MINUTES

Directorate: **HCUC Governance**

Minutes of: **Resources Committee**

Date: **16 September 2020** **Time: 10.00**

Venue: **Remote access via Zoom video conference**

Present:	Alasdair Macleod	Governor (Chair)
	Darrell De Souza	CEO/ Principal
	Steve Owen	Governor
In attendance:	Pat Carvalho	Principal and Deputy CEO
	Vik Patel	Head of Finance
	Shane Woodhatch	Group Director of Finance & Resource Planning
	Tracy Reeve	Clerk to the Corporation
	Andy Miller	Executive Director Corporate Services
Part attendance:	Imtiaz Aziz	HR Director *(agenda item 11 only)*

1. Apologies for absence

There were no apologies. The Chair (AMcL) sought an update on when a new governor to fill the current vacancy on Resources Committee would be appointed; the Clerk informed the meeting that she was currently pursuing a possible appointee and would keep AMcL informed with progress. The meeting welcomed Vik Patel, the new Head of Finance to the meeting; he had started back at HCUC at the start of the autumn term.

2. Notification of any urgent items that members may wish to raise under Any Other Business

There was no other business.

3. Notification of Interests Members may wish to declare relating to any item

No interests were notified.

4. Minutes of the Resources Committee meeting held on 1 July 2020

The meeting approved the minutes as presented.

5. Matters arising from the minutes of the Resources Committee meeting held on 1 July 2020

- **Richmond Upon Thames College (RuTC)** *(declassified as confidential 18/11/20)*

The Chair sought a verbal update on any progress with the HCUC involvement in the Structure and Prospect Appraisal (SPA) process currently being driven by the FE Commissioner (FEC) at RuTC. DDS informed the meeting that following the Expression of Interest that HCUC submitted in June the formal bid to be considered as a merger partner had to be submitted by 5 October 2020. DDS believed that the final competition was now limited to 2 or 3 organisations. The Group Director Finance and Resource Planning (SW) highlighted that the FEC had now confirmed that no government funds would be available to meet any costs of merger. DDS confirmed that Governors would be kept updated on progress with the SPA process in between formal sub-committee and Corporation meetings.

NOTED

There were no other matters arising that were not already covered by the agenda.

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ITEMS FOR DECISION

6. Chairs Agenda Item
There Chair confirmed that there was nothing that he wished to discuss under this agenda item.

7. Bad debt write-off
The meeting considered the report detailing the proposed write-off of £39,992.98 in bad debts during the financial year 2019/20 at HCUC, (in compliance with the College Financial Regulations). The meeting noted that all of this debt across the two colleges related to unpaid student debt through upfront student fees, instalments and student loans. The breakdown by academic year of the 38 separate debts was noted; split between FE students (17), Apprenticeships (16) and other (5). The decrease compared with the prior year figure of £71,536 was questioned and it was noted that the values had decreased rather than the number of debts. Governors were assured that full provision for the write off would be made in the College accounts 2019/20. Governors sought additional clarification on the process that the College went through to recover debts before they were eventually written-off. The Chair also sought, and was given, confirmation that there was no underlying reason for the high level of FE debt at Harrow.

It was AGREED that the full write-off of bad debts amounting to £39,992.98 in the financial year 2019/20 should be APPROVED.

8. **Higher Education (HE) Fees for 2021/22**
The meeting noted that in order to comply with the Consumer Rights Act 2015 and guidance issued by the Competition and Markets Authority (CMA) as well as the requirements of the new Office for Students the College was required to publish the level of HE fees in autumn for the following academic year. This was to ensure that information was transparent and readily available to students in advance of them accepting an HE place. SW confirmed that the HE Fees policy would be released to meet this deadline; it would be an Appendix to the HCUC Fees Policy which outlined the terms and conditions of all fees.

