



West Thames College Further Education Corporation
Minutes of the Extra-Ordinary Meeting of the Corporation
held at 9.30 am on Wednesday 24 August 2022
virtually via Teams

Present:	Mr S Wilcox (SW) Ms T Aust (TA) Mr A Luke (AL) Mr A Alimohamed (AA) Mr S McGeoch (SM) Mr B Armstrong (BA) Ms C Callinan (CC) Mr A Rides (AR)	Chair Principal
Apologies:	Mr A Smith (AS) Mr J Bryant (JB) Mr A Barke (AB) Ms A Cornish (AC)	
Absent:	Ms B Sandhu (BS)	
In Attendance:	Mr J Bolt (JB) Ms C Ajit Singh (CS) Ms K Frost (KF) Mr M Michaelides (MM) Mr M Cooper (MC)	Associate Member Associate Member Head of Governance

30/22 Welcome, Apologies and Declarations of Interest

The Chair welcomed everyone to the meeting. Apologies for absence were received and accepted from AS, JB, BS, AB and AC.

It was noted that the meeting was quorate.

There were no declarations of interest relating to the items on the agenda.

31/22 Energy Provision Contract Renewal

The Chair explained the reason for calling the Extra-Ordinary meeting. At the Corporation meeting on 13 July 2022, it was decided to delegate authority to approve contract renewal to the Finance, Resources and Capital Projects Committee due to the timing of expiry. This had included the contract for gas and electric. Since the Corporation meeting, there had been large increases in the price of gas and electric which meant the estimates received for the new contract were far higher than had been budgeted for. Due to the size of the differences and the potential impact on the college, it had been decided to call an Extra Ordinary meeting of the Corporation to make the decision about the gas and electric contract.

MC explained the current position. Prices received for gas and electric were dramatically higher than expected and higher than had been budgeted for. The latest price for combined supplies of gas and electric was over £3 million which would be £2.75 million from the annual budget. EDF were the cheapest supplier. MC said the Executive Team were recommending that the college proceeded to fix the price for gas and electric for 1 year.

In terms of what that meant for the college, the college was fortunate to have decent cash reserves and so would still be looking at a cash balance at the end of the year of between £4.5 million and £5 million which would mean it would still be in a solvent position. Due to a negative EBITDA score, the Financial Health Grade would likely result in a 'Requires Improvement' grade. The college would be able to manage over the coming year, but in the longer term the increased prices would begin to impact more. The college would be looking to do whatever it could to minimise consumption and reduce costs.

Governors asked if there would be potential for any future changes if the Corporation decided to fix the price. MC said the price would stay fixed for the year. The only possible change would be if the energy provider ceased trading.

Governors asked what the arrangement was with the other tenants at the college. MC said the tenants paid a percentage of the energy costs which would increase in line with the new prices. The next step would be to alert the partners of the increases.

Governors asked whether the increased costs put the college in jeopardy with any of the loan covenants. It was agreed MC would check this and email members of the Finance, Resources and Capital Projects Committee to confirm.

Action: MC

IT WAS DECIDED to go ahead and fix the price of the gas and electric for one year. Governors asked for an extra meeting of the Finance, Resources and Capital Projects Committee to be called to discuss the consequences of the price increases and how best to mitigate it.

Action: KF

32/22 **Date of the Next Meeting**

The date of the next meeting of the Corporation was Wednesday 12 October 2022 at 6.00 pm.

Summary of Actions

No.	Action	Lead	Target Date
31/22a	Email members of the Finance, Resources and Capital Projects Committee to confirm if the additional gas and electric costs would impact on the loan covenants.	MC	Sept 22
31/22b	Arrange an additional meeting of the Finance, Resources and Capital Projects Committee.	KF	Sept 22