

Chair	Irfan Umarji
Corporation Members	Danny Ridgeway, Femi Olatidoye, Paul Jackson, Jamie Purser
In Attendance	Chief Finance & Operating Officer (CFOO): Judith Abbott Interim Chief People Officer: Carly Rosser-Mayo (CPO) Deputy Principal, Student Experience, Safeguarding and NewVic Curriculum: James Gould (JG) Interim Deputy Principal, Quality & Newham Curriculum: Sara Woodward (SW) Deputy Principal, Quality & Newham Curriculum: Lucy Reed
Director of Governance	Judith Nelson

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PRELIMINARY PROCEDURAL MATTERS	
1.	Chair's Welcome & Opening Remarks The Chair welcomed and thanked all for their attendance.
2.	Apologies For Absence None.
3.	Declaration of Interests None.
4.	a. Minutes of the Last Meeting held on 12 March 2025 Approved. b. Matters Arising and Action Points from the Meeting All matters were covered during the meeting.
ITEMS FOR CHALLENGE, MONITORING & REVIEW	
5.	Financial Benchmarking Governors reviewed and noted the annual benchmarking tool, recently published by the DfE, reflecting the financial position of all colleges as shown in their financial returns submitted for the year ending 31 July 2025.
6.	College Management Accounts Governors noted the following pertinent points: <ul style="list-style-type: none"> ▪ College has recorded a YTD EBITDA surplus of £1.2m; £1.7m worse than YTD budget and £5.7m worse than prior year. ▪ Operating income to date is £48.3m which is £3.5m better than budget and £1.6m worse than prior year. The year-to-date performance is primarily favourable timing differences on AEB delivery £2.6m which unwind by year end. ▪ Cash balance at end May is £24.3m and 144 cash days, (the DfE have now recovered the £5.5m they overpaid in error) though there are various potential future claw-backs of circa £3.5m and also extensive capital investment requirements including circa £6m committed on A Block that will reduce cash balances over the next 12 months. ▪ Staff costs YTD are £32.9m which is £2.5m higher than same time last year and £4m higher than YTD budget which assumed year-on-year staff savings. ▪ Pre-16s provision, the Principal has written to the Education Director of the London Borough of Newham, the probable outcome will be that this provision ceases. ▪ The College has considerably over-delivered its AEB contract, incurring costs that were not funded particularly in relation to delivery of Rail programmes. Initially, a tactical decision was taken to

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	<p>front-load AEB delivery in the expectation of in-year growth funding becoming available (as last year), but when there was no in-year growth, the College did not scale back its delivery in time. Lessons have been learned from this.</p> <p>ACTIONS:</p> <ul style="list-style-type: none"> The wording on the £400k monies received from the DfE, which is planned for staff bonus costs, needs to be clearer, stating that this will be paid on the understanding of achieving a 100% growth case. In terms of budgeting for next year and prior to the July the board, Governors requested clarity on merger related costs.
7.	<p>College KPIs – Finance & Resources</p> <p>Governors reviewed the key financial performance indicators, noting the targets have been revised to reflect the merged college financial position.</p>
8.	<p>FE Commissioner Letter</p> <p>Governors noted the FE Commissioner recently undertook a review of its financial benchmarks and the findings are as follows:</p> <ul style="list-style-type: none"> Increased cash days in hand benchmark from 25 days to 40 days for every month of the year and has confirmed EBITDA as a % of income as a preferred measure of performance with a benchmark of >6% (the low end of “Good” financial health). The benchmark of staff pay as a % of income remains at 65%. The College’s long-term target to ensure financial sustainability is to meet or exceed these benchmarks. In the 2025/26 budget, while it comfortably exceeds the cash days target, it falls short of the EBITDA and staff pay targets. This is a conscious decision, recognising the College needs time post-merger to achieve cultural alignment and develop the optimum complement of staff for future success. The College will continue to ensure it has strong finances, meets external benchmarks, and continues to be seen by funders and stakeholders as being prudent and sensible. The college does however recognise that adequate resources will need to be devoted to post merger integration and the improvement of overall quality in the College.
9.	<p>a. Draft College Budget 2025-26 and Financial Plan 2026-27</p> <p>Governors reviewed and scrutinised the draft budget for 2024/25 proposing to deliver:</p> <ul style="list-style-type: none"> Income £64 million. Includes 16-18 funding allocation of 4,514 learners. EBITDA Surplus £3,732k, 5.82% of income – this falls short of the FE Commissioner 6% benchmark, recognising the College is still investing in staff and culture post-merger. Staff cost as a percent of income delivered by the staff (excluding Rail income) is 67%, above FE Commissioner benchmark of 65% reflecting ongoing commitment to ensuring the right complement of staff. Staff costs include a 3% pay increase with effect from August, already agreed with Unions. Adjusted operating surplus (excluding pensions adjustment) £577k. Provisions of circa £400k are included in I&E. £11.1m and 67 Cash days at balance sheet date – this is a substantial year on year reduction, due to significant investment in fixed assets, but is still comfortably above FE Commissioner target. Bank covenants all met. A return to Outstanding financial health (though this continues to be underpinned by low borrowing), or at least strong Good. <p>ACTION:</p> <ul style="list-style-type: none"> Governors requested that the budget be increased to achieve an EBITDA surplus of 6% of income in line with the FE Commissioner benchmark prior to presenting it to the Corporation Board. <p>Governors RESOLVED to recommend the draft college budget 2025-26 and financial plan 2026-27 to the Corporation Board for approval.</p>
	<p>b. Final Draft Capital Budget 2025-2026</p> <p>Governors reviewed and scrutinised the final draft capital budget 2025-2026 which proposed the following:</p> <ul style="list-style-type: none"> A capital budget for 2025/26 of £4.4 million, comprising projects previously presented in March and April, together with an additional £400k provision for additional Estates works that have been identified but not yet fully costed. This cost is reflected in the College’s budgeted cash flow.

