

Chair	Irfan Umarji
Corporation Members	Danny Ridgeway, Femi Olatidoye, Joanne Roxburgh, Lloyd Johnson, Paul Jackson, Paul Stephen (Principal), Sarah Thomas
In Attendance	Deputy CEO: Jamie Purser Chief Operating Officer: Judith Abbott
Clerk to the Corporation	Judith Nelson

Item No	Item of business
PRELIMINARY PROCEDURAL MATTERS	
1.	Chair's Welcome & Opening Remarks The Chair welcomed and thanked all for their attendance.
2.	Apologies For Absence <ul style="list-style-type: none"> ▪ Sarah Thomas
3.	Declaration of Interests None
4.	<p>a. Minutes of the Last Meeting held on 08 March 2023 Approved.</p> <p>b. Matters Arising and Action Points from the Meeting All matters were covered during the meeting.</p>
ITEMS FOR CHALLENGE, MONITORING & REVIEW	
5.	<p>College Management Accounts The COO made the Committee aware of the following pertinent points:</p> <ul style="list-style-type: none"> ▪ College has recorded a YTD EBITDA surplus of £1,950k which is 7% of income; £135k worse than YTD budget and £1,159k worse than prior year. ▪ Income year to date is £28.0m which is £0.8m worse than budget and £0.3m better than prior year. This is primarily due to under-delivery YTD of GLA Procured AEB (£768k), with the year-on-year improvement being due to better delivery of main AEB partially offset by underperformance on Procured AEB. ▪ As at R10, there were 1,880 funded 16-18 learners on the ILR compared with a funding allocation of 1,752. The College has received in-year growth funding of £287k. ▪ There were 198 High needs learners on the ILR at R06 versus an allocation of 130. The ESFA allocation for next year has been increased to 200 which guarantees element 2 funding (£6k) for these learners. ▪ Cash balance at end-May is £14.7m and 158 cash days. This is £3.2m better than budget primarily due to favourable timing differences on capital expenditure together with a payment of three windfall capital allocations totalling £1.8m, partially offset by lower YTD income. ▪ Staff costs YTD are £15.6m which is £88k better than budget (though £1.4m higher than same time last year) and 61.7% of income generated by those staff, which is worse than budget due to income shortfalls. The College has undertaken a restructuring programme to ensure future pay costs remain in line with future income generating capacity. ▪ Non pay costs are £10.4m YTD, which is £579k better than YTD budget (and same as this time last year) primarily due to under-spends on estates, general consumables and bursaries partially offset by higher utilities costs.

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	<ul style="list-style-type: none"> ▪ Full year utilities costs including government subsidies are forecast at £1.6 million which is higher than budgeted £1.2 million but a lot lower than the contract cost of circa £3m. ▪ The College has accepted a lower priced electricity contract with EDF which comes into effect from April but required us to extend the contract for a year to end-September 2025. It has also re-tendered its gas contract for next year. Based on the new prices and estimated usage, utility costs next year will be £1.7m. ▪ The College is currently forecasting a full year EBITDA at £1.6m, a £0.6m reduction versus budget. However, in recent weeks the College has become increasingly confident that it will exceed this, which will be reflected in the next forecast. If risks to main AEB contract can be mitigated, the original budget should be achievable through operational performance. ▪ The final out-turn will then be further improved by accounting adjustments such as release of HE provision from balance sheet and capitalising time of staff spent on capital projects (this can't be claimed back against the grants so has no cash effect). ▪ There also remains the possibility of a portion of the Newtec terminal endowment being received this year.
6.	<p>College KPIs – Finance & Resources</p> <p>Governors were made aware the College is making reasonable progress in term 3 on both its Y2 strategic KPIs and operational KPIs this academic year. There were still inflationary risks around the capital programmes that could impact cash flow, and timelines for delivery are tight given the various inter-dependencies and the many projects under way. Operationally, there are some revenue programmes (notably Procured AEB) where targets have been substantially missed but there remains a narrow path back to budget EBITDA if risks can be mitigated.</p>
7.	<p>a. Draft Budget 2023-2024</p> <p>Governors noted the proposed budget for 2023/24, which is broadly in line with targets set in March 2023 to deliver:</p> <ul style="list-style-type: none"> • An EBITDA Surplus £2,200k, 6% of income • Adjusted operating surplus (excluding pensions adjustment) £17k • 61 Cash days at balance sheet date • Income £36.6 million • Bank covenants all met • Good financial health <p>The COO to check with the external auditors, if the Newtec windfall can be carried forward into year.</p> <p>The Committee RESOLVED to recommend the draft budget 2023-2024 for Corporation Board approval.</p> <p>b. Draft Capital Budget 2023-2024</p> <p>Governors requested for the top 5 financial risks with mitigations to be included against these, if they were to trigger, this may be a presentational point. Much closer linkage at a much. Contingency, is that the right amount of Principal's contingency, how do we come up with that number. Is the agency factor right as we are under, is there a risk for courses, should be we be unable to recruit the right teaching staff.</p> <p>The Committee RESOLVED to recommend the draft capital budget 2023 for Corporation Board approval.</p> <p>a. Financial Plan 2023-2024 to 2024-2025</p> <p>The Committee RESOLVED to recommend the draft financial plan 2023-2024 to 2024-2025 for Corporation Board approval.</p>
8.	<p>Sub-contractor Policy 2023-2024</p> <p>Governors requested that policies requiring endorsement, to be presented in track-changes, on the proviso there are minimal changes to review.</p> <p>The Committee RESOLVED to approve the Sub-contractor Policy 2023-2024.</p> <p>Governors were also made aware of the following pertinent points:</p> <p>a. <u>Proposed Sub-contractor arrangements for 2023-24</u></p> <p>After careful consideration the College has decided not to continue its long-term sub-contracting arrangements with A1 Sports as their provision no longer aligns with the direction of travel for College curriculum.</p>

