MINUTES

Directorate:	**Governance**	
Minutes of:	**Resources Committee**	
Date:	**13 March 2019**	**Time: 11.00**
Venue:	**Executive Meeting Room, Uxbridge Campus**	

Present:	Alasdair MacLeod	Governor (Chair)
	Laraine Smith	Group Principal & CEO
	Steve Owen	Governor
Apologies:	Sally Westwood	Governor
In attendance:	Imtiaz Aziz	HR Director *(Items 10 and 11 only)*
	Pat Carvalho	Principal and Deputy CEO
	Jayesh Patel	Head of Finance
	Shane Woodhatch	Group Director Finance & Resource Planning
	Tracy Reeve	Clerk to the Corporation
	Robert Drury	Capital Projects Consultant *(Item 7 only)*

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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.

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 28 November 2018**
The minutes were approved and signed by the Chair.

6. **Matters arising from the minutes of the Resources Committee meeting held on 28 November 2018.**
There were no matters arising that were not already covered by the agenda.

7. **Campus Development Building Plans**
   - ***Institute of Technology***

The Resources Committee received a presentation from Robert Drury (RD), DMS Consult, who was employed as the Project Director for the campus development work at HCUC. He informed the meeting that the local authority had now given the College planning approval for the proposed Institute of Technology (IoT) building on the Uxbridge Campus. Governors were reminded that this building would only go ahead if the HCUC bid for an IoT was successful; this would not be known until April 2019. The caveat in relation to the boundary drawing was noted; formal written permission would be forthcoming within 21 days to allow for this resubmission. RD highlighted that this additional building on the Uxbridge Campus was the final piece which would then mean that maximum development had taken place on the site. The Principal asserted her belief that the IoT building was the final project which could take place before the positive environment on the Uxbridge Campus was affected. RD reminded the meeting that the original planning approval for South Block still gave HCUC capacity to build the 'infill'; this would have no impact on the campus look or feel. The new building was a 3-storey teaching block with a 1-storey link back to the end of The Mall. The meeting was shown elevations, floorplans and pictures of the finished external views of the IoT building. Governors commended the look of the new building which was brickwork and white render with grey framed windows to fit in with the existing West Block. It was also noted that a single floor car park deck would be built to replace the 54 car parking spaces lost from the footprint of the new building. This car park deck would be clad in cementitious board for longevity and a better aesthetic appeal. Governors noted that the council were keen to maintain parking facilities at the College and a Section 106 condition had been put in place to enable leisure centre users to use part of the College car park outside of teaching hours. RD informed the meeting that the end of the car-park nearest to Gatting Way would be gated off during the evenings/ weekends to enable leisure centre users to park but not give them access to the College campus. HCUC was currently negotiating with the local authority regarding the revenue from this parking; this was not unsubstantial at circa £86,000 per year for the 75 spaces. RD informed the meeting that HCUC was currently waiting for the finalized wording around the Section 106 requirement before any final decision would be made around the car-park deck and the fenced off area. The meeting noted that the current capital bid for the IoT Building did not include the one-storey link and the car park deck but there would be an opportunity to include the additional £1.5m in the bid if HCUC were successful in the IoT competition. Governors sought, and were given, confirmation that the existing traffic flow through the campus for HCUC staff and learners would remain the same after the IoT building was completed.

- ***Newton Building***

RD confirmed that the preparatory work for the refurbishment and building work at the Newton Building, Harrow Weald, was on-track. The refurbishment of the front section of the building for classrooms and 2 workshops was completed and Phase 2 was underway with demolition and clearance due to be finished in 2 weeks. The piling rigs would be brought back onto site during the next few weeks to commence the new build at back of building in line with the programme. Governors were reminded that the outcome of the bid to the GLA for funding for this building would not be known until April. So, as previously notified the works were at risk, before the funding outcome was known. However, Principal Harrow (PC) reminded the meeting that the 2018/19 HCUC budget included the refurbishment of the Newton Building as fully funded from College reserves.

