HERTFORD REGIONAL COLLEGE
MINUTES OF THE MEETING OF THE RESOURCES COMMITTEE
WEDNESDAY 18 MARCH 2026
BY VIDEO-CONFERENCE

445 PRELIMINARY PROCEDURAL MATTERS

445.1 Attendance, Apologies for Absence & Chairing

Members Present:	Elena Adigamova
	Nick Day (Chair)
	Patience Egbo
	Sophia Howard
	Tony Medhurst (Principal)
In Attendance:	Andrew Clare (Deputy Principal Finance & Resources)
	Jayne Chaplin (Clerk to the Corporation)
Apologies:	Nick Buckland
	Cecilia Mutuma
	Karen Fleet

445.2 Declaration of Interests and Part 2 Agenda Items

Declarations of interest were received from Andrew Clare as a Director of CK Assessment & Training Ltd and HRG Ltd and Tony Medhurst as a Director of CK Assessment & Training Ltd.

It was **RESOLVED** for Items forming Part 2 of the Agenda to be taken as confidential items.

445.3 Minutes of the Resources Committee, 10 December 2025 & Matters Arising

445.3a Minutes

The Minutes of the Resources Committee Meeting held on 10 December 2025 were agreed as a correct record and the application of the Chair's signature was authorised**.**

445.3b Matters Arising

After observing the one matter scheduled for update at a later date (Minute 425.2.1), members were advised:

i. The position with the Land Registration (Minute 369.3) still remained unchanged
ii. Details were still awaited regarding options for diversifying the range of College investments (Minute 440.1.1aii), then welcoming the offer from the Committee Chair of support in this regard
iii. Of the timescales for reporting on the Hertfordshire Pension Fund Valuation (Minute 443.1.1a), then agreeing that it would be helpful to have an overview in the autumn term in preparation for the review of the financial year-end

Recognising all other matters to have been provided (Minute 443.1.1a, Going Concern briefing paper) or the subject of discussion elsewhere on the agenda, it was acknowledged that there were no further matters on which to report.

446 GROUP PERFORMANCE: THE COLLEGE

Reports were presented in respect of:

446.1 Financial Performance

446.1.1 2025/26 Year to Date

a. Financial Report – February 2026

In the context of the Financial Plan agreed by the Board in July 2025 of a College target operating surplus of £423K, the position to February 2026 confirmed a surplus of £1,208k against a budgeted surplus of £503k being £706k ahead of budgeted expectation with a revised Q3 Forecast indicating an increase of £1,137k in operating surplus against the FY25/26 Plan.

The key variances were summarised, particularly highlighting:

i The positive impact of additional 16-19 core income, following confirmation of increased funding rates with further funding for High Needs Learners to be received as part of the 16-18 revised allocation, further income expected with student numbers ahead of expectation and from the DfE, support for NI contributions for the period April 25 – March 26

ii In the context of the overall positive position, increased operational costs including those attributed to areas requiring development, notably:

- AI development, Cyber Security and penetration testing to protect against the risk of cyber-attack, maintenance work and a Property Strategy review to protect from large equipment failure and allow a planned replacement strategy across aging property
- Increased energy costs resulting from global developments in the Middle East

iii All covenants had been met and the positive cash position. Members then observed how the latter would better place the College to withstand challenges anticipated in future years of a tightening funding position and ongoing economic volatility.

Reviewing the key changes, questioning and discussion included:

iii The additional funding received following DFE confirmation of increased rates for 25/26 after the Financial Plan was finalised. Whilst recognised the positive impact overall for the College, the challenges such uncertainty presented for financial planning were observed, particularly where rates were less than expected with projections remaining speculative until allocations were confirmed, necessitating the modelling of different scenarios

iv The staff ratios in the financial KPIs, exploring further the extent to which numbers were considered sufficient to meet demand. After noting how this remained the subject of close scrutiny and monitoring, the focus was explained on the balance between the College response to immediate need and safeguarding its medium to longer term sustainability in the context of and in response to risks to funding and any decline in numbers

v High Needs numbers and funding ahead of expectation reflecting on reasons behind the increase and querying whether the College had the capacity to continue to respond to increasing demand in this regard. Members were advised:

- Of response to demand but staffing challenges existed in some areas although the position was managed through permanent and agency staff, which was closely monitored and controlled
- Of options being considered within capital projects for the development of Millbrook to increase SEND capacity

Explaining how further details regarding the government's planned reform of SEND provision would be provided at the forthcoming Board meeting, and after then clarifying some further points of details, the year-to-date position was noted.

b Sub-contracting Update

After confirming progress with the College Apprenticeship, AEB, Programmes of Study sub-contracted provision with all reported to be on profile subject to one contract variation proposed, the position was considered in more detail, particularly:

i GLA delivery and the request for approval to adjust the contract value by +£20,032 for Learning & Skills Solutions following over delivery on its ASF contract, highlighting functional skills was a key LSIP and Mayoral priority and confirming sufficient funds remained within the allocation

ii Reviewing the position with the Subcontracting Cap, noting as current calculations for DfE Apprenticeship income showed the subcontracted proportion to be at 24.66%, an exemption case was being prepared to maintain current position for welding apprenticeships to mitigate the risk in that regard

After discussion the current position was noted and it was **RESOLVED** to **RECOMMEND** Board **APPROVAL** of:

iii. The request to adjust the GLA ASF contract value for Learning & Skills Solutions by +£20,032

446.1.2 2026/27 Financial Planning

a. Financial Plan & Budget Assumptions

In the context of the Financial Plan approved in July 2025 and those Funding Allocations known for 2026/27, the updated Plan and the Budget assumptions for the forthcoming year were summarised.

After highlighting the increased 16-18 numbers in the previous two years and how this had enabled investment in staffing infrastructure and remuneration, members were advised how the Plan showed how was sustainability would be achieved through growth delivered over the next 3 years and the financial health of “outstanding” would be maintained. The Budget Assumptions were summarised. Discussion and questioning included:

i. How the change of government and priorities were impacting on planning with delays in key capital and revenue funding announcements, recognising before confirming the final Plan and the 26/27 Budget, the potential for the assumptions to be flexed during the detailed budget process with any changes then to be reflected in the final Plan

ii. The rationale for the change in approach from the setting of a specific operating surplus to one based on percentage of turnover and investment Income in addition to operating profit, considering it a prudent response to uncertainties around and the expectation of a tightening funding position and ongoing economic volatility squeezing financial margins

iii. The key assumptions, particularly provision proposed for continued capital investment following on from earlier discussions (Minute 446.1.1aii refers) around maintenance work, safeguarding against large equipment failure and replacement of aging property in parallel with investment in projects, including in digital signage

iv. The necessity for a sensitivity analysis around cash over the three years in the Plan, explaining this to be included, highlighting flexibilities around annual approvals for proposed capital investment based on affordability to allow pause in the event of any financial deterioration

Following review, the draft 2025/26 – 2027/28 Financial Plan and 2026/27 Budget Assumptions were noted.

447 OTHER BUSINESS & NEXT MEETING

447.1 Any Other Business

None advised.

447.2 Dates of Next Meetings

Wednesday 24 June 2026, 5.30pm