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	<ul style="list-style-type: none"> ▪ The Board has previously approved the College to commence the two largest projects, capital works on Stratford C Block and NewVlc A Block, at an extraordinary Finance & Resources Committee meeting in April. Both these works have now commenced. ▪ The College has now received the previously reported Condition Capital Allocation of £3,378,156 (which covers most of the cost of the two largest projects), with a further £1m being contributed to this capital budget from reserves. ▪ The College would have preferred to invest its reserves in improving facilities for students, as it did last year at East Ham, it has been necessary this year to focus most of the expenditure this time on addressing urgent Health and Safety and access issues. <p>Governors RESOLVED to recommend the final draft capital budget 2025-26 to the Corporation Board for approval.</p>
10.	<p>Sustainability Strategy</p> <p>Governors reviewed the sustainability strategy, commending a well-designed structure, acknowledging this was a huge step forward for the College.</p> <p>Governors RESOLVED to approve the sustainability strategy, subject to minor tweaks.</p>
11.	<p>Tuition Fees Policy 2025-2026</p> <p>Governors reviewed the updated tuition fees policy and RESOLVED to approve the Tuition Fees Policy 2025/2026.</p>
12.	<p>People Update</p> <p>Governors reviewed the people update report. Governors noted the current management restructuring position, progress of embedding key people management policies, an analysis of key people metrics and employee relations overview.</p> <p>ACTION: Governors requested for future reports to include a broader KPI on non-compliance issues, in particular GDPR and safeguarding.</p>
13.	<p>Culture Implementation Plan</p> <p>Governors reviewed the culture implementation plan and RESOLVED to recommend it to the Corporation Board for approval.</p>
14.	<p>Estates Strategy Update Report</p> <p>Governors reviewed and noted the update on the estates strategy as follows:</p> <ul style="list-style-type: none"> ▪ Stratford A Block new build status update. ▪ Stratford C Block cladding and window replacement update ▪ NewVlc BUG Buildings update ▪ The DfE has contacted the College to advise it will undertake its second FE Condition Data Collection (FECDC2; the first one was in 2019) survey of all sites from 18 to 20 August. The outcome of this survey will be very important for informing any future capital grant applications. ▪ Following the announcement in the recent Spending Review, it is anticipated that there will be substantial capital funding available to the FE sector between 2026 and 2030. With that in mind the College will be engaging its architects to update campus master plans in the coming months once future curriculum plans are clearer, so the College is well prepared to bid, whatever the funding criteria might be.
15.	<p>Meeting Schedule for 2025-2026 @ 4:30pm via Microsoft Teams</p> <ul style="list-style-type: none"> ▪ 19 November 2025 ▪ 11 March 2026 ▪ 01 July 2026 ▪ 28 January 2026 ▪ 11 March 2026 ▪ 01 July 2026