

Date	23/09/2024	
Time	17:30 - 18:30	
Location	Microsoft Teams	
Present	Nasim Khan (NK)	Chair
	Paul Miller (PM)	Vice-Chair
	Susan Kingman (SK)	Governor
	Steven Cochran (SCo)	Governor
	Sunitha Cee (SCe)	Governor
	Keith Smith (KS)	Ex-Officio, CEO
	Dylan McTaggart (DM)	Deputy CEO & Group Principal
	Shane Woodhatch (SW)	Chief Financial Officer
	Jo Withers (JW)	Chief of Business Strategy
	Jan Newbould (JN)	Managing Director – Apprenticeships
	Yaseen Akhtar (YA)	Managing Director - West London IoT, Business Growth, Skills and Partnerships
Absent	Amanda Priem (AP)	Governor
Clerk	Perry Perrott (PP)	
Note Taker	Nataliia Tymkiv (NT)	

## Agenda

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### 1 - Recording of Meeting

No objections were raised to the meeting being recorded for the purpose of the minuting.

### 2 - Election of Chair and Vice Chair

The meeting commenced with the primary order of business, which was the election of the Chair and Vice Chair for the term 2024-2025. Perry Perrott (PP) served as a temporary Chair for the process of election.

The committee conducted a vote, and Nasim Khan (NK) was elected unanimously as Chair for the term. Sujit Reddy (SR) subsequently nominated Paul Miller (PM) for the Vice Chair position, and with no counter-nominations, PM was also unanimously elected.

### 3 - Apologies for absence

No formal apologies had been received. PP mentioned that Amanda Priem (AP) was unable to attend due to childcare commitments but might join at a later stage.

### 4 - Declarations of Interest

No declarations had been received in advance and none were declared during the meeting.

### 5 - Minutes of the last meeting dated: 24 June 2024

NK sought confirmation from the Committee Chair for the previous 2023/24 term, SCo, regarding his review of the minutes of the previous meeting. Steven Cochran (SCo) acknowledged that he had provided feedback on July 15th but had not had the opportunity to review the updated minutes. PP clarified that the minutes resided in the confidential section of GovernorHub, which SCo had not accessed. PP proposed to take the minutes offline, corroborate the updates with SCo, and provide a report within a 72-hour timeframe. This proposal was accepted by both NK and SCo.

**ACTION 1: Review the SCo comments to the minutes of the previous meeting and provide SCo and NK with updated version within 72 hours. - PP**

## 6 - Actions from last meeting

It was noted that all actions from the previous meeting were incorporated into the current meeting's agenda items.

## 7 - College Online update

Shane Woodhatch (SW) and Jo Withers (JW) provided an update on the College Online project. JW underscored the strategic intent to augment the number of full-time learners through a novel online platform. SW elaborated on the due diligence process, noting that the College Online project entails a 1% share for product development and a potential additional cash investment of £200,000 for further shares. However, due to apprehensions about potential dilution and the absence of a contractual link for the equity investment, the decision was made not to proceed with the cash investment. Instead, they are contemplating a royalty model for the £200,000 contribution.

JW outlined the progress in curriculum development, with the aim of enrolling 30 new students in January. The programme concentrates on a Higher National Certificate in Leadership and Management. The project necessitates significant contributions in developing the student journey, marketing, and academic resources. Risks include the requirement for Pearson's approval and the potential cap on student numbers. The next steps encompass:

1. Finalizing documentation for Pearson
2. Ongoing academic development
3. Marketing activities

SCo expressed concerns about the valuation and the return on investment, scrutinising the rationale behind the 1% share and the £200,000 investment. A discussion ensued about the intellectual property (IP) and the contractual link, with PP confirming an existing contract with College Online.

PM requested to review the business plan for College Online, and a consensus emerged that greater clarity was required regarding the financial aspects and royalty model. NK suggested revisiting the topic in a future meeting after addressing the raised questions.

**DECISION** The investment proposal for College Online will be revisited.

**ACTION 2:** Share the business plan and the financial models for College Online with the committee. – SW, JW

## 8 - Update on WLIoT

Yaseen Akhtar (YA) provided an update on the West London Institute of Technology (WLIoT), focusing on strategic priorities, enrolment, and economic goals. YA reported a decrease in the target number of full-time HE students from 40 to 31 since the paper was submitted. YA underscored significant achievements within the FE programme, reporting a current success rate of 74.8%, alongside enhancements in HE achievement rates, retention, and pass rates.

