

Minutes of the meeting (electronic) of the IEG Corporation held at 1700 hrs 05 July 2021.

Present	Rod Allerton	Martin Ballard	Marco Cereste (78/20c on)	Dean Duffield
	Sir Les Ebdon	Mark Haydon	Ian Jackson (Chair)	Tony Keeling
	Dr Mary Kiernan (81/20c on)	Janet Meenaghan (CEO)	Rachel Nicholls (DCEO)	David Pennell (Vice Chair)(81/20 on)
	Steve Saffhill	Jonathan Teesdale	Anthony Warner	Paul Wingfield
In Attendance	Ralph Devereux (IDG)	James Larnar (UCP)(Observer)	Dan Lee (UCP)(Observer)	Louise Perry (CFO)
	Angela O'Reilly (PCVP(C&Q))	Sarah Young (SCVP(C&Q))		
Apologies	Angie Morris	Marco Cereste (Late arrival)	David Pennell (Late arrival)	Alison Fox (Attendee)

PART ONE

73/20 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS

- a. The apologies were 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 Chair welcomed all to the meeting, particularly, James Larnar and Dan Lee, the observers from University Centre Peterborough (UCP).

The information was received and noted.

74/20 STANDING ITEMS

- a. The Minutes (Part 1) of the last meeting held on 19 April 2021 were confirmed for electronic signature. **(Action 1)**
- b. Outstanding Actions. Actions from the last meeting had been implemented.

		Status
	See referenced minute for full action.	
Action 1	57/20b. Tx recorded to SS for service as Governor.	Complete
Action 2	58/20a Last minutes confirmed for signature.	
Action 3	58/20c(ii) AC minutes to be scrutinised at next meeting.	
Action 4	58/20c(iii) UCP IAS Plan approved.	
Action 5	58/20c(v). Budget principles & APT letter approved.	
Action 6	59/20c(i). Detail of mayoral assembly to be circulated.	
Action 7	62/20. Corp thanks for response to cyber0attack.	
Action 8	64/20a. UCP Articles conditionally approved.	
Action 9	64/20a. UCP Chair delegated to sign document.	
Action 10	64/20b. UCP PID Policy approved.	
Action 11	65/20. Estates Strategy & Chair's action approved.	
Action 12	67/20. CQSC approved for 2021/22.	
Action 13	67/20. Updated meeting schedule tbc.	

- c. Committee Minutes. The draft and unconfirmed minutes of the last Committee and Subsidiary Companies were received and recommendations to the Corporation were noted to inform considerations, the minutes were considered individually:
 - (i) the IEG Audit Committee (AC) meetings (21.04.21 & 23.06.21), re 36/20 (23.06.21) External Audit Plan and fee recommended to Corporation and approved. **(Action 2)**
 - (ii) the IEG F&R Committee (FRC) meetings (06.05.21 & 15.06.21), re 62/20 (06.05.21) Fees Policy, 69/20 (15.06.21) Health and Safety (HAS) Policy & 73/20 Financial Regulations recommended to Corporation.
 - (iii) the University Centre Peterborough (UCP) AC meeting (18.05.21);

- (iv) APT Board meetings (09.05.21 & 01.07.21);
 - (v) IEG Curriculum and Quality (C&Q) Committee meeting (20.05.21);
 - (vi) Higher Education (HE) Academic Board meeting (21.05.21);
 - (vii) Quality Resourcing Solutions (QRS) Board meeting (10.06.21);
 - (viii) UCP Council meeting (10.06.21) re 58/20b Budget 2021.22 recommended to Corporation.
 - (ix) Stamford College C&Q sub-committee (SCCQSC) meeting (17.06.21);
 - (x) Peterborough College (PC) CQSC meeting (22.06.21); and
 - (xi) UCP Governance & Nominations Committee meeting (22.06.21).
- d. Matters arising: There were no matters arising from the minutes.
- e. Urgent Business. There was no urgent business requested..

