

**Minutes of the special Board meeting 23.S held on Tuesday 8 May 2024
Room A203, Long Road Sixth Form College, Cambridge**

Present: Gerry Bolton (Corporation Chair), Yolanda Botham (Principal), Gary Bourton, Chris Cope, Abby Futter, Rob Howes, Gemma Long, Jenny O’Hare, Alex Pryce, Sebastian Rasinger, Gavin Sheffield and Alex Wong

In attendance: Steve Dann (Vice Principal), and Charlotte Hemmins (Finance Director), Mazars colleagues for agenda item 4 only, and Stone King colleague for agenda item 5 only

Clerk: Anne-Marie Diaper

Ref **Actions:**

23.S.1 Apologies for absence

Apologies were received from Ishan Cader, Alex Curnow, David Evans, Sophie Harrison, Hugo Macey, Lily-Kate McCormack and Melissa Mlauzi.

23.S.2 Declarations of Interest

The senior post holders and Clerk to the Corporation declared an interest in the academisation matters on the agenda.

23.S.3 Introduction to forthcoming agenda items

The Corporation Chair set the scene for the meeting, referring to the due diligence (DD) reports which had been only received within a few hours of this meeting.

Whilst the due diligence work had not concluded yet, the financial DD work had made greater progress than the legal at this time, considerable progress had been made, and the reports included a lot of data.

The Chair reminded members that the Academisation Working Group (AWG) would be meeting before the 25 June additional board meeting to review all legal/key documents.

Whilst it was not planned to repeat in detail the business of this meeting at the 23.4 Board meeting on 14 May, that meeting would offer another opportunity for Board members to reflect and to discuss anything of significance relating to the project.

AWG members had taken the opportunity to review the DD reports, which outlined the differences and similarities between the two Colleges, the Chair reported that no red flags or showstoppers were to be noted which might put the whole project in jeopardy at this

point. This meeting was an opportunity for Board members to raise questions directly with the DD providers and to gain further insight behind the detail set out in the reports.

He outlined the headline points of the financial DD report, and then handed over to 4 colleagues from Mazars, who attended the meeting by MS Teams.

23.S.4 Mazars presentation and update on financial due diligence work

David Preston from Mazars introduced the agenda item. He commented that the reports had been shared between the two project partners and he had received confirmation that the data was factually accurate. He reiterated the Mazars position that no issue had been discovered to date for the project not to proceed, though there were some points worthy of note.

Luke Yates shared his screen, and then gave an overview of the report (merged entity section) to include RAG rated sections on funding, operations, finance forecast model (I&E and net assets).

LRSFC's data was shown but this was not discussed, as this was not the purpose of the meeting.

For insight on the project partner, the report showed historic financial performance including EBITDA, balance sheet, cash flow and financial reporting, all key findings.

He outlined similarities and differences between the two Colleges suggesting where LRSFC might wish to focus attention with the project partner.

David Hoose added an operational financial performance perspective, reiterating some points his colleagues had already highlighted. He raised the risks and uncertainties facing both Colleges going forward not least due to the general election, commenting that the scheme of delegation would be key, going forward.

Governors asked a range of questions on financial challenges and levers, margin/trend on EBITDA, student numbers and demographics, financial forecasts, possible financial savings through academisation, and trends, income, condition of assets and risks associated with land and property.

Ref**Actions:**

With a further short discussion, Corporation members thanked Mazars colleagues for attending the meeting and that part of the meeting closed just before 3pm.

The Corporation Chair introduced the next item on the agenda and handed over to the Principal who had been liaising with the legal DD provider.

She reminded the meeting that the legal DD provider was drafting the majority of the key documents. She referred to the next project meeting with the DfE (15 May), the public consultation which would close on 17 May, formal Tupe consultation meetings with College employees.

The AWG would consider important documents such as the funding agreements, the articles of association, and the scheme of delegation. The AWG would brief the Board on 25 June when final decisions would need to be made.

23.S.5 Stone King presentation and update on legal due diligence work

The Corporation welcomed Ciara Campfield to the meeting by MS Teams. She advised the meeting that the legal work carried out to date had been quite straight forward, and mostly clean, but had not yet been completed. The Stone King draft report had been provided earlier in the day. The meeting was presented with highlights on Powerpoint.

With information and advice on property, construction, employment, funding profile, contracts and a list of other points, she outlined possible approaches to minor points and made suggestions.

Corporation members raised a number of points including on land and property in a conservation area, contracts, staff Tupe matters, and Trustee liabilities.

23.S.6 Update on MAT preparation

Corporation members reflected on a number of issues relating to the earlier discussions, including site surveys, property strategy, and capital programmes. At this point the Principal added that anything needing detailed discussion would be reviewed by the AWG at its meeting before 25 June (*date subsequently confirmed as Wednesday 12 June at 5pm*). Governors were asked to reflect and send any comments or concerns to the Clerk for inclusion in the AWG agenda.

Corporation members

Ref

Actions:

A Governor asked when there would be an update on the key MAT roles (CEO, CFO, Governance Professional, and Head of HR). The Clerk suggested that a confidential session should be held after the main meeting on 14 May, even if there was no definitive outcome on those roles by then.

**Confidential
Board**

23.S.7

Date of next meeting

23.4 Tuesday 14 May 2024, at 5pm