

Minutes of the meeting (electronic) of the IEG Corporation held at 1700 hrs 4 July 2022.

<b>Present</b>	Rod Allerton	Vincent Brittain	Marco Cereste	Dean Duffield
	Sir Les Ebdon	Mark Haydon	Ian Jackson (Chair)	Tony Keeling
	Fathima Keegan	Angie Morris	Rachel Nicholls (CEO)	Ashley Parewa
	David Pennell (Acting Chair)	Steve Saffhill	Jonathan Teesdale	Dr Pam Vaughan
	Anthony Warner	Paul Wingfield	Faustina Yang	
<b>In Attendance</b>	Ralph Devereux (IGD)	Angela O'Reilly (PCVP(C&Q))	Louise Perry (CFO)	Alison Fox (EDBD)(Attendee)
	Sarah Young (VPSSE)	Joanne Ulyatt (GD)		
<b>Apologies</b>	Martin Ballard	Dr Mary Kiernan		

## PART ONE

### 66/21 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 interests were declared and identified at appropriate agenda items.
- b. Ian Jackson was unwell with Covid, he attended electronically and it was agreed that David Pennell would Chair the meeting. **(Action 1)**

**The information was received and noted.**

### 67/21 STANDING ITEMS

- a. The Minutes (Part 1&2) of the last meeting (25 April 2022) were confirmed for electronic signature. **(Action 2)**
- b. Outstanding Actions. Actions from the last meeting had been implemented.

		Status
	See referenced minute for full action.	
<b>Action 1</b>	48/21. Last minutes confirmed for signature.	<b>Complete</b>
<b>Action 2</b>	49/21. Committee recommendations approved.	
<b>Action 3</b>	51/21. Appreciation recorded to EDBD and staff.	
<b>Action 4</b>	55/21d. Progression to RIBA Stage 4 approved.	

- c. Matters arising: There were no matters arising from the minutes.
- d. Urgent Business. There was no urgent business requested;

**The information was received and noted.**

**Actions had been identified. (See Register at 78/21 below)**

### 68/21 COMMITTEE MEETINGS

Minutes of Committee meetings held since the last Corporation, listed on Paper 3 were now generally posted to Board IQ; where Corporation action was required the full relevant minute was included to inform considerations. Recommendations to the Corporation for approval were made at the following meetings:

- a. Finance and Resources Committee (FRC):
  - (i) 5 May 2022 (minute 57/21) the Fees Policy and the Financial Regulations;
  - (ii) 14 June 2022 (65/21) the Health and Safety (HAS) Policy and (67/21b) the 2022/23 Sub-Contract values;

- b. 7 June 2022 (67/21) University Centre Peterborough (UCP) Council, the budget 2022/23;
- c. 14 June 2022 the Quality Resourcing Solutions (QRS) Board (12/21), Janet Meenaghan's resignation and appointment of Rachel Nicholls as replacement;
- d. 20 June 2022 the Audit Committee (AC),
  - (i) (25/21) the External Audit Plan and associated fee;
  - (ii) (Part 2) appointment of HWCA to provide the Internal Audit Service (IAS).
- e. 22 June 2022 re-appointment of Vincent Brittain and Sir Les Ebdon for a further term of office.

All recommendations were accepted and approved. **(Action 3)** Paul Winfield had completed his final term of office and had decided to retire; this was his final meeting. Sincere thanks were recorded for his selfless service to New College Stamford and latterly to IEG. He was wished well for his retirement and was presented with a farewell card; Members spontaneously showed appreciation.

**The information was received and noted.**

**Actions had been identified.** (See Register at 78/21 below)

**69/21 CHIEF EXECUTIVE OFFICER (CEO) REPORT  
(IJ was an employee of Alison Homes)**

The CEO Report was considered. The full Reports and Appendices had been circulated well in advance of the meeting and had been noted, particular issues were:

- a. Office for National Statistics (ONS) Review. The ONS was considering whether Colleges should remain in the private sector. The white paper, Skills for Jobs, which had led to the Skills and Post-16 Education Act 2022, was the catalyst for the ONS' current assessment. If agreed the move would be effective on 31 March 2024. One positive amongst the numerous negatives would be possible parity with schools funding.
- b. The University and Colleges' Union (UCU) was holding pay ballots in 33 Colleges, IEG was not included. There was considerable cross-sector feeling on this issue, particularly the funding disparity between the sector and schools. The Association of Colleges (AoC) proposals were detailed in the report. This matter was an IEG priority, and several associated challenges were currently consequent to the low remuneration levels. The Group pay increase was currently under close consideration and final 2022/23 enrolment numbers would inform those discussions.
- c. The Education and Skills Funding Agency (ESFA) had approved 2 sub-contracting requests, the notifications were in the appendices.
- d. The ESFA funding audit continued and although there was no conclusion date it was drawing to an end. The inflexible forensic audit approach was the major source of the delay, it was however unlikely to be completed by the end of this financial year. The purpose and process of the audits was explained for the benefit of newer Members.