**The information was received and noted.
Actions had been identified. (See Register at 85/20 below)**

75/20 PRINCIPALS' REPORTS

- a. 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 full Reports and Appendices had been circulated well in advance of the meeting and had been noted, particular issues were:
- (i) Skills and Post 16 Education Bill. The recently introduced legislation included provision for the Secretary of State (SoS) and employers to compel colleges to deliver courses to serve local needs. Further anecdotal reports indicated that maximum terms of office for executive and senior governance positions may be introduced. This could represent an unhealthy swing towards more direct intervention and concerns would be raised during forthcoming talks with the local MPs.
 - (ii) T Levels/Loss of Applied General Qualifications (APQ). APQ provided for Business and Technology Educational Qualifications (BTEC) and their potential loss in favour of TLevel alternatives could significantly reduce student numbers and create difficulties in securing sufficient industrial placements. IEG would continue to closely monitor the situation, focus the use of Capacity and Delivery funding and enhance apprenticeship numbers.
 - (iii) Financial Health. The Education and Skills Funding Agency (ESFA) had notified at Appendix A, the Financial Health grading of "outstanding" for 2019/20 and "good" for 2020/21. A positive post-merger outcome and related issues had informed a discussion at the FRC meeting regarding the 3-Year Financial Plan and which would be considered at Item 6a.
 - (iv) Staff Satisfaction Survey. The survey results (Annex C) had been heartening and had been considered in detail by the FRC, they showed continuance of high satisfaction at SC and substantial improvement at PC, some UCP issues had been noted and would be followed up. Overall the Group had received some extremely positive scores and these were welcomed, particularly upbeat were comments re management and leadership.
 - (v) School/College Pay Gap. The pay gap between school teachers and FE teachers had now widened to c£10k pa with no options for narrowing in the current funding environment. The moral case apart, practical difficulties with teacher recruitment, particularly with practical and in demand skills, such as construction and motor vehicle were formidable. This was a real issue and should also be raised during the MPs visits, it may even be necessary to communicate directly with Ministers or the SoS. Direct contact with large employers may lead to some form of association

to consider possibilities. RA volunteered to initiate contact and that suggestion would be considered. **(Action 3)**

- b. Peterborough College. The Cambridge and Peterborough Combined Authority (CPCA) recently elected Mayor (Dr Nik Johnson) had taken post and many of the previous administration projects had been scrapped or were on-hold. There had not yet been a reply to Appendix E, an invitation letter from the Principal to Dr Johnson, but it was hoped that he and some cabinet colleagues would visit in the not too distant future.

The information was received and noted.

Actions had been identified. (See Register at 85/20 below)

76/20 DASHBOARD

The Group KPI dashboard was then considered and discussed. Indicators were rated “Green” or “Amber” and there were no matters of concern to bring to the Corporation’s attention in particular. Income was above target and finances were sound. HR was still not experiencing any significant change between regularly scrutinised proportions of mental and physical health and staff turnover remained low, at SC sickness absence had fallen below the rolling target; PC data continued to be affected by the cyber-attack.

The information was received and noted.

77/20 OFSTED

- a. IEG subcontracting. The recently completed Ofsted monitoring visit, which had focused on safeguarding arrangements with sub-contracting partners, had been prompted by an unsatisfactory Ofsted visit to one of these (see below). The report, at Appendix 1, had prompted the Designated Safeguarding Leads (DSL) at both PC & SC to meet and agree an action plan, which was detailed in the accompanying paper. The Sub-contracting Committee would monitor the implementation and the meeting was assured that positive outcomes from any future Ofsted visits was a priority.
- b. Peterborough Skills Academy (PSA). The Ofsted re-inspection of Peterborough Skills Academy (PSA) had been completed on 15 June 2021 and had resulted in a judgement of “reasonable progress”, (see Appendix 1). This outcome recognised the commitment of PSA and the associated support, advice and guidance of the PC team. The outcome allowed PSA to continue delivery but consequent to the events, and mindful that Anglia Professional Training (APT) is currently vulnerable to an inspection the executive will consider all partnership arrangements and report to the next Corporation meeting. **(Action 4)**

The information was received and noted.

