

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

Item No	Item of business
<b>PRELIMINARY PROCEDURAL MATTERS</b>	
1.	<b>Chair's Welcome &amp; Opening Remarks</b> The Chair welcomed and thanked all for their attendance.
2.	<b>Apologies For Absence</b> Danny Ridgeway
3.	<b>Declaration of Interests</b> None.
4.	<p>a. <b>Minutes of the Last Meeting held on 08 March 2024</b> Approved.</p> <p>b. <b>Matters Arising and Action Points from the Meeting</b> All matters were covered during the meeting.</p>
<b>ITEMS FOR CHALLENGE, MONITORING &amp; REVIEW</b>	
5.	<p><b>College Management Accounts</b> The COO made the Governors aware of the following pertinent points:</p> <ul style="list-style-type: none"> <li>The College is forecasting an improved EBITDA of £2.7m (7.3% of income), £200k better than previous forecast and £500k better than budget £2.2m (6.2%).</li> <li>Income is forecast at £37.5m, £1.3m better than budget primarily due to inclusion of additional 16-19 funding £687k; GLA AEB Growth Funding £367k; LSIF and HTQ grants £680k and Other Income £266k (FTM, Catering, etc) partially offset by reductions in advanced learner loans income and bursary.</li> <li>Pay costs are reforecast at £22.0m, £1.2m higher reflecting delivery of additional income and above budget pay increase.</li> <li>Non-pay costs are reforecast at £12.8m, £395k better than budget primarily due cancellation/reduction of subcontracts £550k and estates and utility savings £582k partially offset by additional grant project expenditure £787k.</li> <li>The forecast is considered to be prudent at this stage, with further net opportunities identified of £154k</li> <li>Year-end cash is forecast at £11.2m (120 cash days) which is £4.6m higher than budget albeit some of this variance is due to delays on Y Block and re-profiling of associated DfE grant to front-load the grant draw-down.</li> </ul>
6.	<p><b>College KPIs – Finance &amp; Resources</b> Governors were made aware that currently the main area of uncertainty on capital projects (accountability agreement KPI 7) is regarding the Y Block - tender quote within sum identified at stage 4 costings; delays in discharging planning conditions have delayed demolition with a knock-on impact on overall programme timing. The College has agreed with DfE an accelerated grant drawdown, allowing for later completion. A further delay has arisen with discovery of asbestos during demolition of old Y Block, that had not identified in the asbestos report. The implications of this for cashflow and grant drawdown are being urgently investigated.</p>

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7.	<p>a. <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 recommend</b> the draft budget 2024-2025 to the July Corporation Board for approval.</p> <p>b. <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 work 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 NewVlc 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 recommend</b> the draft capital budget 2024-2025 to the July Corporation Board for approval.</p> <p>c. <b>Financial Plan 2024-2025 to 2025-2026</b> The Committee reviewed and noted the contents of the draft financial plan 2024-2025 to 2025-2026</p>
8.	<p><b>Tuition Fees Policy 2024-2025</b> Governors reviewed the updated policy, noting that one section is yet to be finalised, regarding fees for the new tailored learning courses, and the College awaiting ESFA/GLA published guidance.</p> <p>Governors <b>RESOLVED</b> approving the Tuition Fees Policy 2024/2025, giving the FRC Chair delegated authority to approve any necessary changes, upon receiving ESFA / GLA guidance.</p>
9.	<p><b>Estates Capital Improvements Progress Update</b> Governors were given an update on the following:</p> <ul style="list-style-type: none"> <li>▪ The East Ham FE Capital Transformation Fund project is now fully implemented, leaving Stratford FECTF project (Y Block replacement) which is a concern due to further delays resulting from finding asbestos that had not been identified by the contractors who undertook the inspection prior to commencement of demolition.</li> <li>▪ The East Ham 4<sup>th</sup> floor refurbishment, which was the first official project of Phase 2 of the Estates Strategy, is now complete and the floor is fully operational.</li> <li>▪ The overall estates strategy will be revisited assuming the merger with NewVlc goes ahead, to ensure optimum development of all sites.</li> </ul>

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10.	<p>Governors noted the meeting schedule for 2024-2025 @ 4:30pm via Microsoft Teams</p> <ul style="list-style-type: none"> <li>▪ 20 November 2024</li> <li>▪ 12 March 2025</li> <li>▪ 02 July 2025</li> <li>▪ 19 November 2025</li> <li>▪ 11 March 2026</li> <li>▪ 01 July 2026</li> </ul>