Resources Committee members were reminded that the HCUC Fees Policy set out the requirements for the charging of fees and the rationale behind the fee structure. It was designed to provide clear criteria for course charges and to avoid ambiguity and inconsistency, across funding streams and ages. In relation to HE fees, the College had committed to maintaining the same fees in the second year of a course as the first, so students had certainty over the cost of the course. In addition, there was a commitment to increase the level of fees by no more than 5% per year. Courses were costed annually using direct staff and materials costs. In the absence of full pension increase details, and in the knowledge of likely pay increases and inflation, all fees for the first year of Level 4 HNC courses had been increased by 5%. The average contribution of HE courses at these new fee levels would be 47%. A detailed schedule of fees by course for home students was noted by the meeting; the fees ranged from £3,277 to £6,000. It was noted that the proposed HE fee for international students was £7,350, regardless of the course. The report confirmed that all charges including ID card, registration and exam fees were now included in the total HE fee. The meeting noted that the fees were capped at £6,000 unless additional criteria were triggered by the OfS which allowed providers to go above this level. DDS highlighted that this might be something that the College considered in future years in order to maintain viable contribution levels from the HE provision at HCUC but it was not something that would add sufficient value at HCUC at the moment to justify the additional onerous paperwork e.g. a full Access and Participation Statement.

The schedule of HE Fees 2021/22 was APPROVED as presented to be based on a course costing model with inflation applied at 5%.

9. Further Education Capital Allocation (FECA)

The meeting was reminded of the announcement from the Prime Minister on the 30th June 2020 that an initial £200m of the £1.5 billion in capital funding that would support the condition improvement and upgrading of the FE estate would be brought forward to be in invested in the current financial plan year (2020/21). The grant, badged as a 'dilapidations fund' had been awarded for the condition improvement of substandard or deteriorating buildings (graded B, C or D) in colleges as identified by the FE condition data collection (FECDC). This would also include IT infrastructure, where identified as requiring remedial action. The meeting noted the table which detailed the summary condition ratings across the HCUC Estate: 38% of the Uxbridge estate was grade A and 27% of the Harrow.

The College would be required to provide two monitoring returns for this grant funding:

- FECA reporting and monitoring return I due by 16th October 2020 detailing how colleges intended to use the FECA to support improvement of the condition of the FE College estate
- FECA reporting and monitoring return II due by 31st March 2021 confirming that the FECA had been spent on improvement of the condition of the College estate, and including invoices itemising works undertaken.

SW highlighted the cut off for expenditure under the FECA as 31 March 2020; all projects would need to be completed by this date. If the College did not spend or commit funding within the current financial year (2020/21), then the ESFA would recover any unspent or uncommitted FECA funding.

The meeting noted that in undertaking works, consideration had to be given to the longer term estate strategy of HCUC and the possibility of future works under the wider £1.3 billion capital investment programme, details of which would be announced in due course. In preparation for this, the ESFA expected all FE colleges to have an up to date estate strategy, which was seeking to maximise efficiencies and best value in the use of the estate.

The meeting also noted that the College would be expected to contribute matched funding up to 25%; this would need to be detailed in the monitoring return II. Governors noted the proposed work at HCUC which would involve a total spend of the £2,094,166:

- WIFI Network
- Replacement of Longmead Doors and Windows
- Roofing at Uxbridge Principalship
- Roofing at Harrow Weald – Hadid
- Harrow – Whitehouse

The cost to HCUC would be £523,000 partly offset by the £224,000 already included in the capital investment programme for 2020/21 for WiFi (£80K) and Longmead (£144k).

The meeting APPROVED the proposed capital spend of £523,000 to provide the 25% match funding for the FECA capital grant 2020/21 in line with HCUC estate strategy.

10. Policies

- **Financial Regulations**

The meeting noted a revised copy of the Finance Regulations with changes clearly tracked. These changes related to title changes of job roles, an enhanced BACS authorisation system and clear electronic authorisation limits which had been an internal audit recommendation from a recent finance system health-check.

The meeting considered a paper which further explained the proposed implementation of a new goods receipting module to the HCUC finance system. This would allow automation in the workflow authorisation process; duplication would be eliminated through a more efficient workflow and invoices would be paid in a timely manner. The meeting discussed the technical aspects of the new system and the controls that would be put in place over the automated system. The Chair sought

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confirmation on the level of spend that would be covered by this system and was given confirmation that it would not apply to one-off large items or any element of capital expenditure.
The following proposed change to the wording of paragraph 6.17 in the Finance Regulations was considered and APPROVED:
'6.17 Invoices that match authorised purchase orders in terms of price, quantity and value, and are within the tolerance levels applied, shall not require budget holder authorisation. All other invoices and those invoices outside the tolerance levels, shall be authorised by the relevant Budget Holder. A record and specimen signatures shall be maintained and held by the Head of Finance.'