- ***Armstrong Building***

Governors were reminded that the plans for redevelopment of the Armstrong Building, Harrow-on-the Hill, would only go ahead if the bid for funding for this project to the GLA was successful.

Governors commended the clear and informative presentation and thanked RD for his considerable input and control of the HCUC Campus Development.
NOTED

8. Mid-Year Forecast 2018/19 and Plan for 2019/20 and 2020/21

The Group Director Finance & Resource Planning (GDFRP) (SW) presented the consolidated revised forecast 2018/19 and revised plan 2019/20-2020/21. The 16-18 learner numbers against allocation were noted by the meeting: Harrow 1,682 (budget 1,851) and Uxbridge 4,092 (budget 4,109), overall HCUC figure of 5,774 (budget 5,960). This under recruitment would have a 'nominal' adverse impact of £549,344 on income but this would not affect 2018/19 income due to lagged funding. However, Governors were reminded that it would impact the ESFA allocation that the College received for 2019/20.
The historical cost surplus for 2018/19 was now forecast at £750,000 compared with the previous forecast surplus of £761,000. The meeting noted a detailed narrative which gave clear explanation for any variance and reforecast on a line by line basis.

Significant variances were highlighted:

INCOME:

Now forecast at £51,957,000 against a budget of £51,903: £18,532 at Harrow College and £33,425 at Uxbridge College.

- *Education income:* £425,000 favourable against a budget of £45,699,000 due to the over recruitment of 19+ learners at Harrow (£133,000 positive) and an increase in High Needs income from local authorities (£340,000 positive) offset by a negative variance for HE Fees (£65,000) due to lower number learners than forecast.

EXPENDITURE:

- *Staff Costs* now forecast at £33,983,000 against a budget of £33,975: of which £12,501,000 (63% of income) was at Harrow College and £21,482,000 (61% of income) at Uxbridge College. The meeting noted that the favourable variance of £1,026,000 against the 'Schools - permanent staff' budget was due to vacant posts (but these were being covered by Agency Staff) or posts filled later or at a lower grade. Governors were reminded that the 2018/19 budget assumed all posts were filled for the whole of the academic year.
- *Non Pay costs* now forecast at £17,224,000 for the HCUC group (£5,986,000 at Harrow and £11,238,000 at Uxbridge). The meeting noted that non-pay efficiencies were still included in the forecast at £238,000 (£119,000 at each of the colleges).
- The £476,000 positive variance of the FRS17 Retirement Benefits Charge was noted against the budget of £1.422m; this had been revised to reflect the actuarial predictions in the 2017/18 year-end reports.

The meeting commended the Appendix A to the Mid-Year forecast which showed detailed financial data for each of the colleges. SW confirmed the importance of being able to monitor financial efficiency at an individual College level. Governors were assured that more work would be undertaken during 2018/19 to increase the level of reporting by College. This would include further work to apportion central costs e.g. corporate services staff and elements such as depreciation more accurately between the two colleges. These central costs were currently being carried within the Uxbridge College cost centres. SW confirmed that this new format showing the separate colleges would be used for the management accounts moving forward. Governors commended the level of detail which enabled them to monitor the finances of each area of HCUC's business.

BALANCE SHEET

- *Cash* was in a strong position with a £16.001m forecast against the budget of £16.020m. Cash days in hand were forecast at 114.5 against a budget of 112.7. Current ratio was forecast at 1.68 against a budget figure of 2.18. SW informed the meeting that Reserves as a percentage of income were forecast at 104% against the original budget of 92% (this had been amended from the 101% shown in the paperwork). The EBITDA figure was now forecast at 10% (against a budget of 11%). The meeting was reminded that the capital spend at £9.974m was £2.338m higher than budget due to the inclusion of work on the Armstrong Building and the preparatory work for the IoT Building at Uxbridge College. The staffing ratio was now forecast at 62% compared with the budget of 64%. The Chair sought confirmation on what had been done to reduce the staffing costs and was informed that this was due to restructuring and work on contract amendments. The Principal highlighted that she met on a fortnightly basis with a senior team including the GDFRP, Executive Director Corporate Services and the HR Director to consider staffing matters and costs.
- *Financial Health.* It was noted that under the reforecast the College's financial health as assessed by the ESFA would remain at 'Outstanding' for 2018/19.

