

Minutes of the meeting (electronic) of the of the IEG Corporation Finance and Resources Committee (FRC) held at 1630 hrs on 25 January 2021.

Present	Rod Allerton	Ian Jackson (26/20b on)	Janet Meenaghan (CEO)	Rachel Nicholls (DCEO)
	David Pennell (Chair)	Mike Rabbett	Simon Smith	
In Attendance	Rob Cottrell (GDITDI)	Ralph Devereux (Interim GD)	Jacqueline Fleming (GDEHS) (30/20 on)	Alison Fox (EDBD)
	Emma Graham (GDF)	Catherine Hall (PCEDHR) (24-26/20 only)	Carol Hargreaves (SHeadHR) (24-26/20 only)	Louise Perry (CFO)
Apologies	Ian Jackson (late arrival)			

PART ONE

24/20 ELIGIBILITY, QUORUM, DECLARATION INTERESTS AND MEMBERS

The apology was accepted. No notice had been received of any Member becoming ineligible to hold office, the meeting was quorate and there had been no interests declared.

The information was received and noted.

25/20 STANDING ITEMS

- a. There was a request for urgent business from the EDBD and it was agreed to take that immediately. The detail was advance notice of a paper to be taken to the next Corporation meeting. It had been decided to vary arrangements for Adult Education Budget (AEB) sub-contracts to a 3-year framework (value £5.6m) there had been 13 responses and these had been scored, one current partner had not made the cut. The paper would be passed to the Committee Chair before inclusion in the detail for the meeting tbh on 9 February. **(Action 1)**
- b. The Minutes of the last meeting (10.11.20) were confirmed for signature. **(Action 2)**
- c. Actions from the last meeting. Actions from the last meeting were considered.

See referenced minute for full action.		Resp	By
Action 1	14/20b(ii).Meeting process agreed.	Chair	wie
Action 2	14/20c. Last minutes confirmed for signature.	Clerk	
Action 3	16/20. Financial Report recommended to Corporation.	HRIS/payroll system implementation plan SFO EDBD	08.12.20
Action 4	17/20d. Full review of catering operations.		asap
Action 5	17/20. Full review of commercial operations fixed costs tbc.		
Action 6	18/20. Apprenticeship Report to next meeting.		25.01.21

**The information was received and noted;
 Actions had been noted. (Register at 35/20).**

26/20 HUMAN RESOURCES (HR)

- a. Update. The comprehensive report, the second as a combined Group presentation but with some individual College detail, examined HR activity, legal compliance, added value and best practice since the previous meeting. The narrative was supplemented by graphical and tabulated data, benchmarked against Association of Colleges (AoC) data where appropriate and scrutinised the Key Performance Indicators (KPI), which had been detailed in the document. Staff vacancies, some challenging to fill were included. Staff

absence was noted as slightly above the sector average and rated “Amber”, the mental health element at SC had reduced but PC remained above the sector average, this was discussed and the reduction was welcomed. The level was reducing notably since the change of Principal, but had traditionally been high; staff turnover at each college also continued to reduce, probably through Covid related issues. The high level of staff welfare and the supportive management environment undoubtedly contributed to the relatively high retention and lowering turnover rate. There was one disciplinary process underway at PC, brief details were included, there had been 2 capability issues now resolved and one grievance was on appeal. The report concluded with a “Post Merger” update, including detail of recruitment for restructured posts, which was being actively prioritised, the appointment of the Group Manager of Commercial Operations was welcomed and noted. Personal development reviews (PDR) had continued, to separate college formats and the current round was almost complete. The current Covid Impact Assessment was also noted. The decision not to apply for a licence to recruit European Union (EU) nationals was noted.

Ian Jackson joined the meeting,

- b. Equality and Diversity (E&D) E&D workforce profiles data and information related to 2019/20 and accordingly individual College returns had been detailed. Both examined and analysed 3-year trends, there had been no significant changes since the last returns and no concerns had emerged at either College. Future reports would be based on a Group single software platform and should provide for more meaningful analysis and reporting. The gender pay gap issue was discussed with emphasis on fairly based progression; the apparent pay gap was proportionate to lower paid posts largely being completed by female colleagues and did not exist in higher paid posts which were gender blind.
- c. Staff Satisfaction (SS) Survey. Surveys had been completed at both Colleges with the response rate at SC lower than PC. During discussion it was felt that SC staff had perhaps been somewhat sanguine regarding their environment and this had prompted lower participation. PC continued their improvement journey and had a more diverse “to do” list. Residual suspicion that the survey was not anonymous would never be entirely removed. The results were discussed and noted, Members welcomed the information, were reassured that nothing of note had emerged and the report was received.
- d. The Heads of HR were thanked for clear and full reports and they left the meeting.

The information was received and noted.

Actions had been noted. (Register at 35/20).