Actions had been identified. (See Register at 85/20 below)

78/20 FINANCE REPORT

- a. 3-year Financial Plan. The initial draft of the 2021.24 Financial Plan had been considered at length by the FRC and in the light of the discussions the amended version was presented for approval. The Plan, which included both colleges, UCP, APT and QRS had been based on strategic financial targets included in the revised IEG Strategy, also to be considered at this meeting. Essentially, targets had been amended to:
 - (i) increase “cash days” in hand to 60 (from 35-50);
 - (ii) adjust the Current Ratio (CR) from 2.0 to 1.5; and
 - (iii) increase capital investment to £3.5m (conditional on the above metrics)

The proposal was then considered, the underlying aim, to use available cash for maximum benefit to stakeholders rather than on deposit was agreed, it was understood that it could affect the Financial Health and may limit the assessment to “good” for the period in question. However that was not seen as prohibitive and the forecasts were prudently based. The 3-Year Financial Plan was unanimously approved. **(Action 5)**

- b. UCP Budget. The UCP Council had met on 10 June 2021 and considered the budget for the coming year, which they had agreed was soundly based, appropriate and was unanimously recommended to the IEG Corporation for approval. There had been a slight amendment since then to reflect a reduced student intake (from 170 to 150) at a sub-

contractor "Addict". The budget surplus was noted as £194k and the Budget was approved.
(Action 6)

- c. Financial Report. The comprehensive report Period 9 Report had been scrutinised and commended by the FRC and the updated Period 10 report was now explained and considered. Group financial KPI numbers. Included subsidiary companies (UCP, QRS and APT) Finance Report. The report accurate to 31 May 2021, was discussed, the Group ytd was now forecast as £459k. 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 now passed the annual low in March remained strong and "green rated" with 56 cash days. Commercial Income remained "red rated" prompted by the latest lockdown but some had performed well and signs of recovery were beginning to emerge. The situation with refectories at both Colleges was discussed; PC was in deficit by c(£300k) compared with c(£120k) at SC and some disquiet was voiced that the reason for bringing the catering operation back "in-house" had been to bring the results in line. It was explained that inequality had been prompted by Covid related effects, namely staffing of the "bubble" arrangements at PC. Post pandemic the planned improvements in PC performance would become apparent. 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.

Marco Cereste joined the meeting.

- d. Transport Contracts. One of the Group's largest outlays was transport expenditure, the budget for 2021.22 was £1.89m, which covered the 30 bus routes for the Group; Financial Regulations required contracts exceeding £500k to be approved by the Corporation. Full details of the arrangements were included in the accompanying paper. All providers would be subject to financial reviews/due diligence before final agreement and the inclusion of a new agency "Zeelo" subject to extra checks in the portfolio was noted. Full individual company costings had been tabulated for one and 3 year values and were noted. Award of the contracts was approved in principle.**(Action 7)**

The information was received and noted.

Actions had been identified. (See Register at 85/20 below)

79/20 RISK REGISTER (RR)

- a. The primary/strategic risks had been extensively reviewed by the AC on 23 June; the Register had been attached for information. No new risks had been added since the last review but changes were explained:
- (i) "Group governance failure to provide strategic direction and monitoring", the impact had been reduced to 4 as the Corporation improved coherency;
 - (ii) "Covid" impact had been reduced to 4 as conditions improved;
 - (iii) "major cyber security breach" impact remained unchanged as progress continued with the introduction of the new Group domain to be completed by the end of July; and
 - (iv) "failure to meet the financial plan" also remained unchanged.

Cyber security had been particularly discussed: essentially the matter had to be kept in perspective, the recent incident had not been financially severe and the total associated costs had been less than £50k. All thresholds would be reviewed over the summer.

- b. Contingency Risk Register. The Contingency Register had been reviewed and 2 new risks had been added.
- (i) as discussed at the last meeting "QRS" had been added; and
 - (ii) a short term risk around recovery of hardware loaned to students during lockdown.

As a result of the AC considerations it had been decided to review the scoring methodology and a revised framework would be taken to the first AC meeting of the coming year for consideration.

The information was noted and received.

80/20 POLICIES

There were 3 Policies to be considered for approval, changes had been highlighted in yellow.

- a. Fees Policy. The Fees Policy had been recommended by the FRC (62/20) for approval: that was accepted and the Policy was approved. **(Action 8)**
- b. Financial Regulations. The Financial Regulations had been recommended by the FRC (73/20) for approval: that was accepted and the Policy was approved. **(Action 9)**
- c. Modern Slavery. Statute required organisations with an annual turnover of >£36m to adopt a Modern Slavery Policy. A draft Policy was attached for consideration for approval. The Policy met all requirements and all necessary procurement safeguards would be rigorously applied. At the end of this year a “Modern Slavery Statement” was required for publication on the website and this would be brought to the first Corporation meeting in 2021.22. The Policy was approved. **(Action 10)**
- d. HAS Policy. HAS processes for Group elements had now been aligned and a single statement formulated. The Policy had been recommended by the FRC (69/20) for approval: that was accepted and the Policy was approved. **(Action 11)**

The information was received and noted.