➢ ***Plan Years 2019/20 and 2020/21***

The GDFRP presented assumptions for the two plan years, based on the original 2018/19 budget and the revised forecast. It was confirmed that the plan years had been adjusted to allow for known factors such as the ESFA and GLA allocations, increases in pension contributions and NI, and capital expenditure.

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The plan years showed historical cost surpluses of £1.3m (2% of income) and £290,000 (0.45% of income) respectively. Cash balances for the two plan years were now forecast at £14.371m and £15.477m and Reserves would be at £54.411m and £57.049m.
Income assumptions were based on the following:

- 16-18 allocation – a £503,000 decrease in funding for 2019/20 based on lower recruitment in 2018/19; learner number target of 5,831 assumed. No further growth of learner numbers in the second year was assumed.
- 16-18 High Needs – an increase of £684,000 (30%) in the first plan year.
- 19+ allocation – no increase assumed in both plan years. The Principal informed the meeting that this may be amended when more information was available on the devolved funding through the GLA which would come into force in September 2019. Growth areas flagged by the GLA were noted as: ESOL, English and maths; Programmes for the Unemployed; and additional learning support. LS confirmed that the College wold be looking to maximise funding under these known growth streams.
- WBL (Apprenticeship) – an increase of 8% for all ages assumed for each of the plan years. The meeting discussed the need for the College to focus on the levy WBL provision moving forward as this avenue of funding with larger employers was more secure. The number of large employers locally and in the Thames Valley was highlighted by Governors; the Principal (LS) informed the meeting that the College had already established a relationship with the Thames Valley Chamber of Commerce who were very interested in HCUC provision. LS also informed the meeting that the afternoon of the Governors' Training Day on 1st May 2019 would be spent looking at growth options for HCUC and would include a review of the WBL strategy. This would include a review of the current HCUC strategy of being a 'regional college'; increasing levy funding was likely to necessitate a move to a national focus for WBL. LS highlighted that more would be known on whether this was a realistic vision when the results of the IoT bid were known. The meeting agreed that any change to the current strategy would require Corporation Members to consider the current strategy around acquisition and mergers and to review the current Reserves Policy and risk appetite of HCUC.

The plans assumed a salary increase of 1% each year and further pension increases of 1.8% for LGPS (August 2019) and 4.52% for the Teachers' Pension Agency (TPA) from September 2019. The meeting was reminded that the College would receive £456,000 'compensation' for this increase to TPA payments in 2019/20 but further relief payments were not confirmed for future years. The staff costs assumed that all posts were filled for the whole of each plan year. The meeting was assured that the annual zero-based staff budgeting exercise was already underway throughout the College to generate a realistic budget for 2019/20. No pay efficiencies had been included in the plan years but there was a contingency provision of £310,000 and £303,000 in the plan years. SW confirmed that there was also a contingency of £300,000 to allow for restructuring costs in the plan years. Expenses in the plan years had been reworked to reflect adjustments made in the forecast 2018/19. Non-pay inflation was assumed at 3% in both years. A provision for efficiencies of £200,000 had been included in each of the plan years. Capital expenditure had been included in the plan years at £17.237m and £3.457m respectively but it was noted that the final capital strategy would not be agreed by Governors until July 2019 after the result of the DfE and GLA bids were known.