27/20 HEALTH AND SAFETY (HAS)

- a. Report 2019/20. Individual annual HAS reports had been detailed for each College. The PRC version was comprehensive and, although scrutinising the same statistics as NCS, included wider welfare and environmental information and included an action plan detailing in-year improvements. The NCS report had detailed accident and incidents and annual checks. Notwithstanding, there had been mutual areas of note and these were listed in the document and informed general discussions.
- b. Update 2020/21. The Update, correct to 18 December was considered and discussed. The HAS Committee, in accordance with all relevant regulations met each half term and advised the Principals directly on associated matters. The SMT received a full report each month; the content, listed in the paper was noted as comprehensive. Covid management requirements were fully described together with numbers of accidents, incidents and “near misses” all of which were noted as lower than normal due to closure. Care was taken with analysis of near misses since they could indicate susceptibility to more serious breaches. Details of mandatory training, which had met all requirements were noted. Members were reminded that apprentices were still at work and were assured that they were receiving care and attention as was possible, it had not been possible to complete all “on-site” visits and a backlog was growing. Concentration was on those disciplines that required practical work and required pre-employment licences. The nominated Safeguarding Member (Rod Allerton (RA)) had recently held a working group meeting, which would shortly be considered by the Senior Leadership Team (SLT) and would then be available for Members. Those wanting a copy should contact the GD. **(Action 3)**

**The information was received and noted.
Actions had been noted. (Register at 35/20).**

28/20 CYBER SECURITY

The increased threat of cyber-attacks in the academic year had been recognised by IEG earlier in 2020 and accordingly, had established appropriate cyber-security insurance and the IT Team had developed a cyber-security plan to enhance the Group network; a list was at Appendix 1. During summer 2020 two local colleges had been victims of ransomware attacks, also true of wider universities and colleges. The local colleges had shared experiences particularly around “points of entry” and network weaknesses, which had informed the enhancements mentioned above. In addition to these measures, specific guidance had been provided for all Group users. A list of protective measures was detailed in the paper and informed a wide and general discussion around the issue. Ongoing discussions between the IT team and specialist protection service providers continued and a proposal, possibly as a consortium of local colleges, would be completed in the next few weeks. The increasing frequency of attacks throughout lockdown was starkly illustrated in a table that compared a 17 day and 4-day period. A common attack method “Phishing” was described in the paper and again prompted wide ranging discussions, including data and crypto-mining. A recent internal exercise had sent a locally produced apparently “phishing” mail to 1200 IEG addresses, 214 recipients had clicked on the link and 76% of these had passed the information requested, however it was pleasing to note the majority of staff had identified a potential scam. This reinforced the need for further training which had been supplemented by several short explanatory videos. Further, such exercises would be completed and would inform on where enhanced training was required. The Dir (IT&Res) was thanked for the report, which was received.

The information was received and noted.

29/20 FINANCE

The comprehensive report, in the agreed format was discussed. Group KPI numbers included subsidiary companies (UCP, QRS and APT). Trends were starting to emerge but the length level and complexity of the lockdown severely restricted accurate prediction. However, confidence was expressed for a balanced, or break even, budget. The Group current position was a strong surplus of £318k with the IEG contribution at £53k. The major variances were in commercial/trading income and income reduction was likely to continue although the effect on the surplus may be mitigated through furlough and reduced direct costs. Pay costs continued to be behind budget and the “catch up” sessions for those students affected by lockdown had been funded by a £702k grant. Non-pay expenditure had been adversely affected by examination fees and “other admin” namely VAT costs. The financial data was then scrutinised and discussed, detail was graphically presented, supported by individual explanations and RAG rated. Commercial Income had been “red rated” prompted by the latest lockdown. The “green rated” cash position at 100+ cash days and c£12+m balance was welcomed. The I&E summary detail by Group and individual Colleges was discussed and noted; there was nothing particular to bring to members’ attention. The Capital Plan included 4 elements and all were progressing as expected; members were reminded that the DfE grant was time limited for March 2021 and contingency plans were under development to ensure expenditure by that date. The Balance Sheet was noted. The CFO was thanked for the clear presentation and format of the information, which was noted as excellent and received. **(Action 4)**

**The information was received and noted.
Actions had been noted. (Register at 35/20).**

Jacqueline Fleming joined the meeting.

30/20 SUBSIDIARY COMPANIES

The report detailed the financial performance of each of the subsidiaries and commercial ventures of the IEG; all commercial ventures were IEG departments and thus included in the main finance report. Detail of individual activities and financial position and the information was accurate in each case to 30 November and was generally good. Each element had been individually addressed within the report and each was considered individually. The separate reports comprised graphical and tabulated data supported by a clear written explanation, operational updates, RAG rated target detail and specific Covid related information.

