

Minutes of the meeting of the of the IEG Corporation Finance and Resources Committee (FRC) held at Peterborough College (PC) at 1630 hrs on 15 June 2021.

<b>Present</b>	Rod Allerton	Ian Jackson (Chair)	Janet Meenaghan (CEO)	Rachel Nicholls (DCEO)
	David Pennell (Chair)	Dean Duffield		
<b>In Attendance</b>	Ralph Devereux (IGD)	Jacqui Fleming (GDEHS)	Alison Fox (EDBD)	Emma Graham (GDF)
	Catherine Hall (PCEDHR)67/20 only)	Carol Hargreaves (SCHHeadHR)(70/20 only)	Louise Perry (CFO)	
<b>Apologies</b>	Mike Rabbett			

**67/20 ELIGIBILITY, QUORUM, DECLARATION INTERESTS AND MEMBERS**

- 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. Mike Rabbett had again sent apologies since his professional duties were increasingly precluding his availability and, after consideration he, regretfully had taken the decision to resign w/e. The information would be passed to the Corporation at the next meeting. **(Action 1)** Members commented that it may be prudent to stress and explain to potential members, the associated time commitment that Corporation membership required. The Governors' Handbook was currently being revised and that point would be included. **(Action 2)**

**The information was received and noted;  
Actions had been noted. (Register at 77/20).**

**68/20 STANDING ITEMS**

- a. The Minutes of the last meeting (06.05.21) were then confirmed for signature. **(Action 3)**. There were no matters arising from the minutes.
- b. Actions from the last meeting were considered, all had been completed or were proceeding.

See referenced minute for full action.		Status
<b>Action 1</b>	53/20. Last minutes (16.03.21) confirmed for signature.	<b>Complete</b>
<b>Action 2</b>	54/20a. IT process to be continued to resolution.	
<b>Action 3</b>	57/20a. UCP recharging parameters to be revised.	
<b>Action 4</b>	59/20a. Next Strat planning day to consider capital strategy.	
<b>Action 5</b>	59/20b. Summer capital works approved.	
<b>Action 6</b>	62/20. Fees Policy recommended to the Corporation.	
<b>Action 7</b>	63/20. L3 Adult Care subcontracted to Learning Curve	

- c. Urgent Business. The CFO requested an Item of Urgent Business, which was agreed and the Chair invited presentation. The Government has developed a further capital investment fund in the education estate to support increased capacity across England and applications had been invited. The IEG is planning to submit an application that covers the Group contribution to the Construction Centre at Stamford College (SC), The application will cover the increased costs of achieving BREEAM and the deadline for all submissions had been

extended until Monday 21 June. Governors had already confirmed approval of the bid via email.

**The information was received and noted;  
Actions had been noted. (Register at 77/20).**

**69/20 HEALTH AND SAFETY (HAS) (OUT OF AGENDA ORDER)**

- a. Report. HAS matters had been drawn into an informative report comprising 10 sections, which was explained and discussed. Good progress was being made with the alignment of procedures and the target for completion remained the start of the next academic year. The last meeting had been advised of the post Covid re-introduction of “Departmental Audits” and it had been clear that these were now welcomed, resulting in a more receptive and open process; this was equally apparent in routine engagements with the wider HAS processes and staff were now collaborating to implement necessary changes to curriculum areas. The unusual pattern of college activity over the last 12 months had precluded any comparisons with previous years but accidents and near misses had been registered in the report and was noted; there had been no instances of RIDDOR notifiable incidents. Age and quantities of powder chemicals in the science laboratory at Peterborough College (PC) had necessitated specialist removal, which had been completed on 14 June. During general considerations it was explained that training capability would be reinforced by appointment of an overall “Lead Trainer” to provide specialist CPD for the training team. Succession and progression staff planning was underway with individual team members adjusting personal working patterns to preference.
- b. HAS Policy. The HAS Policy (Attached) had been rewritten in advance of merger and had reflected the differing approaches of the 2 Colleges and progressive alignment of these had now been completed. The outcome of that process was the IEG HAS Policy, which had now been scrutinised and agreed by the HAS Management Group and the HAS Operations Group. Members were asked to recommend the Policy to the Corporation for approval and that was unanimously agreed. **(Action 4)** The Chair of the Audit Committee would receive an advance copy of the Policy for information. **(Action 5)**