The Finance Regulations were APPROVED as presented.

- **Reserves Policy**

The meeting considered a revised Reserves Policy which was presented for biennial review. The meeting noted the revision to the target sum which the College should aim to hold in reserve, now increased to £13.5m (previously £12m). Governors were reminded that this sum equated to the operational costs of the College for a 3-month period. The Chair sought clarification on whether there could be any situation where the Reserves Policy could act as a detriment to the College strategic aims. SW confirmed that the College currently had a buffer of £6m cash above this new level of £13m so there was room for manouevre; the threshold could also be amended by Resources Committee if it was limiting strategic options. He also highlighted the Revolving Credit Facility of £1.5m that the College could draw on if required.

The Reserves Policy was APPROVED as presented.

The Chair suggested that the GDFRP should check with the external auditors as to whether this £13.5m should be shown as 'restricted reserves' in the College Financial Statements.

ITEMS FOR INFORMATION

11. Human Resources Update

The HR Director (IA) presented the Annual Human Resources Report 2019/20 to the meeting.

<u>*Workforce Data*</u>: Governors noted that the total average headcount at HCUC was now 741 (499 at UC and 242 at HC) this had increased from 713 at the end of 2018/19. The figure for agency staffing was also noted as 79 at year end (reduced from the peak of 162 due to Covid-19 furlough). A similar reduction in Casual Staff from 174 to 82 at year end was also noted; this was part of the usual cycle during the academic year although the Casual contracts were ended in June rather than the usual July. Governors were reminded that no prior year data for Agency and Casual staff was available for comparison. Staff turnover across the College group was 16% during 2019/20 which was below the AoC benchmark of 17.4%. The 1% increase compared with the prior year figure of 15% was partly due to the reduction in recruitment during the Covid-19 lockdown. The turnover at HC was marginally higher (17%) than at UC (15%).

<u>*Workforce Equality Data*</u>: The BAME representation at HCUC at 36% was meeting the HCUC target of 36%. HCUC BAME representation also continued to meet the GLA figure of 36% for BAME who were economically active in the London population. BAME representation at HC was well above the College target at 39%. At UC, the BAME representation was just below the 36% target at 35%. HCUC female representation in 2020 was 72%, this figure exceeded the GLA figure for females who were economically active in the London population at 46%. Females made up 75% of the workforce at HC and 74% of the workforce at UC. At HCUC, the representation of staff with a declared disability was at 8% average throughout 2019/20 but this figure had risen from 6% in period 1 to 10% in period 4; directly linked to staff declaring a disability at or around the time of the Covid-19 lockdown. However, the HCUC 2020 figure of 8% was still below 12% (the GLA figure for disabled persons who were economically active in the London population). Representation of disabled staff at HC was 6% and at UC was 8%. IA confirmed that although low at 8% the disability statistics at HCUC were

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consistent with other FE Colleges. However, more work would be undertaken on this issue and HR was mindful that a more proactive approach was required with HCUC job adverts being sent to disability groups. At HCUC 60% of the workforce were in the 44+ age group, (prior year figure noted as 61%). The meeting noted the improvement of BAME candidates' performance at UC compared with the prior year. Performance (appointees vs applicants) of female applicants and in the age group over 41 had also been consistent across the colleges.

Sickness absence: The sickness levels at Harrow between period 2 and 4 of 2019/20 had remained consistent around 4.3 and showed a drop from period 1 (5.7). This contrasted with Uxbridge, which had seen a rise in sickness absence to 8 since period 1 (5.4). The overall sickness absence rate at UC (8) and HCUC (6.7) was above the HCUC target of 5.6 days (the AoC benchmark.). IA informed the meeting that the AoC benchmark was pre-Covid and this was likely to rise as all Colleges were impacted by the pandemic. The higher sickness figure was a result of COVID 19 when there was an initial spike in sickness levels. Governors sought, and were given, confirmation that this was a spike in short-term sickness not long-term. IA also highlighted that the absence rate for HCUC of 6.7 days was lower than the published benchmark figures from the CIPD Health and Well-Being at Work Survey which reported Public Sector as 8.5 days, Non-Profit Sector as 7.3 days.

