



Minutes of the meeting of the IEG Corporation Finance and Resources Committee (FRC) held at Peterborough College (PC) at 1630 hrs on 13 September 2021.

Present	Rod Allerton	Dean Duffield	Janet Meenaghan (CEO)	Rachel Nicholls (DCEO)
	David Pennell (Chair)			
In Attendance	Rob Cottrell (GDT&DL)(till 08/21)	Alex Briars (rg&p)(04/21 only)	Ralph Devereux (IGD)	Jacqui Fleming (GDEHS)(till 07/21)
	Alison Fox (EDBD)	Emma Graham (GDF)	Carol Hargreaves (GDHR)(till 06/21)	Derek Lee (rg&p)(04.21 only)
	Louise Perry (CFO)	Sarah Young (SCVP(C&Q))(till 05/21)		
Apologies	Ian Jackson			

## PART ONE

### 01/21 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 with 3 external Members present (RA, DD, DP) and there had been no interests declared.

### 02/21 STANDING ITEMS

- The Minutes of the last meeting (15.06.21) were then confirmed for signature. (**Action 1**). There were no matters arising from the minutes.

- Actions from the last meeting were considered, all had been completed or were proceeding.

See referenced minute for full action.	Status
Action 1	Complete
67/20b. Mike Rabbett had reluctantly resigned.	
Action 2	
67/20b. Governors' commitment to be clearly explained.	
Action 3	
68/20a. Last minutes (06.05.21) confirmed for signature.	
Action 4	
69/20b. HAS Policy recommended to Corporation.	
Action 5	
69/20b. AC Chair to receive advance copy of HAS Policy.	
Action 6	
70/20b.CH thanked for contribution to PC & IEG	
Action 7	
71/20a(ii). Estate advice to be sought to inform strategy day	
Action 8	
71/20a(ii). Estate advice to be sought to inform strategy day	
Action 9	
73/20. Financial Regulations recommended to Corp.	
Action10	
74/20a.Contract value. (Aspire & Learning Curve) approved.	
Action 11	
74/20b. Sub-Contract values 2021.22 approved.	
Action 12	
74/20c. Sub-Contract Policy approved.	
Action 13	
75/20b. Condolences to those involved in tragedies.	

- Urgent Business. There would be one open and one confidential items of urgent business.

**The information was received and noted;**  
**Actions had been noted. (Register at 13/21).**

### 03/21 COMMITTEE TERMS OF REFERENCE (TOR)

The Committee TOR had applied since merger and were considered for continuing appropriateness and relevance; it was agreed to specify reference to Risk issues, which were

fully in the Audit Committee (AC) remit, to financial matters. With that caveat they were agreed and recommended to the Corporation for approval. (**Action 2**). It was also agreed that, after Corporation approval, all Regulatory Documents would be posted to "Board IQ" for reference. (**Action 3**)