Actions had been identified. (See Register at 85/20 below)

Dr Mary Kiernan and David Pennell joined the meeting.

81/20 SUB-CONTRACTING

ESFA regulations now required a college “rationale for sub-contracting” to be approved by the Corporation and published on the website; the draft was attached and was considered. As discussed earlier in the meeting, safeguarding had been particularly addressed in the light of recent Ofsted outcomes and the rationale was approved. **(Action 12)**

The information was received and noted.

Actions had been identified. (See Register at 85/20 below)

82/20 STRATEGIC PLAN

The IEG Mission, Vision and Values (MVV) together with the current 3-year Strategic Plan (Attached) had been approved at the point of merger. In a normal year, the Corporation strategic environment would be examined at a dedicated session and consider influences and variations; clearly the last year with associated Covid restrictions had been extremely limited in these areas. It was therefore suggested that the Plan including the MVV remained fit for purpose and approval was sought accordingly. The changes to the financial element had been explained and approved at 78/20 above. It was agreed that the proposal to carry over the document was sensible and sound and it was approved. **(Action 13)** A full strategic planning session had been included in the meeting schedule for the next academic year.

The information was received and noted.

Actions had been identified. (See Register at 85/20 below)

83/20 GOVERNANCE

At the last meeting of the academic year it was best practice to review governance statistics, accordingly:

- a. Scheme of Delegation. The Scheme of Delegation had been updated in the light of experience gained during the first year of operation, all changes were highlighted in yellow. The changes were noted and the Scheme was approved. **(Action 14)**
- b. Governor Link Scheme. A review of the Link Governor visits, including 4 specialised appendices, illustrated the commitment of all throughout this last difficult year. The external view and incisive reports were universally welcomed, all involved were thanked for their commitment.
- c. Annual Training. The completion summary for mandatory annual and biennial training was noted. Members were urged to complete outstanding commitments during the summer break if possible.

- d. Annual Attendance. Members' attendance through the year by meeting had been tabulated, all were again thanked for their commitment particularly with the added challenges of electronic meetings which had prompted some of the absences. Corporation membership had reduced through the year and now stood at 14 and it was necessary to recruit 3 additional Members; these would be actively sought early in the coming year assisted by professional recruitment services. Rationalisation of the membership was proposed to reflect 2 each elected staff and student members, one from each College and that was unanimously approved. **(Action 15)**
- e. Meeting Schedule. The meeting schedule for the next academic year was attached, the separate C&Q sub-committees would not be meeting.
- f. Code of Conduct. The Governance Regulatory Documents, approved at merger had not included a "Code of Conduct" and it was now proposed as best practice to add a copy from the start of the next academic year; that was approved. **(Action 16)**

The information was received and noted.

Actions had been identified. (See Register at 85/20 below)

84/20 URGENT BUSINESS AND NEXT MEETING

- a. There had been no urgent business agreed.
- b. The next meeting would be at 1700 on 19 October 2021.

85/20 ACTION REGISTER

See referenced minute for full action.		Resp	By
Action 1	74/20a. Last Minutes (19.04.21) confirmed for signature.	IDG	wie
Action 2	74/20c(i). Ext Audit Plan and fee approved.	CFO	
Action 3	75/20a(v). Association with local firms to be considered with RA.	CEO	
Action 4	77/20b. Detail of Review of APT & PSA to Corporation.	EDBD	16.10.21
Action 5	78/20a. 3-yr Financial Plan approved.	CEO	wie
Action 6	78/20b. UCP Budget approved.	UCP	
Action 7	78/20d. Transport contracts provisionally approved.	CFO	
Action 8	80/20a. Fees Policy 2021.22 approved.		
Action 9	80/20b. Financial Regulations approved.		
Action 10	80/20c. Modern Slavery Policy approved.		
Action 11	80/20d. HAS Policy approved.		
Action 12	81/20. Sub-contracting rationale approved.		
Action 13	82/20. Strategic Plan and MVV approved.		
Action 14	83/20a. Scheme of Delegation approved.	CFO	
Action 15	83/20d. Elected staff/students to be one from each campus.	Chair	
Action 16	83/20f. Code of Conduct approved.	IDG	

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Final Audit Report

2021-10-22

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