- a. University Centre Peterborough (UCP). Enrolment had been as expected but retention remained key to income. The budgeted year-end surplus was £93k, which incorporated shared service costs.
- b. Anglia Professional Training (APT). APT provided specialist accountancy and business training in Peterborough City. Financially it was on target although the impact of the present lockdown was unclear at this early point in the financial year. The original budget had been redrafted (attached) and circulated to the APT Board for consideration. The surplus was £22k however impact of a further reduction in sales was graphically displayed; a further 5% drop would prompt a deficit.
- c. Quality Resourcing Solutions (QRS). QRS provided agency staff for the Group and provided a more business familiar employment arrangement for support and business posts. IEG was the sole client and, accordingly the accounts remained in balance. However, YTD savings of £14.7k had been made.
- d. Catering. Both catering functions were running at a loss, whilst some of that may be acceptable as part of the added value “student provision ethos” the current position with the need to preserve “bubbles” and several outlets was difficult. Income had reduced by 38% but the budgetary impact had been reduced to 26% through savings on direct costs.
- e. Nursery. The Nursery was back to full operational capacity and should provide a positive surplus although the performance was showing early signs of slippage. A full review particularly of the “bubble” impact was currently under completion.
- f. Other Commercial Activities:
 - (i) Stamford Subsidiaries. The MOT Centre and Gas Training had operated profitably to the end of November 2020. Stamford Fitness re-opened in August but the gym and sports hall closed again on 5 November (lockdown) and a revised plan was under consideration to coincide with opening of the new extension. Ambitions had been operating to a limited capacity but had now been closed and a re-opening date could not be set.
 - (ii) AM2 Electrical Training Centre. The Centre had re-opened on 28 September, returning a reduced performance against the original plan however it had now closed again and a re-opening date could not be set.

The information was received and noted.

31/20 CAPITAL

Progress with the capital works was explained. Progress continued with all projects and all funding streams. The challenge with the time limited DfE grant had been briefly considered earlier in the meeting, essentially Covid related supply chain and operational difficulties and delays may demand changes to ensure that all funds were used by the required date and flexibility would be necessary. Current projects were individually considered:

- a. the Bordeville extension was progressing well and the final progress meeting had been held in the previous week; handover would be on 16 February. The “follow on” contractors for furniture and equipment installers would then complete their input. A slight challenge with fire compartmentalisation had been identified and could be rectified with no delay. The layout for the car park had been completed. All was looking good.
- b. the Department for Education (DfE) Grant at £1.9m. Challenges to the expenditure by the due date had already been considered and explained to the last meeting. Updates on the work at both PC and SC indicated that all was proceeding well. Minor projects to productively utilise the unspent allocation had been identified.
- c. It was necessary to determine a Group Property Strategy and scoping across both colleges was planned, this would then be linked to condition surveys and presented to the Corporation for consideration.

The information was received and noted.

32/20 PARTNERSHIP AND SKILLS

A comprehensive report on partnerships updated on apprenticeships, adult learning loans, subcontracting, community learning and wider employer engagement. There were separate reports for each College and work continued toward an integrated format. Detail on apprentices was discussed in detail. The situation was severe but full confidence remained of a return for previous performance after lockdown. The vaccination programme was going well and it was agreed as possible that the 2021 September recruitment may be at normal (pre-Covid) levels. Currently all involved were under great pressure. Some more hopeful news had emerged however, the Education and Skills Funding Agency (ESFA) were less positive on “clawback” against performance and there were some indicators that may not happen, which would be welcomed. The Cambridgeshire and Peterborough Combined Authority (CPCA) had launched an “Innovation Fund” in November and had invited tenders for projects to run until July 2021, two of the submitted bids had been successful:

- a. the Response to Redundancy Hub at PC had received c£48k; and
- b. Peterborough Skills Shop (join with City College) had received c£50k.

Both projects included staff costs to support delivery and both would raise the local IEG profile. Also, prompted by present difficulty of engaging adults into College for AEB projects, a range of online courses had been launched. These distance learning opportunities would begin this month and to date there had been 112 enrolments with 70 more pending. A success story, which would contribute to meeting the AEB target, each enrolment would attract c£500. There could be an additional offer of such provision and this was discussed. A further and additional possibility was development of the emerging green appetite; the bid for the Towns Fund “Skills Centre for Green Technologies” could provide the impetus for such a drive. It was suggested that title should be registered to IEG and that would be considered. **(Action 5)** This in turn led to discussions regarding Anglia Ruskin University (ARU) Peterborough and future relationships. There had been a recent meeting between the 3 parties (inc CPCA), which had reinforced the view that it was necessary for UCP to find a niche market, this suggestion could support such a development. A strong marketing strategy would be necessary and RA offered an introduction to a suitable contact. **(Action 6)**

The information was received and noted.

Actions had been noted. (Register at 35/20).

33/20 URGENT BUSINESS

There had been no urgent business requested.

34/20 NEXT MEETING

The next meeting would be at 1630 on 10 November 2020.

35/20 ACTION REGISTER

See referenced minute for full action.		Resp	Date
Action 1	25/20a. Sub-contracting paper to next Corporation meeting.	EDBD	09.02.21
Action 2	25/20b. Last minutes confirmed for signature.	GD	wie
Action 3	27/20b. Copy of safeguarding report through GD.		
Action 4	29/20. Management Accounts received.		
Action 5	32/20. Title registration to be considered.		
Action 6	32/20. RA provide marketing contact.	RA	

Rajesh Deveraux (Clerk) for David Pennell (Chair)

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Final Audit Report

2021-03-18

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