

Minutes of the meeting (electronic) of the IEG Corporation held at 1700 hrs 8 December 2020

Present	Rod Allerton	Martin Ballard	Vincent Brittain	Marco Cereste
	Sir Les Ebdon	Mark Haydon	Ian Jackson (Chair)	Alex Johns
	Tony Keeling	Mary Kiernan	Lionel Muskwe	Gabe Manthorp
	Angie Morris	Janet Meenaghan (CEO)	David Pennell (Vice-Chair)	Rachel Nicholls (DCEO)
	Michael Rabbett	Jonathan Teesdale	Steve Saffhill	Simon Smith
	Anthony Warner	Paul Wingfield		
In Attendance	Ralph Devereux (DG)	Alison Fox (EDBD)	Louise Perry (CFO)	Angela O'Reilly (PCVP(C&Q))
	Sarah Young (SCVP(C&Q))			
Apologies	Dean Duffield			

PART ONE

25/20 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS

- a. 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.
- b. The meeting process:
 - (i) each presenter would briefly outline the information in the paper followed by questions; and
 - (ii) where decisions were required each Member would indicate individually using the "Google Meet" facility, which would be visible to all members.

26/20 STANDING ITEMS

- a. The Minutes (Part 1) of the last meeting held on 20 October 2020 were confirmed for electronic signature. **(Action 1)**
- b. Outstanding Actions. All actions from the last meeting had been implemented or were in progress.

See referenced minute for full action.		Status
Action 1	11/20d. DP appointed Corporation Vice-Chair.	Complete
Action 2	12/20a. Last minutes confirmed for signature.	
Action 3	14/20. Group KPI format approved.	
Action 4	16/20a. UCP Budget approved.	
Action 5	16/20b. Financial Guarantee approved.	
Action 6	16/20c. Subsidiaries' minutes to Corporation.	
Action 7	18/20b. Principals' sign off limit confirmed as £500k.	
Action 8	18/20b. Payments resume to be circulated.	
Action 9	18/20. Amendments to Financial Regulations approved.	
Action 10	19/20. Updated RR to next meeting.	
Action 11	20/20. Sub-contracting detail approved.	

- c. Committee Minutes. The minutes of the last Committee and Subsidiary Companies were received and recommendations to the Corporation were noted to inform considerations, the:
 - (i) minutes of the F&R meeting (10.11.20), Financial Report recommendation noted at minute 16/20;
 - (ii) minutes of the C&Q Meeting (12.11.20), C&Q sub-committees, Safeguarding Policy, SAR & QIP recommendations noted at minute 13/20, 14/20 & 16/20 respectively, re 20/20 (Enrolments),
 - (iii) minutes of the APT Board Meeting (18.11.20), re 06/20b in response to a query it was confirmed that a budget had now been agreed internally, would provide a positive contribution and would now be circulated to the Directors for approval;
 - (iv) minutes of the UCP Council Meeting (26.11.20);
 - (v) minutes of the AC Meeting (26.11.20) IAS Annual Reports 2019/20, IAS Annual Plan 2020/21, AFS Documents and the ACAR recommendations noted at minute 03/20c, 03/20d, 05/20d and 07/20 respectively; and
 - (vi) minutes of the QRS Board Meeting (03.12.20)
- d. Matters arising: There were no matters arising from the minutes.
- e. Urgent Business. There were no requests for urgent business.

The information was received and noted.

Actions had been identified. (See Register at 36/20 below)