**The information was received and noted;**  
**Actions had been noted.** (Register at 13/21).

**04/21 CAPITAL PLAN 2021-24**

- a. Background. As had been previously reported, (57/20) Government indications on the continuance of future investment in the national FE Estate had prompted close consideration and informed continuing development of the Group Estates Strategy; the present position, detailed in the accompanying paper, was explained. It had been agreed that annual capital investment would be set at c£3.5m pa (subject to a holding of 60 cash days in consideration of the ESFA Financial Grade) and Members were reminded of the current detail of 2021.22 planning. The 3-year capital plan had included submission of 6 bids, of which 2 (Centre for Green Technology & PC site refurbishment), had progressed to the next stage, the Green Tech project, required development to RIBA Stage 2 for submission by the 8 October. Of the 4 non-progressing bids the Stamford College (SC) site refurbishment had been included in the Group 3-year plan and the remaining 3 had been removed in their current form; possible alternative options for these were included in the accompanying paper. Another bid (SC Construction Centre) had been submitted in response to a further DfE invitation, fortuitously it complied with the tight associated eligibility requirements of the scheme – the Post 16 Capacity Fund; full detail was included in the paper, including 3 alternative funding options should the bid be unsuccessful. The unallocated capital for the year had been tabulated and informed consideration of Appendix 1 (Estates Priorities). Decisions would be made after the outcome of the Post 16 Fund deliberations.
- b. Presentation. Two representatives of "rg+p" Ltd, the architect firm appointed to work up the Green Technology Centre to RIBA Stage 2 (Alex Briars & Derek Lee) then joined the meeting and gave an electronic presentation on the present state of the project planning. The presentation (Attached to the filed copy of these minutes) was to update on the initial contextual analysis and design proposal for the Centre. The overview was impressive with a fine outdoor landscaped area leading to the 3 floor "statement building" in the NE area of Peterborough College. The conceptual only presentation of the outdoor area was widely and spontaneously welcomed and there was general agreement that it would be a positive and enriching addition to the whole campus and it would undoubtedly feature in future discussions; the building would utilise green and sustainable materials and techniques and would allow wide general and good access to nearby buildings and the sports field. The presentation concluded with a wide ranging question and answer (Q&A) session, several issues emerged which would be considered in, and would inform the next stages of the project masterplan leading to final decisions. Alex and Derek were thanked for their informative and well-presented input and they left the meeting. Staffing for the curriculum, which would be from much sought skills sets was likely to be challenging and it was suggested that commercial partnerships with specialist agencies should be considered. The facility would make a positive contribution to the Group, particularly the PC campus and be a practical indicator of the Group Vision and Aims, which could be widely publicised.

**The information was received and noted;**

**05/21 RECRUITMENT AND ENROLMENT**

The early release of the GCSE results had facilitated an early start to enrolment and some 4 weeks into the process it was progressing at a pace. The present target had been set at 5164 and to date 4585 (88%) had been achieved, the financial plan was based on a number of 4750 and the funding implications were discussed. Some more numbers would emerge as data cleansing progressed. At this stage the total was lower than had been anticipated, anecdotally this was a being widely experienced across the sector and was felt to be influenced by several Covid related issues. The higher than normal examination results were encouraging schools to support their indigenous sixth form provision, the jobs market was lively and some preferred

employment to the college environment and apprenticeships offered wages and study together. There was also suspicion over embarking on qualifications in “Covid sensitive” trades such as artistic, hairdressing and hospitality specialisms. Notwithstanding, focus remained and strong marketing, including use of new partners, continued and a clearer picture on actuals would emerge at the end of next week. Sarah Young was thanked for her presentation and she left the meeting.

**The information was received and noted.**

**06/21 HUMAN RESOURCES (HR)**

- a. Update. The comprehensive Group HR report but 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 scrutinised the Key Performance Indicators (KPI), all had been detailed in the document. There was nothing of specific note to bring to Members’ attention apart from the Gender Pay Gap detail (Appendix 6c) which was noted, discussed and approved for submission. (**Action 4**) Members noted that some detail had been still affected by last term’s cyber-attack and was not fully up-to-date. Staff turnover at each college was well below the target probably affected by the high level of staff welfare and the supportive management. There were no disciplinary processes underway although two capability issues at PC were under process. The long standing Employment Tribunal at SC had now been resolved, although the case had been found for the complainant on a technicality, damages had been reduced to zero and all involved had been exonerated. Work continued on the rationalisation of PC/SC Policies.
- b. Covid Impact. The information explaining recovery from lockdown was noted and received.
- c. The Group Director was thanked for the clear and full reports and also for her and the team’s response to the considerable pressure that they were currently experiencing through staff shortages.

**The information was received and noted.**

**Actions had been noted.** (Register at 13/21).

**07/21 HEALTH AND SAFETY (HAS)** The HAS Report, was presented and discussed and it was noted that 2 “Departmental Audits” (Sports at PC and Houses at SC) had initially been scored Red but had evidenced immediate improvements in following weeks. The 6 on-site accidents requiring hospital treatment had not shown patterns ~~and there had been no near misses~~. Data to inform the annual report was detailed by exception at Appendix 1 and was noted.