**The information was received and noted.  
Actions had been noted. (Register at 77/20).**

**Catherine Hall and Carol Hargreaves joined the meeting.**

**70/20 HUMAN RESOURCES (HR)**

- a. Update. The comprehensive Group HR report including 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 information, benchmarked against Association of Colleges (AoC) data where appropriate and included Key Performance Indicators (KPI); there had been little change since the last report although staff absence had reduced by 0.6% and turnover by 0.1%. PC had one serious disciplinary case in progress and also an Employment Tribunal (ET) listed for hearing in September 2021; there were no issues at SC. The post-merger update was considered and eventual introduction of a fully integrated and merged pay spine was still a couple of years away. The practical challenges of developing a fair equitable outcome that protected existing agreements would take time to progress. The information explaining recovery from lockdown was noted and received.
- b. Staff Survey. Responses to the recent staff survey had been tabulated; the overall response had been 500/874 (57%). Detail of the IEG consolidated outcome, together with individual PC, SC & UCP responses to individual questions was included in the table; key positives and ideas for improvement were also identified; the high level of “pink” response levels from the UCP was noted and would prompt scrutiny together with related matters. The overview, which had placed data into four categories and the comprehensive colour coded comprehensive analysis by individual survey of the 30 questions was welcomed. The data had now been sent to York University for evaluation and benchmarking. A full post-survey report would be available to all staff members and would be included in the

end of year staff training session enabling extensive and wide considerations. The 30 June had now been set aside as “Well Being Wednesday” when 50+ activities were planned to raise morale generally.

The Heads of HR were thanked for clear and full reports. This had been the final report from Catherine Hall who would shortly leave IEG on relocation; she was thanked for all her work with the Corporation and wished well for the future. **(Action 6)** The Chair added his personal thanks for the individual support from Catherine during the pre-merger period.

**The information was received and noted.**

**Actions had been noted.** (Register at 77/20).

**Catherine Hall and Carol Hargreaves left the meeting.**

## **71/20 FINANCE**

- a. 3-year Financial Plan. The initial and early draft of the 2021.24 Financial Plan was considered, the plan, which returned the group to a financial surplus assumed no further lockdowns during the life of the plan. The Plan was then considered:
  - (i) Income and Expenditure. First year growth related to growth in apprenticeships, Higher Education (HE) and return to positive commercial income streams, while Further Education (FE), Adult Education Budget (AEB) and adult learner loans remained flat; unconfirmed funding had not been included. For 2021/22 a pay costs increase of 2.5% covered a 1% increase, an increased minimum wage and remaining restructuring costs, non-pay reflected changes to utilities and exams.
  - (ii) Capital. The plan allowed for a total investment of £2.5m pa and some capital grant funding, at variance with the Estates Strategy, which was predicated on £30m funding, from all sources, over 3-5 years. That assumption had been excluded since there was no indications on the success of any of the submitted bids. Members were asked to consider whether the college allocation represented a reasonable investment. An Education and Skills Funding Agency (ESFA) “outstanding” assessment of Financial Health was reliant on satisfying some KPI, which could be seen as limiting growth in capital resources. Currently the college held c£9m cash reserves and had c74 cash days in hand, growing to £13m cash during the planning period. While this level of cash supports obtaining an ESFA ‘Outstanding’ financial health grading, it was argued retaining high cash balances are limiting finances for upgrading the state; it may be a better alternative to reduce those numbers, accept a “Good” ESFA assessment and invest an additional amount funded from reserves and bank loans throughout each year of the Plan. Cash at the bank did not improve the student experience but buildings allowing the furtherance of the group green agenda could well do so. The revised Three Year Financial Plan to be presented to Corporation for approval in July will be adjusted to include the higher levels of investment. **(Action 7)**. It was agreed to engage a planning consultant to complete some detailed planning on the possibilities and to consider this issue at the next strategy planning day. **(Action 8)** The dramatic increase in the Teachers’ Pension Scheme (TPS) and Local Government Pension Scheme (LGPS) liabilities, was not expected to be repeated during the life of the Plan.
- b. Finance Report. The comprehensive (period 9) report accurate to 30 April 2021, was discussed, the Group ytd surplus of £609k was partly due to the lockdown effect although that was now reducing. The financial data was discussed, detail was graphically presented, supported by individual explanations and had been RAG rated. The overall position was progressively strengthening, although, together with the staff cost percentage and the current ratio (CR), had been prudently amber rated. The cash position had been at the annual low in March but remained strong and “green rated” with 56 cash days. Commercial Income remained “red rated” prompted by the latest lockdown but had performed well. The I&E summary detail by Group and individual Colleges was discussed and noted; there was nothing particular to bring to members’ attention. The Balance Sheet was noted.

**The information was received and noted.**  
**Actions had been noted.** (Register at 77/20).

## **72/20 SUBSIDIARIES**

The financial performance of each of the subsidiaries (IEG departments) was then considered.

