

**MINUTES  
CORPORATION BOARD**

Date: Tuesday 10 July 2024

Time: 6:00pm

Venue: Boardroom, 1<sup>st</sup> Floor, East Ham Campus  
By Teams

<b>Chair</b>	Paul Jackson
<b>Corporation Members In person</b>	Geoffrey Makstutis, Grant Wilson, Irfan Umarji, Lalage Clay, Michael Magbagbeola, Mubin Ahmed, Pam Rowe, Paul Stephen (Principal)
<b>By Teams</b>	Danny Ridgeway, Femi Olatidoye, John McMahon, Sarah Thomas, Tom Flynn
<b>In Attendance</b>  <b>Item 10 only (15 mins @ 6:30pm)</b>	Deputy CEO: Jamie Purser Chief Operating Officer (COO): Judith Abbott Shakespeare Martineau: Mark Taylor (on Teams)
<b>Clerk to the Corporation</b>	Judith Nelson

<b>Item No</b>	<b>Item of business</b>
<b>PRELIMINARY PROCEDURAL MATTERS</b>	
<b>1.</b>	<b>Chair's Welcome &amp; Opening Remark</b> The Chair welcomed all in attendance and advised that Mark Taylor, Shakespeare Martineau will present the findings of the legal due diligence in agenda item 10.
<b>2.</b>	<b>Chair's action &amp; Sub-committee actions since the March Corporation Board</b>  The Chair updated the board on the following items: a. Recruitment Campaign – Principal & CEO Post. Action taken by the Corporation Board Conference on 23/05/2024. The Accountability Agreement was approved by the Board and then submitted to the DfE on 30 June 2024 b. The Joint Steering Group, comprising NewVlc and Newham Corporation board members have now had 3 meetings. Shakespeare Martineau are leading on the legal due diligence. The public consultation is live and will close on 27 July 2024. c. The Chair visited NewVlc College on 21 May 2024. He received a very warm welcome from staff and students. The Chair also joined the Newham College Executive for the annual strategic conversation led by the FE Commissioner's office and DfE. d. The Chair met with Amanda Broderick, Vice Chancellor, UEL to talk about future collaboration. e. The Chair attended his second year of the College's celebration of recognising and rewarding staff excellence. f. UK Power Networks are required to upgrade the transformer to the electricity substation at the East Ham campus and require a formal resolution by the Board as follows:  <i><b>The Board RESOLVED to approve that the Newham College is authorised to enter into the Grant of Lease of an electricity substation at Ground Floor Level, High Street South, London E6 6ER by way of a 99-year Term at an annual rent of a peppercorn to be made between (1) Newham College of Further Education and (2) London Power Networks Plc (Co. No. 3929195).</b></i>
<b>3.</b>	<b>Apologies for Absence</b> <ul style="list-style-type: none"> <li>▪ Derwent Jaconelli</li> <li>▪ Grant Wilson</li> <li>▪ Joanne Roxburgh</li> <li>▪ Jamie Purser</li> <li>▪ Lloyd Johnson</li> <li>▪ Suhud Yekini</li> </ul>

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4.	<b>Declaration of Interests</b> None
5.	<p>a. <b>Minutes of the Last Meeting held on 27 March 2024</b> <b>RESOLVED: The minutes were Approved as a true and accurate record</b></p> <p>b. <b>Matters Arising and Action Points from the Meeting</b> All matters were covered during the meeting</p> <p>c. <b>Notes of the Board Conference held on 23 May 2024</b> <b>RESOLVED: The minutes were Approved as a true and accurate record</b></p>
<b>GOVERNANCE BUSINESS</b>	
6.	<p><b>To report the resignations of:</b></p> <p>a. Joanne Roxburgh with effect from 01 August 2024</p> <p>b. Lloyd Johnson with effect from 01 August 2024</p> <p>The board noted the resignation of Joanne and Lloyd, recording their thanks and appreciation to Joanne and Lloyd for their continued commitment and dedication as governors of the Newham College Corporation.</p>
7.	<p><b>Appointment of Newham College Principal &amp; CEO</b> Governors noted that HMT are yet to approve the appointment terms of salary.</p> <p><i>Governors <b>RESOLVED to approve</b> the appointment of Jamie Purser as Principal &amp; CEO of Newham College.</i></p> <p><i>Governors <b>RESOLVED to approve</b> the delegated authority for Remuneration Committee to review and agree the terms of appointment, comprising salary and start date.</i></p>
<b>THE DETERMINATION AND PERIODIC REVIEW OF THE EDUCATIONAL CHARACTER AND MISSION OF THE INSTITUTION AND THE OVERSIGHT OF ITS ACTIVITIES</b>	
8.	<p><b>Principal's Report</b> Governors noted the Principal's report. The Chair commended the recent staff awards; the great culture of the College and notable improving relationship with the London Borough of Newham.</p>
9.	<p><b>College Key Performance Indicators</b> Governors reviewed the KPIs, noting the following pertinent points:</p> <ul style="list-style-type: none"> <li>▪ The key adverse deltas relate to apprenticeship and HE starts; and attendance. Apprentices are showing growth, but below plan; HE was affected by the timing of the OfS decision; and we have reported through the year on efforts to improve attendance. One significant step forward this year has been in the level of attendance at public exams.</li> <li>▪ Some of the people priorities and targets have been deferred and will likely be rolled forward into the post-merger integration period.</li> <li>▪ The main area of uncertainty on the capital projects (accountability agreement KPI 7) are regarding Y Block replacement. Delays in discharging planning conditions have delayed demolition with a knock-on impact on overall programme timing.</li> </ul>
<b>NewVic / Newham Merger</b>	
10.	<p><b>Merger Legal Due Diligence Outcome</b> Mark Taylor, Shakespeare Martineau presented governors with a very comprehensive outcome report of the merger legal due diligence. <i>Governors <b>RESOLVED to approve</b> there is no just cause nor impediment why the merger should not proceed.</i></p>
11.	<p><b>Newham / NewVic Merger Progress Update</b> Governors noted the merger is proceeding according to plan and timescale. The three distinct firms to provide external professional support are:</p> <ul style="list-style-type: none"> <li>• Shakespeare Martineau LLP have undertaken confirmatory legal due diligence: there are no show stoppers.</li> <li>• BDO are undertaking financial due diligence – this is at an early stage.</li> <li>• Rockborn are providing programme management and TUPE advice, To date, this advice has been exemplary, and has given the project momentum and discipline.</li> </ul>