The KPIs for the plan years were noted: Cash days in hand were shown as 98.8 and 106.6; Current Ratio was shown as 1.52 and 1.62; reserves as a percentage of income were shown as 100% and 101%; and the EBITDA figure would be 11% and 9%. The meeting also noted that staff costs as a percentage of income would be 64% and 66% in the two plan years. The College would retain a financial health category of 'Outstanding' in both plan years. Governors commended the clear paperwork and very through narrative they thanked SW, JP and the HCUC Finance Team for their work on this revised forecast and plan.

The Revised Forecast for 2018/19 and Plan for 2019/20 and 2020/21 was APPROVED; it would be RECOMMENDED to the Corporation for approval (21 March 2019).

9. HCUC Fees and Charges Policy 2019/20

The GDFRP presented the HCUC Fees and Charges Policy for 2019/20. It was confirmed that changes to the policy had been made in light of funding guidance from the ESFA and the Office for Students; consideration had also been given to market forces and the fees and charges made by other providers. Governors were reminded that the detail of HE Fees 2019/20 as detailed in Appendix 3 to the HCUC Fees Policy had been agreed at the September 2018 Resources Committee meeting in order to comply with the Consumer Rights Act 2015 and guidance issued by the Competition and Markets Authority (CMA); the College was required to publish the level of HE fees in November for the following academic year. Governors were assured that there was no significant change to the content of the policy but the fees and charges were now common across all campuses of HCUC. The meeting noted the Table of Fees, the following significant changes were being proposed:

- The College registration charge to be held at £35 for full-time students and at £25 for part-time students across HCUC. Parking fees to be increased to £170 for full-time and £85 for part-time students (£150 and £85 in current year); the meeting noted that this car parking charge represented a cost of £1.40 per day assuming students attended for 3 days each week. ID card charges to remain at the same level, (£5) and the cost of a replacement ID card to remain at £10.
- Fees for 19+ learners on level 3 courses and above (providing it was not their first level 3 courses) would be set at a funding value listed by the ESFA and the maximum loan amount available for all first year entrants. These would be available on the College website.
- A range of fees for international students: FE £6,300 - £7,350 and HE students not eligible for OfS funding would be raised to £6,700 (from £6,500). The Chair sought confirmation on the number of international learners at HCUC and this was noted as circa 27.

The HCUC Fees and Charges Policy 2019/20 was APPROVED as presented.

10. Agency Working Arrangements

The meeting considered a paper from the HR Director (IA) which reviewed the current working arrangements for the engagement of temporary/agency lecturing staff via Protocol Agency. The meeting noted that the two colleges currently had two different Worker Engagement Models. *Uxbridge (UC)* had adopted the traditional agency model when employing agency staff. This model is where the agency rather than the College employed the worker. A contract existed between the College and the agency and the worker was paid directly by the agency. The College pays an agreed fee to the agency in return for the services of its worker.

Harrow (HC) had adopted a direct employment model in 2013 when working with Protocol for the engagement of lecturing staff. HC lectures were now employed directly on a casual/flexible contract. This means lecturers were paid directly by the college via the payroll and employed by the College. Harrow College referred to such workers as VT's (Visiting Teachers). Governors noted that this model was unusual and anomalous within HCUC, all other agency contracts (apart from the Protocol contract) were structured around a traditional model.

The meeting noted the comparison of the rates charged by Protocol for each of these models. The meeting went onto discuss the legal considerations of the two models and the potential impact of the Agency Workers Regulations which give agency staff access to 'equal treatment' after 12 weeks of service. IA highlighted that in 2013, 2016 and again in February 2019 the Human Resources Team had sought legal advice about the risks of claims with regards to equal treatment under the HC model. He confirmed that the legal advice obtained had not identified any major risks with this model. The meeting noted detail on the role of the agency and the termination of the worker contract under each of the different models. Governors sought confirmation on the number of agency staff at HC with longer than 2 years' service; this was confirmed as approximately 90% and 40 - 50 individuals. The meeting noted that FE Colleges needed a buffer of agency staff to enable staff costs to be flexed in response to recruitment. IA highlighted that a usual level of agency staffing at colleges would be 20%; HCUC was much lower with a cap of circa 5%. This limit had been put in place to ensure that the quality of Teaching Learning and Assessment was not compromised by large numbers of agency lecturers.