27/20 PRINCIPALS' REPORTS

- a. Cyber-Security. Before consideration of the Reports, the CEO reported that at a recent meeting of College Principals there had been extremely concerning reports of cyber attack at 2 colleges. The incidents, both successful, had taken place in the evenings or overnight, the attacks were sophisticated. This was the latest in a continuing trend of such ransomware attacks on educational establishments, which appear to have originated against Universities in Maastricht, (Netherlands) and Stanford (USA). The issue was discussed generally in the context of the developing sophistication of such inroads; several colleges had commissioned 24 hour cyber-security protection from specialist agencies and preliminary information had been requested for IEG, and the FRC would consider the detail as a matter of urgency. **(Action 2)**
- b. Report. The Principals' Report had been formatted in three elements; issues not covered elsewhere in the papers relating to the Group and those affecting each College. The Report had been circulated well in advance of the meeting but of particular note were:
- c. IEG. The outcomes of the Comprehensive Spending Review (CSR) (for 12 months only) had recently been released and several welcome sector-wide funding increases had recently been announced, these were listed in the attached document and were noted. The Annual Institute of Fiscal Studies (IfS) Report had now been published and confirmed that FE colleges had been the most severely impacted of any education sector. The "English College of the Future" which had supplemented the earlier publication "College of the Future" was recommending more collaboration between colleges, in a similar organisation to multi-academy trusts; these "networks" would have some associated overarching governance. During discussion of the "Lifetime Skills Guarantee" and the reduction of available training there was some consideration of the "T Level" qualification and the apparent channelling of students into apprenticeship or academic pathways with little if any opportunity to move across; it was felt that this was retrograde and should be resisted. All detail would be brought together in the forthcoming FE White Paper which would now be published, at the earliest around Easter 2021; this document was expected to signal major changes throughout the sector. The recent Ofsted visit to assess the Group's Covid response had gone well, the associated report, which would not contain any gradings and was likely to be fairly anodyne in tone had not yet been released. The

verbal debrief however had been extremely positive and points were detailed in the paper, comments on the apparent “Groupthink” and excellent results from conversations with students were particularly noted. There was some feeling that this feedback could be used to enhance marketing but the difficulties with making public use of private exit interview detail was understood. The backlog caused by Covid related issues now meant that the full Ofsted visit was expected to be some 18 months away. This led into consideration of the pressure on staff from the present working patterns and some weariness was apparent, the forthcoming break would be welcomed by all and the two additional free days off to provide all staff with a clear two weeks break plus a £50 shopping voucher, was unanimously welcomed.

- d. PC. Matters directly affecting PC were fully detailed in the Paper, updates on the Towns Fund and other local collaborations were noted. Full detail on the recent meeting with the CEO of the Cambridge Meridian Academy Trust (CMAT) was in the report and the wish to work closely together was welcomed.
- e. SC. The bid to the Greater Lincolnshire Local Enterprise Partnership (GLLEP) Skills Capital Fund for a grant of £2.14m to extend the construction facility had been approved and the Group contribution of £250k was noted; the FRC was considering associated detail. Designs, attached at Appendix B, had been commissioned from Waterland Associates. Architects. Tenders for the project could be based on either a “design and build” package or use separate specialist agencies and contractors; That issue was fully discussed and it was unanimously agreed that design and build was the appropriate option. **(Action 3)** The Marketing Team had received 3 awards at the annual FE First Awards ceremony; these were explained and reflected well on the Group and particularly those directly involved and congratulations were recorded. **(Action 4)**

The information was received and noted.

Actions had been identified. (See Register at 36/20 below)

28/20 DASHBOARD

The first Group KPI dashboard of the year was then considered and discussed. Most indicators were rated “Amber” reflecting the early point in the year. The sole “Red” indicator reflected the difficulties associated with the reluctant English and Maths (EAM) students to attend classes under duress. During discussions it was agreed to provide more data on attendance to the FRC for discussion. **(Action 5)**

The information was received and noted.

Actions had been identified. (See Register at 36/20 below)

29/20 COVID-19

The Covid position was discussed. As had been mentioned earlier staff were in sore need of a break. The continuous demands of the changing scenarios sometimes within a single day were draining; full detail in the report was received and appreciation was recorded to all for the continuing commitment, flexibility and professionalism. The financial effect was discussed, small teaching groups, PPE associated expenditure and apprenticeship challenges were amongst those impacting on finances; it was difficult to predict the outcome but assurance was given that the plan submitted to the Education and Skills Funding Agency (ESFA) had been prudent and cautious. Members would be updated and the FRC would be monitoring.

The information was received and noted.

30/20 CURRICULUM AND QUALITY

- a. Self-Assessment Report (SAR) and Quality Improvement Plan (QIP). The SAR moderation panels, externally chaired by Lincoln College and supported by IEG Corporation Members, had met on 2 November 2020 and considered the individual reports for each College; the reports had informed the drafting of the Quality Improvement Plans (QIP) which were attached for consideration. Completion of the reports had been a complex and detailed process and had been closely considered by the C&Q Committee who had recommended them for approval. Actions and evidence of good practice identified through external agencies such as Ofsted or the FE Commissioner’s reports had been included. Individual grade summaries and the full reports were included in the accompanying document and informed the discussions. The reports had been based on

pre-merger information however judgements on each would inform Group considerations going forward. The data had been overtaken by pre and post-merger events and good progress had been made; particularly true of PC. There was now an apparent cross-group shared identity and appetite for improvement. Both SARs and the resultant QIPs were unanimously approved for implementation. **(Action 6)** The initial update of the QIP (December 2020) was attached and noted.