The Stamford Construction Centre had now been completed to an extremely high standard and was a welcome addition to the Groups inventory. Unfortunately, the facility had been burgled and equipment to the value of c£22k had been stolen. However, some late news positives to counter that unwelcome news were that:

- e. Allison Homes had offered to sponsor the Centre with £20k (IJ interest declared);
- f. the Cambridgeshire and Peterborough Combined Authority (CPCA) had agreed additional funding for the Centre for Green technology of £397k;
- g. agreement in principle had been reached with the Peterborough Skills Academy (PSA) to terminate the association; Eversheds were currently completing the legal requirements; and
- h. draft final arrangements for transfer of the UCP building and the "Teach out" arrangement from Anglia Ruskin University (ARU) had been received and were being evaluated.

**The information was received and noted.**

## 70/21 MEETINGS SCHEDULE

The meeting schedule for 2022/23 was considered. The UCP Council and the Corporation would hold a joint development day and dinner on 4 October, and it was agreed that Corporation members would be advised of the time to join the development day as they would not be required for the complete session. **(Action 4)** The schedule was approved. **(Action 5)** It was also agreed that meetings would be held in person (emergencies and national regulations excepted). **(Action 6)** The Schedule would be circulated electronically to Members. **(Action 7)** All were urged to put the dates in their diaries and prioritise attendance.

**The information was received and noted.**

**Actions had been identified. (See Register at 78/21 below)**

## 71/21 DASHBOARD

The Group Key Performance Indicator (KPI) dashboard was then considered. The format would be reviewed over the summer to make the report “less wordy.” There had been slight change since the previous meeting. Indicators were noted as rated “Red” (Growth) or “Amber” (Finance, Quality Achieving Excellence & Valuing our People) These were discussed challenged and satisfactorily explained. Growth clearly related to the below expectation enrolment for the current year, mostly in Higher Education (HE) provision. On Quality, parameters for recording retention had been changed, so direct comparison with previous performance was no longer possible.

**The information was received and noted.**

## 72/21 FINANCE REPORT

- a. 3-year Financial Plan. The final draft of the 2022/25 Group Financial Plan (SC, PC &, UCP and including Anglia Professional Training (APT)) was considered. The Plan was based on the agreed strategic plan targets, although recent events made meeting them more challenging. The detail included a pay award at 3% and increased energy related costs including the transport element. Comparison with the strategic plan targets showed that all targets were met with the exception of the current ratio (ability to pay short-term obligations or those due within one year) in 2023/24 and 2024/25 which was just short of the ESFA benchmark. These targets remained challenging 2022/23 with the current inflation levels, although metrics for an ESFA financial health rating of “Good” had been achieved. The Plan returned to a planned surplus for each of the 3 years, assuming no more lockdowns. The capital plan allowed for a total Group investment of £3.5m pa and some capital grant funding, (underlying assumption – maintenance of 60 cash days). The Plan assumed that the Centre for Green Technology (CGT) would progress at a cost of £11m and with a £1m contingency, the minimum grant requirement was £5.5m with the remainder from financing and reserves. The refurbishment plan over the next 2 years was included with capital identified for new projects and further capital had been identified for further large estates projects, which would be taken to RIBA Stage 2/3 to take advantage of short notice grant invitations. Remaining capital was allocated to curriculum needs, IT hardware and infrastructure projects. The Plan was approved. **(Action 8)**
- b. Management Accounts. The current financial report (Period 10) and associated appendices were considered and discussed. The previously considered, disappointing enrolments and consequent negative budgetary assumptions for the coming year had been eased through the increased 16-18 and apprenticeship base rate, the financial health would not fall below “Good” for the year. The outcome of the ESFA funding audit had been previously discussed and the likelihood there will be clawback chargeable in this year is likely. The overall current position was:
  - (i) IEG of £327k;
  - (ii) UCP of £127k; and
  - (iii) APT of (£53k).

The full-year forecast was now a deficit c(£381) including reforecast of increased non-pay expenditure including fuel costs and the (ESFA Audit) clawback provision of £350k. Members were again reminded that if the clawback exceeds the provision it was likely that the deficit would increase. The underlying financial position was a break-even outcome, which is better than would have been anticipated due to the severe challenge of the high number of staff vacancies. The underlying financial strength and cash position was sufficient to meet the challenges and all expenditure for the remainder of the year had

been reviewed. The continuing challenges with staff recruitment was exacerbated by the buoyant jobs market, which is fuelling pay increases. The associated teacher turnover rate was now the leading risk on the Board Assurance Framework and the funding disparity between school and College (and salaries) was again raised. The ESFA indicated that pay costs should be limited to 65% of turnover and that was clearly difficult to achieve; Members had indicated that it was appropriate to adopt a more imaginative, positive and realistic approach to the matter and that would be explored. (Suggestions would be taken to the Committee and the Corporation for discussion. **(Action 8)**)

c. Policies. There were 3 Policies for consideration:

- (i) Fees Policy;
- (ii) Financial Regulations; and
- (iii) HAS Policy Statement.