The comparison summary between the two models was noted as follows:

- There were similar legal risks with both models. However, with the HC model, there was the added complication of accrued unfair dismissal rights after two years' service.
- There was no difference in the procurement process for the engagement of staff.
- There was no difference in the management of the temporary pool of staff.
- There would be some additional administrative burden on staff within HR and payroll with the HC model as staff would be involved in processing payroll.

The meeting went on to consider the three options presented by the HR Director in the paper:

- Option 1 – Do not make any changes to the current models at the two colleges. This option would be cost neutral.
- Option 2 – Moving UC to the HC model would result in an annual saving of £317,781; this would reduce to £289,781 once an allowance for additional administrative costs had been made. The main disadvantage with this move was that there were potential unfair dismissal rights issues for workers.
- Option 3 – Moving HC to the UC model would result in an annual increase in costs of £316,594. The main advantage with this move was that there were no potential unfair dismissal rights issues for workers.

The meeting discussed the pros and cons and agreed that a move to the UC model would remove legal risk and seemed the best solution; however, this assurance would clearly come at a cost. Governors suggested that the UC model with Protocol should be revisited to try and get second year fees at a lower rate than first year fees as the agency was doing less for the College in the second year. The meeting agreed that the HR Director should seek additional advice from Governor, Sally Westwood, as she was an HR expert.

It was AGREED that the HR Director should discuss this matter with Governor Sally Westwood (SWe) before a final decision was made.

Subject to this additional discussion (IA and SWe), the Resources Committee were MINDED TO RECOMMEND that HC should move to the UC model with the caveat that a contract negotiation should take place with Protocol National to endeavour to reduce fees charged in year 2 of a contract.

11. Human Resources Update

The HR Director presented the standing Human Resources update report to the meeting.

- ***HR Data Dashboard***

The meeting received the HR dashboard which reported on a number of key HR metrics for 2018/19 year-to-date (noted as 31 January 2019): staff headcount and FTE by College; staff turnover; equality data of the HCUC workforce; recruitment activity; and sickness absence rate. It was noted that this now included data over a three-year period to enable Governors to monitor any trends as requested at the last Resources Committee meeting. Governors noted the overall headcount (not FTE) for HCUC for permanent staff YTD was now 758 (226 at HC and 532 at UC), which was broadly in line with the average headcount of 756 since 2016/17. The current HCUC staff turnover figure for year-to-date 2018/19 was noted as 14%; this was below the AoC benchmark of 17.4%. The turnover rate by age band of employees was also noted. The equality and diversity (E&D) data of staff was considered and IA highlighted that the current BME figure at each of the colleges was: HC 48% (an increase of 2% on the prior year figure), UC 38% (an increase of 3% on the 2017/18 figure). Governors were pleased to note that both Colleges were above the College target of 35% for BME representation. The gender profiles for each of the Colleges were noted as: HC 73% female and

UC 64% female. The representation of disabled staff was 4.9% at HC and 5.3% at UC. The meeting discussed considerable recruitment activity that had taken place during the first half of the academic year and noted the ethnicity, gender and age breakdown of applicants and appointees. The Chair highlighted the drop in offers made to BME applicants at UC which had fallen to 34.6% (from 49% in the prior year); this was also low in relation to the 62% of BME applicants. IA confirmed that there was no known reason for this drop – there had been no change to previous recruitment procedures. He confirmed that the HR Team would be watching this figure to ensure there was no underlying reason.
Resource Committee members noted the data on completed performance appraisals for 2018/19; this was currently at 93% and missing appraisals were due to staff leaving the College or being on long-term sick leave. Governors were pleased to note that the absence rates were below the AoC benchmark and College target of 5.8 days in all categories of HCUC staff for the year to date 2018/19 (this was on a rolling 12-month period to January 2019). The meeting was pleased to note the high completion rate for Prevent and Safeguarding Training of staff with a figure of 98% at each of the individual colleges.

