armstrong, Principalship and Board room moved to 2nd Floor
- Science laboratories created on ground floor of Sports block, new lift to 1st Floor to provide DDA access to sports
- New External lift to Brunel to provide DDA access to 3 storey Science and 2 storey general teaching areas.
- West Met Training and Marketing relocated to White House to provide an independent facility to address safeguarding and allow dedicated access.

The meeting noted that procurement had commenced in conjunction with Gardiner & Theobald. The specialist direct contractors had confirmed that they would utilise the costs used for the LRC, and the contracts have been extended to incorporate these works.

Austen Building: The meeting noted that College management had now met with the Department of Education (DoE) regarding their occupation of the Austen building. Governors were reminded that the DoE had a need for a playground and had initially thought to use their section of the car park. The suggestions had now been made to do a land swap for a portion of HCUC land behind the Austen building that is currently green space, and the DoE section of the car park. The college does not currently use the green space, but was continuing to use the car park as an overflow. The meeting was pleased to note that this would provide a solution for this issue that had been difficult to address to date.

Other Works: The meeting was reminded that HCUC had recently been successful in gaining the Mayors Construction Academy status, and success in the first round of the Institute of Technology application. Further capital would be associated with these projects although the total costs and any grant funding or match funding were not yet known. The meeting noted an outline of major works across HCUC current and upcoming:

- Enabling Works, Harrow. A refurb project costing c£1,000,000 starting April 2018 with completion by September 2018
- Newton Building, Weald. Refurb costing c£3-4 million, start date yet to be confirmed but possibly January 2019 with completion in September 2019
- Institute of Technology, Uxbridge New build costing c£6,500,000, start date of January 2019 with completion in September 2020
- Mayors Construction Academy, Uxbridge. Equipment costing c£364,000. Project starting in April 2019 with completion by July 2019
- Armstrong Building, Harrow on Hill. Refurb project costing c£8,000,000. Timing yet to be confirmed.

The Property Update Report was RECEIVED.

11. HCUC Monthly Management Accounts to 31st May 2018

The GDFRP presented the composite HCUC management accounts to 31st May 2018. The accounts were taken as read as they had been fully considered during agenda item 8 Draft Budget 2018/19.

The HCUC Management Accounts to 31st May 2018 were RECEIVED

12. Merger Costs Update

SS presented a summary of the actual costs to date compared with the forecast costs of the merger which had been included in the two-college combined forecast 2016/17 and financial plan 2017/18. The actual cost of the merger to date was noted as £1,409,694 against the budget of £917,000 (adverse variance of £492,694). The meeting noted the IT systems costs which had started earlier than planned; the variance on this line alone was adverse £177,514.

The meeting agreed that as the post-merger period had now covered a full-year this report should cease as a standing report to each meeting of the Resources Committee; an annual report should be presented commencing in September 2019. It was agreed that moving into 2018/19 the Resources Committee should continue to monitor savings achieved as a result of the merger which would include details from the monthly savings report from Tenet and any additional savings achieved by the HCUC Estates Team.
The HCUC Merger Costs Report was NOTED
In 2018/19 an Annual Report on merger costs should be presented to the Resources Committee with a standing report on savings achieved.

13. Financial Benchmarking information

The meeting noted a report which presented benchmarking data for 2016/17 prior to the merger of Uxbridge College (UC) and Harrow College (HC); the Colleges were shown separately. Nationally the former UC compared well, being in the top 5 for EBITDA – at 16.5% - which showed the operating surplus achieved as a percentage of income after stripping out depreciation and release of capital grants. Within Greater London UC came through strongly and was in the top five for cash days in hand, cash generated from operations, operating surplus, surplus as a percentage of income, EBITDA and staff training as a percentage of staff costs.
NOTED

14. To receive the Resources Committee Risk Register update

The meeting noted the Resources Committee sections of the two separate College Risk Registers which had the risks aligned to the Corporate Goals of each college. SS confirmed that as the HCUC Strategic Plan had now been finalised there would be one composite HCUC Risk Register for 2018/19. The meeting considered the two Risk Registers and noted that they showed significant and contingency risk only. Governors were given assurance that these Risk Registers were reviewed regularly through HCUC management team meetings but there had been little change since last presented to the Resources Committee. The meeting considered the summary report which highlighted the key risks as follows:

Harrow College and Uxbridge College Risk Registers
The meeting noted that the significant risks (rated 12 and above) in both Colleges all related to difficulties with staff recruitment and achievement of funding:

- Insufficiently qualified and equipped staff to support the delivery of study programmes and quality outcomes for learners
  - Problem areas noted as: Harrow, Health & Social Care and LLDD; Uxbridge, Business, Health and Social Care, Engineering (ME), Learning Support
- Failure to recruit 16-18 enrolment and AEB income targets.
  - Recruitment to date was noted as:
    - Harrow
      - 16-18 learner numbers actual: target 1872:1960
      - 19+ funding target £4,334,000: shortfall of £862,000 anticipated
    - Uxbridge
      - 16-18 learner numbers actual: target 4118:4068
      - 19+ funding target £2,842,000: shortfall of £247,000 anticipated
- WBL 16-18 and 19+ apprentices target not met including in-year variation.
- Underachievement of funding targets – as detailed above.

- An additional risk was significant at Uxbridge:
    - Employers not agreeing to the College apprenticeship contract or not signing in a timely manner.

The Resources Committee section of the College Risk Registers were NOTED and RECEIVED.

15. Notification of any attempted fraud in the period to date 2017/18

The meeting received a report which confirmed that there had been no known attempted fraud/ corruption issues to report year to date.

NOTED

16. To confirm and agree the dates and times for the meetings in 2018/19

The provisional dates and times of the meetings were noted as follows:

- Wednesday 19th September 2018 at 10.00am
- Wednesday 28th November 2018 at 10.15am
- Wednesday 13th March 2019 at 10am
- Wednesday 19th June 2019 at 10am

17. Any Other business

There was no other business. The meeting closed at 12.06pm

Signed ……………………………………….

Date ………………………………………..

UXBRIDGE COLLEGE

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