The recruitment target for FE was exceeded, with 191 learners enrolled, up from 170 in the previous year. However, YA noted challenges in recruitment due to reduced international student numbers and increased competition from universities. Marketing strategies, including a new digital campaign funded by the HTQ fund, were outlined to address these challenges.

YA also discussed curriculum development, including the reintroduction of mini projects and the focus on technical innovation zones. External engagements included participation in events at the Science Museum in London and a change request to include University of West London and Roehampton as anchor partners.

PM probed into about the financial impact of the shortfall in student recruitment, which YA estimated at approximately £400,000. YA assured that the current curriculum plans accounted for this and that new developments would not be affected.

Susan Kingman (SK) asked about the finalization of the IAB list, which YA confirmed was in progress, with a focus on securing strong, credible contacts.

## **9 - FL - update on due diligence activity**

SW provided an update on the due diligence process for the potential acquisition of Fuzzy Logic. The initial proposal involved offering £3 million for 100% ownership, with an additional £500,000 for working capital. However, Fuzzy Logic's valuation was significantly higher at £4.6 million, based on discounted cash flow and intellectual property.

Independent valuations conducted by lawyers (Stone King), Private company valuers (Athla) and auditors (RSM) suggested a much lower valuation of £1.35 million, considering the company's early growth stage and limited contract value. SW proposed offering £1.35 million for 100% ownership, with an additional £500,000 for investment, but anticipated that Fuzzy Logic might decline this offer due to the disparity in valuations.

The committee deliberated on the feasibility of the offer, raising apprehensions about the significant discrepancy between valuations and the potential for Fuzzy Logic to accept the offer and subsequently disengage from further involvement in the project. Suggestions included structuring the deal with deferred consideration and profit-sharing arrangements to retain key resources and ensure alignment with long-term goals.

Keith Smith (KS) emphasised the strategic importance of the acquisition for immersive content development and proposed using the meeting with Fuzzy Logic to gauge their reaction to the valuation. The committee agreed to relay the valuation to Fuzzy Logic and explore their interest in continuing discussions, with the understanding that any formal offer would be structured and subject to further committee approval.

**DECISION** The initial offer of £1.35 million for 100% ownership of Fuzzy Logic Studio Limited will not be made.

### **ACTION 3 Discuss the valuation and explore alternative arrangements with Fuzzy Logic Studio Limited – SW, JW**

#### **10 - Update on MIT**

*Participated:* Jo Withers, Yaseen Akhtar

YA provided an update on the collaboration with MIT, focusing on strategic goals related to staff development and learner experience. Staff members, including SLT and CMG, were given access to MIT's online materials, enabling them to review research, attend webinars, and participate in future conferences. This access was intended to support personal and professional development and provide enrichment opportunities for students.

YA emphasised the importance of utilizing MIT's resources to enhance the learner experience and integrate innovative practices into the curriculum. The update highlighted ongoing efforts to maximize the benefits of the partnership with MIT and ensure that staff and students could leverage these opportunities for growth and development.

The committee acknowledged the value of the collaboration with MIT and expressed interest in further updates on the impact of these initiatives on staff and student outcomes.

#### **11 - Update on Apprenticeships**

Due to time constraints, it was decided that the discussion on apprenticeships would be conducted offline.

Jan Newbould, Managing Director for Apprenticeships, was introduced and provided a brief update. JN has been with the organization for five weeks and is in the discovery phase, conducting deep dives into the apprenticeship and skills provision across HRUC. JN highlighted a 12% increase in the overall success rate for apprenticeships, attributing it to the hard work and commitment of the apprenticeship and skills team.

#### **12 - Any Other Business (AoB)**

NK inquired about the status of the Uxbridge library. KS reported that he had a meeting with the council, who were consulting with agents. The council asked if HRUC would consider increasing their offer, but KS declined.

The decision hinges on whether the agent deems the current offer to be market value. If not, the property may be advertised, requiring HRUC to decide on their participation and potential top offer.

KS expressed concerns about exceeding market value.

**ACTION 4** Follow up with Uxbridge library's valuation and further update on the potential acquisition.

**13 - Dates of the next meetings**

NK noted that the next Commercial Operations Committee meetings are currently planned to be held online, despite being listed as in-person.

***The meeting concluded at 19:06.***