- ***Employee Relations***

The following Human Resources casework activity was noted:

- There were no academic staff currently subject to formal capability action.
- Two formal grievances had been satisfactorily dealt with, and there were two active cases pending.
- HR had supported managers in dealing with 22 flexible working requests, with four active cases pending.
- One former member of staff had three tribunal claims lodged against the College the date for the merits hearing had been set for 5 days starting on 3 June 2019. In addition, the College had received notification of employment tribunal claim alleging disability discrimination claim from a former casual member of staff.
- Two member of staff were issued with informal guidance about conduct issues.
- HR supported managers in dealing with two appeals arising out of the restructuring at HC.
- HR had dealt with seven disciplinary cases and there were four active cases pending.

- ***HR Team/ Itrent System***

The meeting noted feedback from staff about the new HR Itrent system and the newly restructured HR team. There was clearly progress being made but the Itrent Working Group was still meeting on a fortnightly basis to ensure that the system worked more efficiently for staff across HCUC. Staff clearly felt well supported by the HR Team and appreciated having named contacts dealing with enquiries. The weekly presence of HR Staff at Harrow College had been appreciated and would continue for the foreseeable future.

- ***Staff Focus Group Feedback***

The meeting noted the summary feedback from the Staff Focus Groups that had been held in January and February 2019 (30/01/19 at UC and 11/02/19 at HC) for 28 Managers. The range of topics covered, were as follows: Key activities of their roles, barriers to fulfilling the job role such as administrative tasks; Communications; Learner impact/ culture & ethos; Customer service; Lesson observations; Teaching & learning hour; Study programmes, including English & maths; Ofsted Inspection; Student attendance & punctuality; People management; Staff training; E-learning; IT resources; Improving the quality of TL&A; Performance management and annual appraisals; Line management and staff development; and HCUC College values.

The positive feedback and the areas for improvement were highlighted in the report to the Resources Committee meeting and were discussed. The meeting was pleased to see that Ofsted Inspection and getting an 'outstanding' grade was seen as very important across the whole of HCUC. Governors took the reports containing detailed staff feedback and the management responses as read. Governors were given assurance that action in relation to the suggested areas for improvement was

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being taken and was being monitored by the Senior Leadership Team.

- ***Gender Pay Gap Reporting***

The meeting noted the Gender Pay Gap Reporting for the snapshot date of 31 March 2018 which showed little change on the prior year. HCUC's gender pay gap at 11% mean and 16% median was below the mean and median figures for organisations in the Education sector and for organisations in all sectors. The median bonus gap was zero for both colleges.

The Human Resources Report was RECEIVED.

12. HCUC Management Accounts for 2nd Quarter ending 31st January 2019

A historical cost surplus for the period ending 31st January 2019 of £2,758,000 compared to a budgeted surplus of £1,770,000 giving a favourable variance of £988,000. The significant variances were highlighted as follows:

- Income of £24.404m compared with budget of £24.109m; favourable variance of £295,000.
- Expenditure was showing a favourable variance of £443,000 against the budget of £23.322m. Staff costs of £15.258m compared to budget of £15.708m, (favourable variance of £450,000 due to vacant posts within Academic and Support staff). Members were reminded that the budget assumed all posts would be filled for the whole year.
- Other Operating Expenses: an adverse variance of £8,000 against the budget of £7.614m. This was noted as mainly being due to timing issues.
- Balance Sheet remained strong with a cash balance of £16.210m.
- All ratios were healthy: cash days in hand at 116 (target of 112.7); and current ratio at 2.0 (target 2.2).
- The College was currently complying with all loan covenants.