- b. Curriculum Planning. The report represented an overview of the curriculum planning process for 2021/22, which sought to provide an effective and appropriate provision for stakeholders and the LEP and now reflected the Group; the Plan was shared with the Corporation at this point in each academic year. The Strategy was clearly explained in the narrative and the process had been tabulated chronologically with actions allocated and completion target dates; progress would be closely monitored and the timeline for conclusion was 31 March. During discussions it emerged that some reconciliation of elements of "Google Classrooms" would be useful and that would be progressed out of the meeting. **(Action 7)**
- c. C&Q Committee. During the recent C&Q Committee considerations of the SAR for NCS & PRC significant differences in individual approaches and performance had emerged; simply, both were at different points in the journey. These differences would preclude joint presentation during the current year since collation would be overly complex and interpretation difficult, it was suggested that the administrative structure should be modified to include two sub-committees, one for each College to feed individually into the main Committee. Membership of each sub-committee would be from the whole C&Q Committee and could include other Corporation Members. The aim was to fast-track rationalisation of both systems by focusing on specific challenges, which would then be co-ordinated by the C&Q Committee and be completed by the end of the current year, when the Committee would revert to current status. The suggested annual Committee meeting schedule was detailed in the paper. The Committee scope of responsibilities would also be amended to move responsibility for some Group matters to the Corporation's direct remit; full detail was Appendices 1,2 & 3. The proposal had been discussed in depth at the Committee and would provide an effective and fast route to standardisation, which in turn would reinforce the Group drive to excellence. The proposal was approved. **(Action 8)**

The information was received and noted.

Actions had been identified. (See Register at 36/20 below)

31/20 EMPLOYER ENGAGEMENT

- a. Employer Engagement. The report mapped progress towards meeting the KPI in the current Employer Strategy and was discussed. Progress had been tabulated against KPIs to inform considerations; the detail related to both Colleges although slightly different metrics had applied. It was difficult to judge employer satisfaction since the ESFA had changed methodology in their survey, which was now less objective; IEG would conduct an internal review in June.
- b. Strategy. The Employer Engagement Strategy, designed to meet the Group KPI explained how it was planned to meet the needs of local stakeholders and learners through 2020/23. People development and positive contributions to the diverse community through mutually rewarding partnerships was the aim. The people centred philosophy of IEG had driven the evolution of the strategy, which was designed for the next 3 years and would deliver the Group vision and mission to the region; the strategic objectives were clearly listed in the report and the strategy was then pro-actively discussed in detail. There were some suggested minor textual changes, and it was agreed to provide some further detail on how it was planned to meet the financial targets. **(Action 9)** The Strategy was approved. **(Action 10)**

The information was received and noted.

Actions had been identified. (See Register at 36/20 below)