COVID-19 Update: Return to campus, September 2020: Governors sought an update on whether the spike in sickness absence had continued into the start of the 2019/20 academic year when staff were required to return to campus as face-to-face delivery of Teaching and Learning resumed. IA confirmed that although he had not yet done a formal analysis of the statistics, he was conscious that a lot of staff were reporting ongoing health issues to HR as there was a nervousness about returning to campus. However, this had not impacted the delivery of teaching and learning. The meeting noted that 96% of HCUC staff had now returned to working on campus with only 4% working remotely. Governors also noted that HR had surveyed staff views on the Health and Safety measures put in place across HCUC for September 2020 and 99% of staff were happy with the safety protocols/ equipment. IA confirmed that HR were currently following up the 1% who were not satisfied to try and ascertain their concerns and any additional remedial action required. To date HR had dealt with three cases where variations have been agreed to enable the staff member to return to work onsite. The meeting commended the excellent job undertaken by the Exec Director Corporate Services (AM) and the College Health and Safety Adviser (LS) to achieve this high level of staff satisfaction. This detailed HR survey data was noted by the meeting and agreed that the detailed staff responses enabled individual conversations to take place to reassure staff about returning to work on site. In addition, staff had been asked about their levels of satisfaction with remote working and the effectiveness of the college communication during the lockdown period and the end of the academic year, the responses were as follows: 95% of staff stated they felt that communication since the lockdown had been effective 92% of staff stated that they had been able to carry out their job role effectively during the lockdown period. Resource Committee members commended this strong positive response and the stability around the return to campus. IA confirmed that he was continuing to meet with union representatives on a weekly basis to keep them informed of developments and give them ongoing reassurances. DDS confirmed that the dialogue with the unions had been constructive and positive throughout the pandemic.

Training: The Training and Development Budget 2019/20 across HCUC was £283,000, which was broken down as follows:

- £140,000 allocated to teacher training (£91,000 at UC and £52,000 at HC).
- 33 staff undertook the teacher training course during 2019/20
- All individual staff training and development requirements had been met within the staff development budget.
- 99% of established staff completed the Safeguarding and Prevent online training
- The July 2020 Whole College Training Day had taken place via Zoom and feedback had been positive although staff agreed that there was no substitute for being 'in-the-room'.

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During 2019/20, Human Resources launched a new online appraisal process; 15 training sessions had supported the implementation of the new process. Deadline for completion of appraisals was 31 October 2019 and completion rates had improved compared with the prior year – the detailed data was taken as read.

Employee Relations: The meeting noted the detail of employee relations work during the year. This included formal action to deal with poor performance, staff grievances where mediation had been attempted, contractual issues, flexible working requests and disciplinary issues. IA highlighted that during 2019/20 54% of all HR case work had focused on sickness and wellbeing of staff. The level of case work related to staff wellbeing and sickness reflected the increased workload on the HR team as a result of COVID-19. During lockdown where staff were working remotely (working from home) HR developed additional guidance around lesson observations to support teaching staff who were in their probationary period. HR practice had to be adapted during lockdown when dealing with disciplinary/capability/ grievance/sickness meetings.

Staff Focus Group Feedback: The meeting noted the summary feedback from Staff Focus Groups held during 2019/20. These had involved 70 staff in total and were conducted in the Autumn, Spring and Summer terms. The first groups involved lecturing staff at each College (October 2019) whilst the second comprised a range of Managers (meeting in January and February 2020), the final group was support staff (May 2020 via Zoom). In addition to support staff, several teaching staff were also invited to attend this meeting to gain teaching staff feedback on online learning and remote delivery.

The meeting was reminded that the purpose of the focus groups was to use the forum to discuss issues that were assisting or hindering an effective work environment and work practices, with a view to addressing action that could lead to improvement or advise staff about the College's stance on the matter. Comments were not attributable to individual members of staff, and the focus groups had been supplemented with an anonymous questionnaire that broadly mirrored the topic areas covered. The range of topics that had been covered during the year were noted. The meeting was reminded that detailed reports had been presented to Senior Leadership Team, Stakeholder and Scrutiny Committees as well as Resources Committee throughout the year. At each of these meetings the management response and resulting action plan had been discussed.