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	<p>The College proposes to enter into a sub-contracting arrangement with London Vesta College for up to 50 16-19 learners on study programmes (maximum funding value £350k and contract value £280k). This provider is a niche digital specialist, delivering relatively locally to the College, which is a good fit with the LSIP requirements and College provision. This is also a very significant year on year reduction in sub-contracting, in line with ESFA direction.</p> <p>b. The College also proposes to sub-contract circa £400k of AEB delivery (maximum contract value £320k) to Canary Wharf Learning Centre for construction-related short courses.</p> <p>Governors were made aware the proposals have been reviewed and approved by Curriculum and Quality Committee and the costs were reflected in the draft 2024 budget.</p>
9.	<p>Tuition Fees Policy 2023-2024 The Committee RESOLVED to approve the Tuition Fees Policy 2023-2024.</p>
10.	<p>Estates Capital Improvements Progress Update The COO made the Committee aware of the following pertinent points:</p> <ul style="list-style-type: none"> ▪ The College has received a further FE Capital Transformation Fund allocation of £352k, bringing the total sum of allocations received since colleges were recategorized as public sector to £1.8m. ▪ This £1.8m effectively replaces the £2m planned revolving credit facility previously agreed in principle with Barclays Bank, which was intended to mitigate any unforeseen risks and/or provide match funding for further projects. The College therefore did not apply for a Treasury loan as it did not fully meet the criteria. ▪ FE Capital Transformation Fund (FECTF) – Stratford Y Block Replacement: the project is currently £1 million over original budget (reflected in summary) at £11,889k compared with previously reported cost of £11,622k in March 2023. Value engineering at Stage 3 design reduced the cost to £11,476k but when the costing of the YPA Remodelling project was undertaken, it became apparent that much of the cost was attributable to the Y Block project rather than a standalone modification to YPA. This added a further £476k to the cost although there are some partially-offsetting savings versus the budget envelope for the YPA works. Planning determination for Y Block is anticipated at LBN's July18 Strategic Committee. The College is awaiting for the RIBA Stage 4 design which was due on 23 June. ▪ FECTF – East Ham Estate Upgrade (includes window replacement in main block, cavity wall insulation, roof recovery, some WC refurbishments, BMS installation) remains on budget since the scale of the project was reduced to offset inflation costs. ▪ T Levels Capital Fund (TLCF) Wave 4 – Stratford W Block Refurbishment: There have been some design issues, including fire and building regulations non-compliances which have required some layout modifications. This has added cost to the project which is estimated at circa £140k over budget at present; this is not yet reflected on the project cost summary as work is ongoing to reduce this. ▪ TLCF Wave 4 – East Ham 5th Floor Refurbishment: The project is under way and on time and on budget. ▪ Public Sector Decarbonisation Scheme Phase 3 - Air Source Heat Pumps for Stratford A and YPA Blocks: since the last meeting, the College has been awarded a grant towards this project. Orders have been placed for the heat pumps (long lead item) and main works have been tendered with evaluations due to be completed by 7 July. Planning submission is also due by 7 July. ▪ The East Ham front entrance, SEND café projects main works contracts and Stratford front entrance (YPA) project works have been awarded to contractors. All these projects are scheduled for implementation and completion over the summer shutdown. ▪ The LCIoT opened in September 2022 without the use of the ground and first three floors, owing to flooding caused by one of the developer's contractors. Intensive negotiations with insurers and funders helped secure the £1.6m of insurance proceeds and a new grant of £568k from GLA to cover unbudgeted project overspend and additional equipment descope from the original specification. The College has awarded a new contract for rectification works and fit out is on track for LCIoT to be available fully from the start of the 2023/24 academic year. Settlement of an outstanding retention and damages for uninsured losses are ongoing.

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11.	Governors noted the meeting schedule for 2023-2024 @ 4:30pm via Microsoft Teams <ul style="list-style-type: none"><li data-bbox="209 197 496 226">▪ 15 November 2023<li data-bbox="209 230 443 259">▪ 06 March 2024<li data-bbox="209 264 416 293">▪ 03 July 2024