**The information was received and noted**

**08/21 CYBER SECURITY**

The present state of cross Group cyber-security was detailed in the accompanying paper and was explained. Attempted incursions, which had reduced during August to c 140/week had now resumed a more normal level with 980 attempts over the last 7 days. The Group was now certificated under “Cyber Essentials” in compliance with the ESFA funding rules from next year and was working towards meeting Cyber Essentials Plus requirements the following year. Progress against the recommendations of both the Sophos Post-Cyber Attack Report and the Internal Audit Service review completed in June was explained and in line with requirements. The move to the Group IT domain had now been completed and the redundant capabilities were being decommissioned.

**The information was received and noted**

**09/21 FINANCE**

- a. Group Finance Report. The current financial report referencing the unaudited year-end management accounts position was then considered; the comprehensive document comprised a narrative informed by graphical and tabulated detail, which was explained and

considered. The first draft was positive although pre-audit work was still in progress. The somewhat complex position with UCP resulting from the “settlement split” from Anglia Ruskin University (ARU) had now been resolved and income that was highlighted in the draft as uncertain was verbally confirmed as “prior year” data. Additionally, the Adult Education Budget (AEB) clawback had been clarified as the difference between actual performance and the 90% (of allocation) figure; latest information indicated that there would be no liability. The draft Group surplus was healthy and the partners’ contributions were explained and discussed, together with consideration of the capital plan influences. Outstanding adjustments would clearly affect the situation and pension liabilities (Financial Reporting Standard 102 (FRS)) would be the most significant although it was now clear that there would be no default on Bank Covenants; several other less dramatic adjustments were explained. Members noted that the combination of these adjustments could introduce significant movement before the final position could be determined. The RAG rated and graphically presented financial data, supported by individual explanations was considered. The overall position was welcomed, although, the staff cost percentage had been prudently amber rated. Cash remained strong and had been “green rated” with 52 cash days. Commercial Income remained “red rated” through the adverse climate over the Covid period.

- b. Subsidiaries.
  - (i) General. The financial performance of each of the subsidiaries and commercial IEG departments, had been fully detailed in the accompanying papers and were explained; Covid associated losses in catering and fitness provision were expected to recover during 2021/22.
  - (ii) APT. (Rachel Nicholls and Dean Duffield reminded the meeting that they were Directors of Anglia Professional Training (APT)) The Managing Director (MD) had given notice of leaving and the Board would consider the situation later in the week. **(Action 5)**

**The information was received and noted.**

**Actions had been noted.** (Register at 13/21).

#### **10/21 PARTNERSHIP AND SKILLS**

A full update on Business Development, including consideration of:

- a. apprenticeships, which had been significantly affected by Covid but were now recovering with 404 starts (target 472);
- b. IEG wide adult learning and community learning (at SC only) performances would be considered later in the year when the outcome of the current strong and diverse marketing activity had emerged;
- c. subcontracting with 10 partners was discussed and the financial outcomes were noted and welcomed together with the relatively low value European Social fund (ESF) arrangement with Hull College; and
- d. participation in the National Skills Fund (Level 3) was provided through a subcontract with “Learning Curve” and provision at APT.

**The information was received and noted.**

#### **11/21 URGENT BUSINESS**

- a. External consultants had been working on identification of additional candidates for Corporation membership, the process was expected to result in 2/3 possibilities with appropriate skills; at least one appeared suitable for this committee.
- b. There was one confidential item of urgent business to be considered in Part 2.

#### **12/21 NEXT MEETING**

The next meeting, rules permitting, would be at 1630 face-to-face on 9 November 2021.

**13/21 ACTION REGISTER**

See referenced minute for full action.		Resp	Date
Action 1	02/21. Last minutes (15.06.21) confirmed for signature.	IGD	wie
Action 2	03/21. FRC responsibility for "Risk" (TORs) to be specified.	Chair	<b>19.10.21</b>
Action 3	03/21. FRC TORs recommended to Corporation.	GDHR	wie
Action 4	06/21. Gender pay gap data approved for submission.	Chair	asap
Action 5	09/21b(ii). APT position to be considered.		

Ralph Devereux (IGD) for David Pennell (Chair)

# FRMinutes13.09.21 Pt1RDJMLP

Final Audit Report

2021-11-10

Created:	2021-11-10
By:	Ralph Devereux (office.mpe@btconnect.com)
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