Cocvid-19 Job Retention Scheme (JRS) – The meeting noted an update on the furloughing of staff at HCUC under the Job Retention Scheme. In April 2020 HCUC reviewed the application of the scheme and determined that established and casual staff could be furloughed up to a maximum of 10% of the gross wage cost of all HCUC staff. The furloughed staff received 100% of their normal salary (HCUC topped up the difference between the government grant from the JRS). The meeting noted that HCUC furloughed 88 staff under the scheme but that all furloughed staff returned to normal working from 20 August 2020. IA confirmed that HCUC would now be eligible for the Job Retention Bonus of £1k for each furloughed employee that remained in HCUC employment at 31 January 2021.

The meeting RECEIVED the annual Human Resources Report 2019/20. This would be taken to the Corporation meeting on 22 September 2020 for information.

12. Management Accounts, July 2020

The Head of Finance (VP) gave an update to the 4th quarter accounts to the month of July 2020; these were noted as being prior to any end-of-year adjustments. The historical cost surplus for the period ended 31 July 2020 was £3,166,000 compared to a revised forecast surplus of £2,607,000 giving a favourable variance of £560,000. The GDFRP (SW) highlighted that the current management accounts were based on the income as stated in the ILR Period 12; the Financial Statements would include the Period 13 final income figures that would include any additional positive outcomes and the negative impact of any funding claw-back. The meeting went through the management accounts and narrative comments in detail and the significant variances were highlighted as follows:

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- *Income:* An overall favourable variance of £177,000 against the forecast of £48,197,000.
  - *Agency Other income:* A favourable variance of £158,000 (against the forecast of £5,997,000). Free school meal income was higher than expected and an additional £77,000 was received as part of the final ESFA allocation. An additional claim had also been made for vulnerable bursary support of circa £60,000.
  - *Materials Fees:* An adverse variance of £72,000 (against the forecast of £287,000); but this was offset by lower expenditure.
  - *Other:* A favourable variance of £111,000 against the forecast of £12,000. This reflected the payment received for furlough claims under the Job Relief Scheme.
- *Profit/ (loss) on sale of fixed assets:* an adverse variation of £450,000 (against forecast of £450,000) as the finalisation of the house sale at Harrow Weald was later than expected and would now occur in 2020/21. The meeting was reminded that a cash offer of £505,000 had now been accepted.
- *Services and Other Activities*: An adverse variance of £10,000 (against forecast of £92,000) of which £8,000 was adverse against the forecast lettings income.
- *Employer Services:* A favourable variance of £132,000 (against the forecast of £640,000). Apprenticeship income was £109,000 above forecast but this included a provision of £170,000 within income for the Covid-19 impact. Other projects were showing a favourable variance of £50,000 as consumables were lower than anticipated. Income for T Level Early Adopter was showing an adverse variance of £36,000 against forecast due to higher permanent staff costs than forecast partly offset by lower consumables.
- *Employee Costs:* A favourable variance of £445,000 (against the forecast of £32,208,000) which was due to the impact of vacant posts. The GDFRP highlighted the FRS17 LGPS pension scheme annual charge which had been raised to £1.3m at the mid-year review and then further raised to £1.565m post-Covid. The final outturn was £65,000 lower at £1.5m. The meeting also noted the inclusion of an additional £413,000 for Holiday Pay Accrual.
- *Expenses:* Overall favourable variance of £262,000 (against the forecast of £15,732,000).
  - *Schools Costs:* Favourable variance of £161,000 (forecast £2,468,000) due to lower exam fees in Computing and IT. Other costs and materials fees at both colleges lower expenditure than planned (in line with lower income). SW reminded the meeting that the College never aimed to make a profit out of materials charges; the ethical objective was to just cover costs.
  - *Marketing and Student Services:* An adverse variance of £183,000 (forecast £2,474,000). Within this the £91,000 overspend on Free College Meals was noted but this was offset by additional ESFA income. The £43,000 under spend on Marketing was discussed and Governors were given assurance that this efficient management of the budget had not had any negative impact on publicity or advertising. The increased use of digital advertising was producing better value for money and the Covid-19 lockdown had also impacted marketing spend.
  - *Human Resources:* Favourable variance of £18,000 (£649,000 forecast) as there had been an under-spend of £16,000 on advertising and recruitment costs and a further saving of £16,000 as extra training for managers at Harrow and LLDD training had been deferred to 2020/21. These savings had been due to the impact of the Covid19 pandemic on HCUC operations.
  - *Estates:* A favourable variance of £154,000 (forecast £3,798,000); of which there had been an favourable variance of £47,000 in Minor Works costs due to the timing of work due to the lockdown. There had been a £37,000 under spend on energy as lower electricity costs on campus due to lockdown. Cleaning costs were also showing a favourable variance of £33,000 on cleaning costs due to remote working.
  - *Finance:* A favourable variance of £36,000 (forecast of £286,000).
  - *Executive:* A favourable variance of £51,000 (forecast £286,000); of which £35,000 was due to underspend on Special Projects.
- *Depreciation:* Positive variance of £24,000 against the forecast of £4,259,000. This was due to