The HCUC Management Accounts for the first quarter to 31st January 2019 were RECEIVED

13. Capital/ Property Update

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

LEP Further Education Capital Investment Fund for Health & Social Care Building: The Health and Social Care building had now been in use since November 2017. There had been some snagging issues which were still not fully resolved mainly surrounding services and the building management system. The final account had not yet been agreed and the College was taking advice from Gardner Theobald regarding next steps.

The Local Skill for Londoners Capital Investment Fund – Stage 2:

i. Newton Building, Harrow Weald

The meeting was reminded that the College had now submitted an application in the first stage for grant funding from the GLA (LEAP) under the “Skills for London Capital Fund, round 2” for the refurbishment of the Newton Building to include workshops and classrooms. The cost was now estimated at c£4,036,096 and the College was bidding for 33% funding from the GLA. The Newton Building had now been fully vacated and would not be used by the College during 2018/19. Governors were reminded that planning approval had been given for the refurbishment and new build works. The meeting noted the key dates associated with the bid: Stage 2 application submitted January 21st 2019; clarifications on bid submitted on 28th February 2019; confirmation of successful application due in April 2019; and grant agreement and start delivery May 2019. The College has been advised that should it be successful in the grant application at Stage 2, then the start date of the project would be deemed to be when the Stage 1 application was made, (1st October 2018), and associated costs could be claimed through the Grant. The meeting was reminded that in order to vacate the offsite units in August 2019, (at a saving of £250,000 pa), the College would need to complete the works at Weald by July 2019. Construction works to Newton had therefore been phased and had commenced in November 2018. Governors were reminded that there was a period of time during which the works were at risk, before the funding outcome would be known.

The approximate risk was £1,400,000, being £940,000 to the end of February and £460,000 to April 2019. SW confirmed that the 2018/19 mid-year forecast included the refurbishment of the Newton Building as 65% funded from College reserves. The meeting was reminded that these costs now included the bid for the Mayors Construction Academy.

ii. Armstrong Building, Harrow on the Hill

The meeting noted that the planning application for the remodelling of Armstrong Building had now been approved and the year-to-date spend was currently £200,000. The same key dates applied to this grant application as outlined above in (i). The cost of this work was forecast at £8,200,800 and HCUC was applying for grant funding of 65% from the GLA. Members noted that the application for grant funding of 65% had been included in the mid-year reforecast.

Austen Building: The meeting noted that the proposal for a land swap for a portion of HCUC land behind the Austen building that was currently green space, and the DoE section of the car park was now not to be progressed. This was after Harrow Planning Staff indicated that they would not support this change of use.

Institute of Technology: The College had made an application for 100% funding for a new build at Uxbridge Campus, forecast costs at c £8.5m. The submission was made on 20th November 2018 and would be followed by an interview with Department for Education officials in March 2019.

House at Harrow Weald: The meeting was reminded that the three-bedroom house at Harrow Weald previously occupied by the Estates Supervisor was now vacant. It was proposed to now sell the property, after making some alterations to the boundaries at a cost of approximately £35,000 for new fencing and re-routing pipework. The net proceeds from this sale would be put towards estate developments at Harrow. The capital update report informed the meeting that two market valuation reports had been received, valuing the property between £525k and £600k. SW informed the meeting that a third estate agent had now provided a valuation of £625-£650,000. The probable likely sale price would be finalised with the chosen agent but was likely to be set at the median figure of £600,000. Governors sought confirmation on whether it would be profitable to refurbish the property before placing it on the market. SW confirmed that he had sought advice from the estate agents who had advised against this course of action; it was unlikely to prove profitable.

The Resources Committee meeting APPROVED the sale of the house at Harrow Weald Campus and gave the SLT delegated authority to undertake the sale whilst maximising the sale price.

The Property Update Report was RECEIVED.