They had all been scrutinised and recommended by the FRC, they had been approved at Minute 68/21a.

**The information was received and noted.**

**Actions had been identified. (See Register at 78/21 below)**

#### **73/21 RISK MANAGEMENT (RM) REPORT**

The Report comprised 2 elements the Board Assurance Framework (BAF) summary at Appendix 1 and the detailed risk information and management actions at Appendix 2. Updates since the last meeting were listed in the report and shown in blue type face, each was individually explained and considered:

- a. the Positive Group Ethos residual rating had increased following analysis of the recent staff survey;
- b. this was the final report to include Covid detail as the risk score had been reduced to 15;
- c. Safeguarding risk had been reduced, this was an annual fluctuation as the Group approached the summer break; and
- d. failure to attract recruit and retrain staff had been added to the BAF, there had been an increased staff turnover in response to aggressive recruitment by local competitors.

High emphasis on cyber-security remained with expert advice and guidance available.

**The information was received and noted.**

#### **74/21 QUALITY IMPROVEMENT PLAN (QIP)**

The QIP was updated in December, February, April and June. The April updated detail was then considered and discussed informed by a Progress Tracker and the complete RAG rated document. Performance was closely monitored through each level of the College, cascading progressively through all concerned. The tracker showed positive progression with 8 Amber graded actions and immediate future plans were explained and noted. The document was well received by members who welcomed the detail and clear presentation.

**The information was received.**

#### **75/21 ANGLIA PROFESSIONAL TRAINING (APT) TRANSFER**

**(Directors of APT DD IJ & RN did not participate in considerations or voting for this item)**

The recommendation for the transfer APT wholly into the IEG had been reviewed by the APT Board of Directors earlier that day. They had reviewed the financial implications and other risks, which were explained in the report (IEG Strategic Objective 2; financial sustainability), which included the continuing exposure to a dedicated Ofsted inspection, lack of access to facilities and support opportunities available to the IEG and no current access to adult loans. The report considered the history of the transfer proposal from the original suggestion to the IEG Finance & Resources Committee (FRC) in November 2021 and the subsequent research into the project. That research had now been completed, it had been thorough and had involved Eversheds, the Education and Skills Funding Agency (ESFA), the APT Board and the FRC. Necessary TUPE processes regarding the staff transfer and “onboarding” activity had been successfully initiated and continues. It had been decided to transfer the APT staff to QRS, there were no pension liabilities transferring in since APT staff are currently in a NEST defined contribution scheme. Eversheds had produced the attached process narrative and timeline

together with associated legal documentation including a draft (hive-up) transfer document (between APT, IEG and QRS), which was approved (**Action 9**) and a template for a specific minuted record of the Corporation resolution, which is attached to these minutes. That document remains incomplete since Section 5 & 7 require confirmation by the IEG. (**Action 10**) The APT Board of Directors recommendation for transfer of APT to the IEG in accordance with the Eversheds timeline was accepted and unanimously approved. (**Action 11**)

**The information was received and noted.**  
**Actions had been identified.** (See Register at 78/21 below)

**76/21 SUB-CONTRACTING**

The ESFA required an approved "Rationale for Sub-contracting" document to be published on the College Website; the attached draft was discussed and approved. (**Action 12**)

**The information was received and noted.**  
**Actions had been identified.** (See Register at 78/21 below)

**77/21 URGENT BUSINESS AND NEXT MEETING**

- a. There had been no urgent business agreed.
- b. The next meeting would be at 1700 on 18 October 2022.

**78/21 ACTION REGISTER**

See referenced minute for full action.		Resp	By
<b>Action 1</b>	66/21. DP to Chair meeting vice IJ.	IGD	wie
<b>Action 2</b>	67/21. Last minutes (Part 1&2) confirmed for signature.		
<b>Action 3</b>	68/21. Cttee recommendation accepted, all items approved.	Chair	asap
<b>Action 4</b>	70/21. Timings for joint UCP meeting with UCP to be advised.	GD	
<b>Action 5</b>	70/21. Meeting schedule 2022/23 approved.	All	wie
<b>Action 6</b>	70/21. Live meetings tbh if possible.	GD	
<b>Action 7</b>	70/21. Schedule to be circulated to Members	CFO	
<b>Action 8</b>	72/21b. Explore imaginative approach to salary levels.	Chair	
<b>Action 9</b>	75/21. Transfer agreement approved.		
<b>Action 10</b>	75/21. Draft transfer document approved for use.	EDBD	
<b>Action 11</b>	75/21. Transfer of APT to the IEG approved.		
<b>Action 12</b>	76/21. Sub-contracting rationale approved.		