lower than forecast capital expenditure

- *Balance Sheet:* Cash was at £19,386,000 (an adverse movement of £1,024,000 against the prior month) due to lower accruals and other creditors. The Armstrong capital grant had also not been received in the current period as forecast. Fixed Assets were showing a favourable move of £804,000 against the prior year figure of £104,201 due to the timing of capital expenditure (particularly the IoT project which was later than expected). The meeting noted that the cash days in hand figure was at 132.0 compared with a forecast of 152.9, Current ratio was 2.94 against a forecast of 2.24. Reserves as a percentage of income were 143% against a forecast of 110% and all ratios remained strong. SW confirmed that the College was complying with all loan covenants and the 'outstanding' SFA financial health rating would be maintained. Members were reminded that the external audit of the financial statements would take place in October 2020 by Cooper Parry. The audited accounts for HCUC would be brought to the Resources Committee in November and taken to the Corporation in December 2020.

The meeting commended the strong outcome considering the adverse impact for the late sale of the house (£500,000) and the Holiday Pay accrual (£400,000). The Chair sought confirmation on whether other colleges sought advice from HCUC on how the finances were so strong. SW confirmed that this was often the case and he advised people that HCUC success was down to the following:

- Tight ongoing control of staffing ratios as a percentage of income.
- Tight management of the College cost base.
- Close SLT control of portfolios and curriculum planning.
- Ensuring contribution data was available down to a low level.
- Close and swift management of class sizes to maintain contribution levels.

The HCUC Management Accounts July 2020 were RECEIVED.

13. Student Applications and Enrolment Update 2020/21

The meeting noted the enrolment report for 2020/21 as at 15th September for each of the two colleges. The portfolio target (which was confirmed as the internal College target to allow for withdrawals during the initial 6-week period) for FT 16-18 year olds were noted as follows: Harrow – 1,816 (1,804 in 2019/20); Uxbridge – 4,236 (4,109 in 2019/20). Actual enrolment to date was noted as 92% of portfolio target across the group. However, this did not include the current withdrawals of 191 (116 at UC and 75 at HC); the prior year withdrawal figure was noted as 272 at the same point (182 at UC and 90 at HC). The meeting noted that enrolment would continue for a short time. DDS confirmed that any school where enrolment was less than 80% of target was being reviewed to look at the teaching hours, class sizes and resource allocated. DDS also highlighted the impact of Covid-related grade inflation for GCSEs in schools which meant that more learners had been able to stay on in school and take A levels. Anecdotal evidence suggested that this negative impact on College based level 1 and 2 qualifications had been felt across many of the London Colleges. The 19+ enrolment was currently at 105% of the portfolio target. The Governing Body meeting on 22 September would receive an update on enrolment numbers with a further update to the Governors Strategy/ Training day on 7 October 2020.

The Enrolment Report 2020/21 was RECEIVED.

14. Property Update

The meeting considered the Capital Update Report and key current projects were noted as follows:

<u>The Skills for London Capital Fund Stage 2:</u> The meeting was reminded that the construction work on the Armstrong Building had been split into 3 phases in order to progress on a timely basis and

minimise disruption to teaching and learning. The meeting noted that there had been a partial handover on 22 August 2020 to enable students to use the new entrance. All landscaping, new pedestrian routes, reception, student services and canteen were now completed with minor works still to be finished. The meeting noted that the old canteen would be converted by the end of October half- term. PC highlighted how pleased the SLT were with the results, the project management had been excellent enabling the project to be delivered on-time and within budget.