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	<p>Governors recorded their appreciation to the Executive of Newham and NewVlc for the merger due diligence work being undertaken in the background.</p> <p>Governors <b>RESOLVED</b> to approve the following motion:  <i>"The Corporation confirms its intention to complete the merger with NewVlc by 01/11/24 subject to:</i> <ul style="list-style-type: none"> <li><i>Satisfactory completion of due diligence;</i></li> <li><i>Meeting all statutory processes and consents;</i></li> <li><i>A meaningful, supportive and adequate response from DfE to the financial and quality risks that merger will bring to Newham College, the surviving College.</i></li> </ul> <i>The Corporation notes that the merger serves both local and national policy objectives, and:</i> <ul style="list-style-type: none"> <li><i>has the potential to bring a significant improvement in the life chances of Newham residents;</i></li> <li><i>helps the DfE restore stability in the post-16 market in East London and beyond.</i></li> </ul> <i>In meeting its fiduciary duties, and balancing these with the Corporation's educational mission, the Corporation is clear that a merger cannot jeopardise the financial sustainability and resilience of Newham College to deliver its core educational objectives. To this end, any agreement around financial support and/or risk mitigation with DfE will need to be finalised by 16<sup>th</sup> October 2024 to enable the merger to proceed."</i> </p>
12.	<p><b>Board Appointment Process / Timeline</b>  Governors <b>RESOLVED to approve</b> the board appointment process / timeline.</p>
<b>CURRICULUM &amp; QUALITY COMMITTEE</b>	
13.	<p><b>FE and HE Update</b>  The Vice Chair provided governors with an overview as follows: <ul style="list-style-type: none"> <li>The appointment of an Assistant Director for HE in February has allowed preparations for launch of our HE offer move at pace. The recent HE Oversight board was led by the Assistant Director for HE.</li> <li>The curriculum business for next year is making good progress, with one area requiring oversight and the proposal is for the Director of Apprenticeships to attend a future Curriculum &amp; Quality Committee.</li> </ul> </p>
<b>AUDIT AND RISK COMMITTEE</b>	
14.	<p>a. <b>Draft External Audit Plan Year ending 31 July 2024</b>  Governors reviewed the draft external audit plan noting the following pertinent points:  The audit fieldwork will take place in September/ October, following interim testing of income in July/August, to support presentation of findings in November/December and signing off financial statements in December 2024. Scope of the audit will include,funding assurance testing and accounting for the IoT.  RSM are proposing a fee increase of 2.6% overall (following last year's 10% increase together with a further £2,500 to revise their approach to risk assessments for ISA 325 revisions). RSM have advised that they have not charged anything additional in the proposed fee for the audit review of the post balance sheet note relating to the NewVIC acquisition or anything on the review of Newham Foundation asset transfer work, unless there is a prior period adjustment for this asset transfer as this would need a technical review.  Governors <b>RESOLVED to approve</b> the draft external audit plan for year ending 31 July 2024.</p> <p>b. <b>Draft Internal Audit Plan 2024-2025</b>  Governors reviewed the draft internal audit plan noting the following pertinent points:  The College is proposing to continue with its three-part approach to internal auditing for 2024/25, as this has proven to be beneficial in providing appropriate targeted resource. This comprises in-house funding and compliance auditing and specialist IT audits from JISC with annual Cyber Essentials certification, together with traditional internal audits provided by Scrutton Bland.</p> <p>The programme is based on 34 days of audits and contract management, which is broadly in line with scope of this year's audits, and is proposed to cover:</p> <ul style="list-style-type: none"> <li>T Levels Implementation (4 days)</li> <li>Payroll and HR Metrics (5 days)</li> <li>Student Attendance (4 days)</li> <li>Anti-fraud, Anti-Bribery and Whistleblowing Framework (4 days)</li> <li>Marketing and Public Relations (4 days)</li> <li>Fixed Assets (4 days)</li> <li>Follow up on previous recommendations (3 days)</li> </ul>