32/20 FINANCE REPORT

- a. Management Accounts. The comprehensive report shows a range of KPI numbers now including whole group detail, including subsidiaries; income and expenditure (I&E) information was listed as overall and also by college. It was still early in the year to establish whether the formed financial plan would in fact, be played out. Additional funding of £702k had been received and assumed as “specific funding” with no impact on the overall position although a normal retention of 5% administration cost allowance may be possible. The Group current position was a strong surplus of £455k with the IEG contribution at £371k. The financial data was then scrutinised and discussed, detail was graphically presented, supported by individual explanations and RAG rated. The Capital Plan included 4 elements and all were progressing as expected. The CFO was thanked for the clear presentation and the information was received. **(Action 11)**
- b. NCS Financial Statements. The External Auditors had completed the financial statements and regularity audits and the AC had scrutinised the Annual Financial Statements (AFS), including the Corporate Governance Statements with respect to the systems of financial control, RM and governance processes and had recommended the document(s) for signature; the circulated documents to inform the considerations showed an operational balanced position, however after mainly pension related adjustments the final number was a Total Comprehensive Income loss of £3.5m. That would not affect the cash position as the pension is a non cash adjustment, this was explained in depth. The recommendation was accepted and the AFS and Regularity Audit were approved for signature. **(Action 12a)**
- c. Letter of Representation. the Letter of Representation for both the financial statements and regularity had been recommended for signature and that was accepted, the letters were approved for signature. **(Action 12b)**
- d. Audit Findings Report. The external auditor's Findings Report to the Committee had been considered in depth by the AC who had recommended it to the Corporation. Key Audit Risks had been identified and notified in advance of the fieldwork and the outcomes were also explained and detailed. The audit had been completed remotely and an unqualified opinion had been given to both the AFS and the Regularity Report. There had been an increased sector wide focus on “going concern” reflecting the ESFA focus on that particular issue. Many colleges were now forecasting deficits, which presents a bank covenant and going concern issue for them, however that is not an issue for NCS. Further information was contained in Appendix and was noted.
- e. The UCP and QRS AFS and associated documentation, which had been approved and signed by the Council and the Board of Directors respectively were noted for information.
- f. Financial Regulations. The last meeting had considered and approved proposals to adjust 3 items in the approvals matrix in the Financial Regulations, namely:
 - (i) contract signing levels;
 - (ii) supply of goods (middle manager approvals); and
 - (iii) invoice and other payments (senior manager approvals).

The board asked for further details around the control mechanism, these amendments had now been included and the documents were considered and approved. **(Action 13)**

The information was received and noted.

Actions had been identified. (See Register at 36/20 below)

33/20 ANNUAL AC REPORTS

The annual NCS and PRC reports to the corporation were discussed. The Committee opinions in the reports had been formed after due deliberation of the IAS annual reports, together with the External Audit information; the Committee Annual Reports had both been recommended to the Corporation, that was accepted and they were approved. **(Action 14)**

34/20 RISK REGISTER (RR)

The primary/strategic risks had been presented to the Corporation in October 2020 and to the AC on 3 December the Register now covered the IEG and reflected current challenges and uncertainties. The Register included:

Primary (strategic) Risks. Primary Risks are continuously inherent to FE, response to the risks are however subject to change influenced by current events; currently and primarily Covid. One risk had been added, reflecting the development of the “Group” ethos; integrating the colleges and subsidiary companies into a single entity. It was also noted that the cyber security risk mitigations may require a further review after the discussions earlier in the meeting as noted in section 27/20.

The information was noted and received.

Actions had been identified. (See Table 36/20 below.)

35/20 URGENT BUSINESS AND NEXT MEETING

- a. There had been no urgent business agreed.
- b. The next meetings would be at 1545 on 25 January (Special Board Meeting) & 1700 on 9 February 2021.

36/20 ACTION REGISTER

See referenced minute for full action.		Resp	By
Action 1	26/20a. Last minutes Pt 1 (20.10.20) confirmed for signature.	Clerk	wie
Action 2	27/20a. FRC to consider cyber fraud protection.	DP	25.01.21
Action 3	27/20e. Design and Build tenders to be sought.	DCEO	wie
Action 4	27/20e. Marketing congratulated on awards.		
Action 5	28/20. Additional MH data to FRC for consideration.		
Action 6	30/20a. SAR & QIP approved for implementation.	VPCQs	
Action 7	30/20b. Google classroom reconciliations to take place.	VPCQs SC/PC	
Action 8	30/20c. C&Q Committee organisational change approved.	PW	
Action 9	31/20b. Further financial detail to be included.	EDBD	
Action 10	31/20b. EE Strategy approved with Action 8 included.		
Action 11	32/20a. Mgt Accts received.	CFO	
Action 12a/b	32/20b/c. Documents approved for signature.		
Action 13	32/20f. Financial Regulation amendment approved.	Chair	
Action 14	33/20. ACARs approved.		
Action 15	37/20. Last minutes Pt 2 (20.10.20) confirmed for signature.	Clerk	

Ralph Deveraux (GD) for Ian Jackson (Chair)

FINALIEG Board Mins8.12.20Pt1RDRNJMLP

Final Audit Report

2021-02-12

Created:	2021-02-12
By:	Ralph Devereux (office.mpe@btconnect.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAjK9j9Di47xNqmOqJMwwLH1H9KYjLP8DP

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