Institute of Technology: SW confirmed that the thirteenth drawdown had taken place on 7th September 2020; the year-to-date grant funding drawn down was now £7,611,699. The car park was now complete with the exception of the parking management system. The second phase for the new building was now complete and the third phase - a refit of existing accommodation - was also complete. The list of specialist equipment required for the IoT for 2020/21 – at a cost of circa £500,000 - had now been approved by DfE and was currently within a tender process.

House at Harrow Weald: The meeting noted that an offer of £505,000 had been accepted for the house at Harrow on the Hill. GDFRP was currently progressing the sale with solicitors. This had been further complicated by the need to unwind the property from a charge on the Weald campus held by the bank.

GLA Small Equipment and Project Application: Governors were reminded of the success of this bid to create a gas workshop in the disused training kitchen next to the new Construction Centre (Newton Building). This would allow the College to meet the requirements of the new gas and plumbing curriculum which would replace the existing plumbing framework and level 3 plumbing qualifications from September 2020. Work had commenced and would be completed for full utilisation by the end of October half-term 2020. There was no ongoing disruption to current students.

SW confirmed that future Property Reports to Resources Committee would contain details of work undertaken and expenditure within the Further Education Capital Allocation (FECA).

The Property Update Report was RECEIVED.

15. Risk Register

The meeting noted the combined Resources Committee section of the HCUC Risk Register. Any risk with a changed risk profile as well as the red risks aligned to the Corporate Goals were considered in more detail.

- 1.08 _Insufficiently qualified and equipped staff to support the delivery of study programmes and quality outcomes for learners._ (Risk score at 12 ‘red’).
- 1.09 _Failure to recruit sufficient staff, qualified at the appropriate level._ (Risk score at 12 ‘red’.)
- 1.13 _College SAR and/ or Ofsted rating falls below ‘outstanding’._ (Risk score at 12 ‘red’).
- 3.07 _International income fails to meet targets._ (Risk score raised from 8 ‘green’ to 10 ‘amber’). A combination of Brexit and Covid had further impacted on international students travelling to the UK but the income target had been revised post-Covid.
- 3.11 _Underachievement of funding targets_ (Risk score still at 15 ‘red’). The meeting was assured that this was still being monitored on a weekly basis by SLT.
- 3.12 _Failure to secure and respond to large levy paying employers to deliver apprenticeships could impact on income_. (Remains at a ‘red’ risk score of 15.) The ongoing Covid-19 pandemic was heightening this risk and the threat of impact on income.
- 3.20 _WBL non levy 16-18 apprenticeship targets not met_. (Remains high risk with a ‘red’ risk score of 15.) The ongoing Covid-19 pandemic was also heightening this risk as many apprentices were experiencing a break-in learning due to furlough or redundancy.
- 5.11 _Compliance with GDPR and other data related regulation_ (Risk score raised from 8 ‘green’

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to 12 'red'). SW informed the meeting that the Exec Director Corporate Services (AM) was taking advice from the Information Commissioners Office (ICO) on best practice in relation to GDPR legislation. AM confirmed that the biggest issue currently identified across HCUC was ensuring that staff deleted data in line with GDPR timelines. There was a tendency for the College to hold too much data but this was being addressed through ongoing GDPR staff training. SW informed the meeting that a final date for the GDPR internal audit at HCUC was yet to be confirmed but it would take place within the 2020/21 Internal Audit Plan.

- 5.12 *The College loses IT capability and/ or data following a cyber-attack.* (Risk score raised from 8 'green' to 12 'red').
- 5.13 *Operational impact due to Covid-19* (Risk score still at 12 'red'). As previously discussed all Public Health England guidance was being followed and the SLT were closely monitoring any impact on current or planned income.

- ***IoT Risk Register***

The meeting also noted a separate Risk Register for the West London Institute of Technology (IoT), opened at the Uxbridge Campus in September 2020. SW reminded the meeting that this Risk Register format was in a format specified by the Department for Education and was used by them as a monitoring tool as well as internally by HCUC. There were now 2 'red' risks shown in relation to: insufficient learner numbers due to the impact of Covid-19 on the IoT launch and marketing; possible change in government policy on apprenticeship funding (moving away from SMEs to levy funding).

