

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 members and officers for their attendance.
2.	Apologies For Absence <ul style="list-style-type: none"> ▪ Femi Olatidoye
3.	Declaration of Interests Lloyd Johnson in respect of the Learning Revolution Trust
4.	a. Minutes of the Last Meeting held on 23 November 2022 <i>RESOLVED: The minutes were Approved as a true and accurate record.</i> b. Matters Arising and Action Points from the Meeting All matters were covered during the meeting
ITEMS FOR CHALLENGE, MONITORING & REVIEW	
5.	Financial Update: <ul style="list-style-type: none"> a. College Management Accounts The Committee noted the following pertinent points: <ul style="list-style-type: none"> ▪ College has recorded a YTD EBITDA deficit of £(551)k which is -3.8% of income; £774k worse than YTD budget and £1,374k worse than prior year. ▪ Income year to date is £14.7m which is £1.2m worse than budget and £0.4m worse than prior year. This is primarily due to under-delivery YTD of GLA Procured AEB (£722k), European/eBusiness grants (305k) and Apprenticeships (£232k). ▪ Cash balance at end-January is £12.9m and 138 cash days. ▪ Newtec: there are strong indications that it will take longer than previously anticipated to receive any terminal endowment. The College is currently awaiting advice from the liquidators. ▪ Under-delivery YTD of GLA Procured AEB (£722k), European/eBusiness grants (305k) and Apprenticeships (£232k), bringing the income YTD to £14.7m which is £1.2m worse than budget and £0.4m worse than prior year. ▪ 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. b. 2024 Budget Planning Benchmarks and Funding Allocations Governors noted the key points: <ul style="list-style-type: none"> ▪ The draft 'bottom up' budget will be tested against the benchmarks prior to finalisation and

Item No	Item of business
	<p>submission for Board approval in July.</p> <ul style="list-style-type: none"> ▪ The College has now received its ESFA 16-19 allocation for 2023/24 (1,934 16-19 learners next year, which is up from 1,752 learners this year). ▪ The College has not yet received a final GLA AEB allocation, due in March. The indicative allocation is the same as the allocation for 2022/22, at £12,880k for main AEB and £594k for National Skills Fund (Level 3 funding). <p>c. Draft 2024 Budget Governors scrutinised and reviewed the draft 2024 budget noting the following key points:</p> <ul style="list-style-type: none"> ▪ The draft budget meets most of the benchmark targets including: <ul style="list-style-type: none"> ○ Income is £35.6 million ○ EBITDA surplus is £2.2 million and 7% income ○ Staff costs are 59% of adjusted income ○ Borrowing will be well within target ▪ Year-end cash is directionally circa £5.3 million or circa 56 cash days. This does not include any potential endowment from Newtec and nor does it include any potential Treasury borrowing. ▪ The majority of the College's capital expenditure for the next two years will be as match funding for approved FEETF and TLECF grant-funded projects. The College is also committed to funding a summer works project, which comprises: <ul style="list-style-type: none"> ○ Re-modelling of Stratford YPA block (associated with new Y Block project) ○ Re-modelling of East Ham entrance (to be done in parallel with East Ham FEETF project) ○ Refurbishment of third and final lift at East Ham ○ Creation of a café open to the public, to give SEND learners work experience (part funded by £100k grant from LBN) ▪ Pay costs include anticipated high-level savings from right-sizing staffing to reflect loss of income streams (Procured AEB, European projects, commercial income). <p>Governors also noted the final draft budget will be presented to the next committee meeting for recommendation to Corporation Board.</p>
6.	<p>College KPIs – Finance & Resources Governors noted that the College is making reasonable progress in term 2 on both its Y2 strategic KPIs and operational KPIs. Ongoing caution is needed, as the effect of capital and revenue inflation will place pressure on costs and erode budget contingencies; and some key revenue programmes are unlikely to improve steeply enough to meet budget targets.</p>
7.	<p>Institute of Technology (IoT) Progress Update Governors received a progress update on the London City Institute of Technology, noting the key points:</p> <p>The IoT is now open to students, with enrolment ahead of funder KPIs for year 1. Engineering equipment is receiving long-lead times, having an impact the completion of a fully equipped, high quality and professional environment. The capital issues are beginning to resolve, the College's assessment of the worst-case unbudgeted exposure is £365k, with several different routes to mitigate. Awaiting the outcome of an additional grant application to the GLA that would mitigate excess costs and enrich further the facilities.</p> <p>The College awaits the decision on the OfS registration application, following the successful QAA visit and Quality Standards Review of the College in early January. A successful outcome will enable the College to deliver a broader and more expansive Level 4 offer in 2023/24.</p>
8.	<p>Estates Capital Improvements Governors received a comprehensive position update of progress on the capital improvement projects noting the key points:</p>

Item No	Item of business
	<p>a. Estates Capital Project Monitoring Report – Stratford Y Block The COO gave governors the most up to date status on the Y block;</p> <ul style="list-style-type: none"> ▪ There is a 13-week lead time and stage 3 not yet complete. ▪ As at stage 2 the costing is £8.2m to £10.9m. ▪ Stage 3 costing is £12m, which is £1.7m over budget. ▪ A series of meetings with the planners have been scheduled. <p>b. Estates Capital Project Monitoring Report – East Ham</p> <ul style="list-style-type: none"> ▪ The College has received approval from the DfE for the reduction in scope, enabling the overall project cost to remain in line with approved budget. ▪ In January, the College received a £413k Energy Efficiency Capital Allocation from the DfE, confirming this may be used as match funding towards this project. This is very welcome as it mitigates the cash risk of not achieving budgeted EBITDA. ▪ Governors reviewed the programme plan for the window replacement. ▪ The College front entrance and reception area will be modernised and remodelled. funded separately (part funded grant by the borough), the far-right section of the ground floor will be opened onto the street and converted into a small café to be run by SEND learners. <p>c. Estates Strategy Update Governors received a comprehensive position update on the developments relating to delivery of the Estates Strategy.</p>
9.	<p>a. Salix Public Sector Decarbonisation Scheme (PSDS) Phase 3 Grant The COO made governors aware the College has successfully been awarded the capital grant under the Public Sector Decarbonisation Scheme Phase 3, for the A/YPA air source heat pumps. This will require a match funding contribution of circa £600k and a further circa £150k to upgrade the electricity substation. There will be an offset of circa £700k reduction on the FECTF Y Block project which will no longer need to pay for new gas boilers for YPA and A block.</p> <p>b. In addition to approving acceptance of the Salix PSDS Grant, governors were asked to approve the submission of two borrowing requests to the DfE, totalling £2.3 million. The College had previously secured approval in principle from Barclays for £2m revolving credit facility for 3-5 years, to cover any match funding/working capital needs during that period. The DfE have requested that all colleges identify by 10 March the extent of commercial borrowing they had (planned to put) in place with respect to delivering capital projects:</p> <ol style="list-style-type: none"> i. for circa £600k - match funding of the PSDS; ii. for £1.7m to cover the RIBA Stage 3 cost over-run on Y Block project. <p>This total sum allows headroom, should the College be unable to generate £2.2m EBITDA next year. Together with the existing borrowing at £883k, the total would be circa £3.2m, which would keep the College below 10% of turnover, continuing to score 90 points on the Financial Health score for borrowing.</p> <p>Governors RESOLVED to:</p> <ol style="list-style-type: none"> 1. Approve the Salix Grant Offer Letter (GOL) 2. Approve the DfE borrowing totalling £2.3m which is associated to the Salix grant
10.	Governors noted the final meeting of the academic year was scheduled for 5 July @ 4:30pm via Microsoft Teams