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	<p>Governors <b>RESOLVED to approve the draft internal audit plan 2024-2025</b></p> <p>c. <b>Risk Management Update</b> Governors reviewed the risk management update noting the following pertinent points: Since the mid-year report, two new risks have been added:</p> <ul style="list-style-type: none"> <li>▪ “Failure to manage succession planning to a new CEO has an adverse impact on culture and/or performance”, and</li> <li>▪ “ Merger with NewVIC has negative consequences for students, staff and stakeholders of Newham Co Merger with NewVIC has negative consequences for students, staff and stakeholders of Newham College”.</li> <li>▪ Risks relating to the merger process are tracked by the merger project managers and presented to the Joint Steering Group (JSG).</li> </ul> <p>Of the 22 risks now identified, 11 are judged to have reduced in severity at this point in the year versus their risk score at the start of the year, while the risk score for the NewVIC merger has increased to reflect financial risks that will require DfE mitigation if the merger is to be successful.</p> <p>d. <b>Safeguarding &amp; Prevent Update</b> Governors reviewed and noted the safeguarding and prevent update.</p>
<b>FINANCE &amp; RESOURCES COMMITTEE</b>	
15.	<p>a. <b>College Management Accounts</b> Governors reviewed and noted the management accounts.</p> <p>b. <b>Draft Budget 2024-2025</b> Governors reviewed the draft budget 2024-2025 noting the following pertinent points:</p> <p>The proposed budget for 2024/25 delivers:</p> <ul style="list-style-type: none"> <li>• EBITDA Surplus £2,400k, 6% of income</li> <li>• Adjusted operating surplus (excluding pensions adjustment) £256k</li> <li>• 48 Cash days at balance sheet date</li> <li>• Income £40 million</li> <li>• Bank covenants all met</li> <li>• Good financial health</li> </ul> <p>The EBITDA and cash forecast are lower than the targets set in March, primarily due to more conservative assumptions and higher levels of capital spending in summer 2024. Governors <b>RESOLVED to approve the draft budget 2024-2025</b></p> <p>c. <b>Draft Capital Budget 2024-2025</b> Governors reviewed the draft capital budget 2024-2025 noting the following pertinent points: The College is undertaking a very extensive programme of self-funded works primarily at East Ham campus, to ensure it has capacity to accommodate additional learner numbers that are forecast for September 2024, and to address shortcomings in student amenity spaces, with the increased learner numbers that we already have.</p> <p>There are no DfE/ESFA capital grants available, but these actions would be unlikely to attract capital grant funding in any case since they are primarily improving non-teaching spaces and increasing capacity.</p> <p>Most of the projects are interlinked/have interdependencies and therefore need to be seen as an overall programme of work. Total expenditure for these projects is £3.7 million (note: this includes previously approved 4<sup>th</sup> floor refurbishment project which has been implemented).</p> <p>This considerably exceeds what would be affordable in a normal year (circa £1-£1.5m) and is achievable due to the circa £1m terminal endowment from NewVIC and delays on College match funding of Y Block replacement. It does, however, mean that capital expenditure next summer will be almost entirely ring-fenced to Y Block with anything else scaled back to a bare minimum. Governors <b>RESOLVED to approve the draft capital budget 2024-2025</b>.</p>

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16.	<p><b>External Governance Review Recommendations</b>  Governors <b>RESOLVED</b> to approve the external governance review recommendations.</p> <p><b>ACTION: The Chair will undertake joint performance review of the Director of Governance with the CEO.</b></p>
17.	<p><b>Meeting Schedule for 2024-2025 @ 6:00pm</b>  Governors noted the schedule of meeting dates.</p> <p>18 September 2024 – East Ham (additional meeting in line with merger timeline)  30 October 2024 – East Ham (moving to 16 October in line with merger timeline)  11 December 2024 – Stratford Campus  26 March 2025 - NewVlc  15 May 2025 - IoT  09 July 2025 – East Ham  29 October 2025 - Stratford  10 December 2025 - IoT  25 March 2025 - NewVlc  14 May 2025 - TBC  08 July 2025 – East Ham</p>