The Chair sought an update on any Covid-19 impact on the IoT partners. DDS confirmed that the next IoT Board Meeting was due to take place during the current week. Current information suggested that Heathrow had been massively impacted by Covid-19 which could affect the engineering offer at the IoT. The biggest impact was likely to be for Level 3 courses which would require Significant Industry Placements, the impact on level 4 and 5 would be less. Current data from the West London Alliance estimated that the impact of Covid-19 on Heathrow (including all the employers in their supply chain) accounted for 38% of affected jobs in West London and would also reach into Surrey and Berkshire. There would certainly be an opportunity for the College to work on adult learning for re-skilling or upskilling. However, the IoT delivery with Heathrow was going ahead and virtual work placements would be used. PC confirmed that engagement with Brunel and partner employers was still on track. However, Covid-19 had halted the national marketing of the IoT network, nothing had been issued yet. DfE had committed to link the IoTs with the T level marketing but the meeting agreed that there would also need to be a separate campaign.

The HCUC Resources Committee Risk Register and the IoT Risk Register were RECEIVED.

16. Fraud/ Corruption Report

The meeting received a report which confirmed that there had been no known fraud or corruption issues to report year to date 2020/21.
The meeting received a comprehensive update on cyber security at HCUC, (see Item 19, Part 2 Confidential minutes).

17. To confirm and agree the dates and times of meetings for 2020/21

The meetings dates for 2020/21 were noted as previously agreed:

- Wednesday 25 November 2020, at 10.15am *(the first hour of the meeting to run concurrently with the Audit Committee meeting)*
- Tuesday 16 March 2021, at 10.00am
- Wednesday 23 June 2021, at 10.00am

18. Any other business

There was no other business. The meeting closed at 11.55am.

Signed ………………………………………

Date ………………………………………..

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MINUTES

CONFIDENTIAL PART 2 MINUTES

Directorate:	**HCUC Governance**	
Minutes of:	**Resources Committee**	
Date:	**16 September 2020**	**Time: 10.00**
Venue:	**Remote access via Zoom video conference**	
Present:	Alasdair Macleod	Governor (Chair)
	Darrell De Souza	CEO/ Principal
	Steve Owen	Governor
In attendance:	Pat Carvalho	Principal and Deputy CEO
	Vik Patel	Head of Finance
	Shane Woodhatch	Group Director of Finance & Resource Planning
	Tracy Reeve	Clerk to the Corporation
	Andy Miller	Exec Director Corporate Services

19. Update on cyber-security incident

The meeting received a verbal update on the recent cyber security incident at HCUC which Governors had been briefed on via email. The CEO/ Principal (DDS) confirmed that good progress was being made to restore all College systems. He asserted the value and expertise of the specialist project team that had been put in place by the College insurers. The meeting noted that representatives form this Cyber Project Team would attend the Corporation meeting on 22 September to provide an update for Governors' assurance. The meeting was reminded that this matter still needed to be treated as confidential in line with the specialist legal and communications advice.

Governors sought and were given confirmation that to date, no demand for cash had been made by any attacker. DDS informed the meeting that at the moment there was no evidence that any HCUC data had been stolen but a suspicious post on a Twitter account had been picked up by the College marketing team and was now being investigated by the project team. The meeting noted that several FE and HE institutions had been targeted at a similar time during the summer. DDS highlighted that the insurance cover for cyber-attack in place at HCUC had proven very comprehensive and he thanked Resources Committee members for suggesting this higher level of cover earlier in 2020. Governors sought assurances on whether additional training was necessary to make staff aware of phishing links in emails but SW highlighted that the attacker had not gained access via staff but it seemed to be via a remote server used during the online Covid-19 delivery. However, DDS confirmed that the IT department had sent regular emails to all staff to ensure that they remained vigilant and there was now a reminder warning banner on every HCUC email. Additional security protocols had also been installed on College accounts e.g. passwords had to be changed and two-factor authentication was now in place. The meeting was given assurance that the SLT were taking ongoing advice from JISC on how to ensure cyber-security for remote access and online delivery during any future lockdowns.

NOTED

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