- a. University Centre Peterborough (UCP) Despite a low number of withdrawals, income remained in line with the forecast £6.2m evenly spread over the 33 week academic year, costs however were evenly spread throughout the year resulting in a year end dip. The present forecast surplus was a healthy £345k after rebalancing of some “recharging” for provided services. The operational update, particularly on non-pay activity was noted.
- b. Anglia Professional Training (APT). APT provided specialist accountancy and business training in Peterborough. The ytd surplus was currently £37k and with on-line provision the forecast year-end position should be improved and would be reviewed next month. The operational update was noted.
- 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 c£90k had been made.
- d. Catering. Covid operating restrictions meant that both catering functions were running at an increased deficit, currently c(-£191k) however it was difficult to reduce with the current need to preserve “bubbles”, use of several outlets and use of cash payments instead of vouchers. Income had reduced but budgetary impact had been reduced through savings on direct costs.
- e. Nursery. The Nursery was back to full operational capacity and should provide a positive surplus although performance had been affected by Covid related closures and consequent impact on fee income (c-£41k), which however had been partly offset by other income sources.
- f. Other Commercial Activities:
  - (i) Stamford Subsidiaries. The overall ytd contribution of £86k had been challenged by the deficit from the Fitness Centre Electrical Centres.
  - (ii) AM2 Electrical Training Centre. The Centre had re-opened on 28 September, returning a reduced performance against the original plan and the end of year deficit had been offset by cost savings and a deficit of £9k above budget could be achieved at year end.

**The information was received and noted.**

## **73/20 FINANCIAL REGULATIONS**

The annual review of the Financial Regulations had been completed; they had been extensively rewritten for merger and had been adjusted in year to reflect experience of the new situation. The revision contained few changes and all were highlighted in yellow blocking, some timings and changes to payroll to reflect the change to the new software and associated banking arrangements together with some unhighlighted changes to job titles. The Financial Regulations were recommended to the Corporation for approval. **(Action 9)**

**The information was received and noted.**  
**Actions had been noted.** (Register at 77/20).

## **74/20 APPRENTICESHIPS & ADULT EDUCATION BUDGET (AEB)**

- a. Partnership and Skills. The comprehensive Report updated on Apprenticeships, Adult Learning Loans, Sub-contracting, Community Learning, European Social Fund (ESF) a wider Employer Engagement for both PC and SC. An increase in subcontract had been

anticipated in the financial plan and a contingency had been established. The increases to meet allocations were for 2021:

- (i) Aspire Education Group of £150k; and
- (ii) Learning Curve of 100k.

Both were approved *wie*. **(Action 10)**

- b. Sub-contracting Approval. The proposed subcontract values for 2021.22 were fully detailed and explained in the accompanying paper; they were unanimously approved. **(Action 11)**
- c. Subcontracting Policy. The attached subcontracting Policy for the coming year was little changed from the current version and it was unanimously approved. **(Action 12)**

**The information was received and noted.**

**Actions had been noted. (Register at 77/20).**

#### 75/20 URGENT BUSINESS

There had been 2 recent sad and upsetting events relating to PC students:

- a. a female UCP student due to graduate this summer had been killed in a road traffic accident; and
- b. press reports of a murder trial, where the victim had been a PRC student.

Condolences and sympathy were recorded for the relatives and friends of both incidents. **(Action13)**

#### 76/20 NEXT MEETING

The next meeting would be advised.

#### 77/20 ACTION REGISTER

See referenced minute for full action.		Resp	Date
<b>Action 1</b>	67/20b. Mike Rabbett had reluctantly resigned.	IGD	<i>wie</i>
<b>Action 2</b>	67/20b. Governors' commitment to be clearly explained.		
<b>Action 3</b>	68/20a. Last minutes (06.05.21) confirmed for signature.		
<b>Action 4</b>	69/20b. HAS Policy recommended to Corporation.	Chair	05.07.21
<b>Action 5</b>	69/20b. AC Chair to receive advance copy of HAS Policy.	CFO	<i>wie</i>
<b>Action 6</b>	70/20b.CH thanked for contribution to PC & IEG	Chair	
<b>Action 7</b>	71/20a(ii). Revised Three Year Plan to be presented to Corporation for approval on 5 <sup>th</sup> July 2021	CFO	
<b>Action 8</b>	71/20a(ii). Estate advice to be sought to inform strategy day	CFO	
<b>Action 9</b>	73/20. Financial Regulations recommended to Corp.	Chair	05.07.21
<b>Action 10</b>	74/20a.Contract value. (Aspire & Learning Curve) approved.	EDBD	<i>wie</i>
<b>Action 11</b>	74/20b. Sub-Contract values 2021.22 approved.		
<b>Action 12</b>	74/20c. Sub-Contract Policy approved.		
<b>Action 13</b>	75/20b. Condolences to those involved in tragedies.	Chair	

# FINALFRMinutes 15.06.21RDJMLP

Final Audit Report

2021-09-15

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