14. Agency Allocations and Priorities for 2019/20

The meeting received a verbal update on the indicative ESFA allocations for 2019/20. The meeting was reminded of the £503,000 lagged funding reduction to reflect under recruitment of 16-18 learners in 2018/19. However, the bottom line income figure was circa £1.3m higher than the current year due to a number of increases. These included: an increase of £684,000 in High Needs Funding in 2019/20 (this was a 30% increase on the current year); an increase of £149,000 Capacity Delivery Funding to ensure rigorous work placement processes were in place in advance of 'T' Levels coming on stream; £456,000 for the increased TPA contributions from September 2019. The AEB budget had reduced by £240,000 to £6.9m (from £7.1m in current year) but the meeting noted that this may be higher in the final allocation which would come via the GLA devolved funding. The Principal confirmed that more information would be provided to Governors as it became available.

The report was NOTED.

15. To receive the Resources Committee Risk Register update

The meeting noted the combined Resources Committee section of the HCUC Risk Register which had been changed following the audit of the 2017/18 financial statements. The risks which had changed and the red risks aligned to the Corporate Goals were considered in more detail; these were in relation to:

- 1.01 *Inconsistent attendance and punctuality levels across HCUC.* (Risk score raised from 8 'green' to 9 'amber'). This had been increased as 'Mechanical Engineering (EngMe)' was below target and 19+ levels were varied.
- 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'.)
- 1.12 *College courses and activities do not prepare students adequately for the world of work.* (Risk score raised from 6 to 8 but still 'green'). The meeting was reminded that the College target was for 70% of 16-18 learners to undertaken work experience. There had been some compliance issues identified so the risk had been raised.
- 1.13 *College SAR and/ or Ofsted rating falls below 'outstanding'.* (Risk score at 12 'red').
- 3.04 *Inadequate budgetary controls* (Risk score decreased from 12 'red' to 10 'amber'). This reflected the recent internal and external audits which had not flagged any areas of concern. SW confirmed that he would hope to decrease this risk further as the new senior staff in the finance team gained even more knowledge and experience of HCUC and after the budgeting process for 2019/20 had been completed.
- 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.
- 3.14 *Management Information – finance, funding, HR* (Risk score at 12 'red'). Governors were reminded that consistent procedures across HCUC were now in place. However, new composite HCUC systems were relatively new (e.g. HR system) so the risk was still deemed as high. SW was hopeful that the risks around MIS would settle in advance of the June 2019 Audit Committee report.
- 3.20 *WBL non-levy 16-18 and 19+ apprentices target not met*. (Risk score still at 12 'red'). The meeting was assured that WBL delivery against the ESFA allocation was being closely monitored.

The Resources Committee Risk Register was NOTED and RECEIVED.

16. Notification of any attempted fraud in the period to date

The GDFRP confirmed that there had been no instances of attempted fraud or corruption perpetrated against the College during 2018/19 year-to-date.

NOTED

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

The dates and times of the remaining meeting in 2018/19 was noted and agreed as follows:

- Wednesday 19 June 2019 at 10.00am

18. Feedback to Corporation

The meeting agreed the following three items covered during the meeting for feedback to the Corporation meeting in March 2019:

- Resources Committee was recommending the Mid-Year Re-forecast 2018/19 to the Corporation for approval. Financial Health grade would stay at 'outstanding'.

- The Resources Committee had received a presentation from Capital Projects consultant, Robert Drury, on the plans for the IoT Building at the Uxbridge Campus as well as the plans for Newton Building and Armstrong Building at Harrow
- The Resources Committee had approved the sale of the 3-bedroom house at Harrow Weald campus which was now vacant. SLT given authority to undertake the sale.

19. Any Other business

There was no other business.
The meeting closed at 12.55pm

Signed ……………………………………….

Date ………………………………….

UXBRIDGE COLLEGE

T +44 (0)1895 853333 F +44 (0)1865 853337 www.uxbridgecollege.ac.uk