

Chair	Irfan Umarji
Corporation Members	Danny Ridgeway, Femi Olatidoye, Joanne Roxburgh, Paul Jackson, Paul Stephen (Principal)
In Attendance	Deputy CEO: Jamie Purser Chief Operating Officer: Judith Abbott
Attending as an observer (external governance review)	Ian Ashman
Clerk to the Corporation	Judith Nelson

Item No	Item of business Presented By
PRELIMINARY PROCEDURAL MATTERS	
1.	Chair's Welcome & Opening Remarks The chair welcomed Ian Ashman, in his capacity as an observer, undertaking the external governance review.
2.	Apologies For Absence <ul style="list-style-type: none"> Lloyd Johnson Sarah Thomas
3.	Declaration of Interests None.
4.	a. Minutes of the Last Meeting held on 19 January 2024 Approved. 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 COO made the Governors aware of the following pertinent points: <ul style="list-style-type: none"> College has recorded a YTD EBITDA deficit of £153k which is 1% of income; £743k better than YTD budget and £704k better than prior year. Operating Income year to date is £16m which is £445k better than budget and £1.3m better than prior year. As at R06, 16-18 funded learner number was 1,999 (down from 2,079 at R03) compared with a funding allocation of 1,934. This increase will be reflected in our funding allocation for next year. 250 High Needs learners on the ILR at R03 versus an allocation of 200. LBN have agreed in principle (no contract yet signed) to fund the additional 50 learners this year and have submitted a business case to the ESFA for growth in numbers for next year, from 200 to 220. Cash balance at end-January is £11.3m and 125 cash days. This is £1.5m better than budget primarily due to favourable timing differences on capital expenditures together with receipt in December of £198k final endowment from Newtec Staff costs YTD are £10.1m which is in line with budget. Staff costs include a 6.5% pay increase backdated to September and circa 10% increase for staff on the London Living Wage with effect from November. Non pay costs are £5,704k YTD, which is £287k better than YTD budget and £417k better than same time last year. The year-on-year improvement is primarily due to termination of 16-19 subcontracting arrangements with A1 Sports.

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	<ul style="list-style-type: none"> ▪ The East Ham FE Capital Transformation Fund project is entering its final stages and on schedule for completion by end-May. Y Block replacement has been delayed due to issues with LBN Highways regarding discharge of pre-commencement planning conditions. ▪ The new HR and Payroll system iTrent is scheduled to go live in February 2024 subject to sign-off of parallel run. <p>b. 2025 Budget Planning Benchmarks and Funding Allocations Financial health calculation is being looked at in conjunction with the ONS reclassification, modelling of the financial health will be undertaken on the current methodology. The College has not yet received an ESFA learner number allocation for next year but has used their published toolkit to calculate an indicative figure. This suggests an allocation of 2,066 learners. The direction of travel is on an upward trajectory. Noted EBITDA is 6%, need to aim for in excess of 7%.</p> <p>c. Draft 2025 Budget The COO made the Governors aware of the following pertinent points:</p> <ul style="list-style-type: none"> ▪ The draft I&E budget is directional and subject to change as allocations are confirmed, the curriculum plans and bottom-up budgets are developed. ▪ Income of £38 million is £600k better than current year forecast, primarily due to higher 16-19 programme and High Needs element 2 funding £2m, partially offset by £1.4m reduction in grant funding (non-recurrence of one-off LSIF and HTQ funding together with multi-year grant for eBusiness coming to an end in September 2024). ▪ Pay costs of £22.8m are 60% of income and £1.3m higher than current year forecast. They have not been modelled in detail but assume a cost of living pay increase and current staff establishment less a vacancy factor. ▪ Non pay costs of £12.8m are £653k lower than current year forecast primarily due to non-recurrence of grant related expenditure £605k. ▪ General Consumables includes a contingency of £500k
6.	<p>College KPIs – Finance & Resources Noteworthy points:</p> <ul style="list-style-type: none"> • Currently the main areas of uncertainty on the capital projects (accountability agreement KPI 7) are regarding: • Y Block replacement (main contractor Thomas Sinden Ltd appointed - 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 a later completion; and • IoT final account is contingent only on the progress of a damages claim against the c who flooded the lower floors in June 2022.
7.	<p>Estates Strategy Update Governors were given an update on the following:</p> <ul style="list-style-type: none"> ▪ Developments relating to delivery of Phase 1, and the first project Phase 2 of the Estates Strategy. ▪ Overall status of East Ham FE Capital Transformation Fund project is green, while Stratford FECTF project (Y Block replacement) is ongoing due to delays on discharging pre-commencement planning conditions. ▪ Work under way on modifications to East Ham 4th floor, which is the first official project of Phase 2 of the Estates Strategy
8.	<p>iTrent Progress Update Governors were made aware the intention was to parallel run January's payroll and go live in iTrent for February. This did not take place due to various issues emerging from the parallel run and prevented transition to iTrent for February. Governors were given reassurance that a very experienced HR Systems Manager had been appointed to lead on resolving the emerging issues and go live on 01 April 2024.</p> <p>Action: In order to provide governors with assurance, the COO to provide FRC with a position update report prior to the iTrent go live launch date of 01 April 2024</p>
9.	Governors noted the next meeting is scheduled for 03 July 2024 @ 4:30pm on Teams