

MINUTES

Further Education Corporation Meeting of the [Budgeting Group] Policy and Resources Committee Tuesday 30 May 2023

Date and timings	18:00 to 20:00	
Location	Via Microsoft Teams	
Present	<p>Lee Freeman (LF) Chair Roderic Gray (RG) Louise Parr-Morley (LPM) Elizabeth Sipiery (ES) Denise Brown (DB) CEO and Principal</p> <p>Governors by invitation: Rick Olver (RO); Roland Anderson (RA)</p>	
Clerk to the Corporation	Lana Jackman (LJ)	
	0 x vacancies	
In attendance	Zed Mohammed (ZM); Julian Grindell (JG); Daniel Olorode (DO)	
Apologies	Sarah Stone (SS)	
Quorum (4)		
Item		Action lead
0.	Agenda	
1.	<p>Preliminary items The Chair welcomed everyone to the meeting and explained the purpose for the meeting. The main objective of the meeting was to discuss the key assumptions being made in the budget to provide a framework for formal discussion and to go through the detailed numbers on the 26 June 2023 at the full PRC Meeting.</p>	
1.1	<p>Apologies for Absence Apologies were received and accepted from Sarah Stone.</p>	
1.2	Declaration of Interest	

There were no other new declarations of interest other than those already standing *(in accordance with the requirements of section 177 of the Companies Act 2006)*.

1.3 Urgent items of other business

There were no urgent items of other business notified to the Chair in advance of the meeting.

1.4 Quorum

The meeting was quorate.

2. Financial Planning and Budgeting

The governors discussed in detail the budget assumptions presented by JG via a PowerPoint Slide Deck. It was explained that the Slide Deck was to provide strategic context for the budget assumptions, the scoring metrics for financial health, results for the College Group and on the EBITDA. It was explained that the EBITDA was the key metric which determined the ability to provide cash to service College debt and capital investment.

It was agreed that the College needed to improve its operating position with targeting an EBITDA of 4.5m plus compared to last year's 3.3m. It was noted that the operating position, high indebtedness and capital expenditures were increasingly challenging therefore it would be prudent to build financial resilience for the future.

It was agreed to complete the main projects: Queens Road and the demolition of TLC and to seek to minimise any other CapEX expenditure until the College's finance stabilised and regenerated. Though, it was noted, that the management structure added a layer of complexity in terms of managing cost centres.

It was noted that the curriculum plan was completed with a meeting planned with all the budget holders to discuss the details around the cost structure for each area, student numbers per school area, contact hours, delivery hours and income generation with the primary purpose to minimise costs where possible. It was recognised that the priority would be to turn applications into enrolments and to retain students. It was explained that the application data demonstrated that there were opportunities to grow and secure income.

It was discussed that a key planning tool so that the Board could have a clear understanding would be to provide a comparator between profitable courses and less profitable courses.

It was mentioned that a costed curriculum model was in the planning stages to include income generated courses and to maximise class

sizes. The plan was to build a three-year budget into the overall budget to demonstrate the income and cost position.

The Committee discussed ESFA and AEB Funding, delivery of Apprenticeships provision, and data to support the current applications for 16-18 year age group.

It was mentioned that the due diligence relating to the partnership with the London School of Business Studies was underway.

The impact on international Business and Commercial income was discussed and the University of East Anglia validation agreement.

It was mentioned that the implications for the ongoing costs and capital spend was a concern and what had been committed should continue but there should not be any further major spend.

It was noted that the current budget was a work in progress and the object was to reduce indebtedness.

It was agreed that the presentation was clear and concise and contained a high quality of information and detail.

The Committee expressed its gratitude to JG and DO for the work over the past year. It was agreed for the non-financial governors both JG and DO had simplified the reporting and made it a lot easier to understand.

ES left the meeting at 18.35

2.1 ACTION JG to circulate the presentation slides to LJ.

2.2 ACTION LJ to circulate to governors and upload to the Hub.

3. Other business

There was no other business notified to the Chair in advance of the meeting.

There being no further business the meeting ended at 19.48

Signed.....Dated.....

Once the Committee is satisfied Actions completed will be removed from the table

Item	No	Action	Initial	Status
Actions from the meeting held on the 30 May 2023				
2	2.1	JG to circulate the presentation slide deck to LJ.	LJ	<i>completed</i>
2	2.2	LJ to circulate to governors and upload to the Hub.	LJ	<i>completed</i>

ⁱ The code of conduct for Governors requires governors to be honest and open with regard to conflicts of interest (either real or perceived). Governors must not use their position for personal gain in business, political or social relationships. Therefore, a governor who has, or may be perceived to have, such a personal interest in a particular matter under consideration should declare that interest, withdraw from all discussions relating to it and take no part in any vote on such matter.