

Minutes of the meeting of the IEG Corporation held in the Boardroom at Stamford College at 1700 hrs on 13 December 2022.

Present	Ian Jackson (Chair)	David Pennell	Marco Cereste	Dr Pam Vaughan
	Tony Keeling	Mark Haydon	Rod Allerton	Faustina Yang
	Qun Yang	Martin Ballard	Prof Sir Les Ebdon	Angie Morris
	Fathima Keegan	Vincent Brittain	Jonathan Teesdale	Rachel Nicholls (CEO)
	Anthony Warner (Staff)	Steve Saffhill (Staff)	Liam Cudlipp (Student PC)	Aleeza Akhtar (Student SC)
In Attendance	Joanne Ulyatt (GD)	Alison Fox (EDBD)	Louise Perry (CFO)	Sarah Young (VP SSE)
Apologies	Gillian Beasley			

PART ONE

15/22 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS

- a. The apologies were accepted. Student governors were welcomed to the meeting.
- b. 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.
- c. There was no urgent business requested.

The information was received and noted.

16/22 STANDING ITEMS

- a. The Minutes of the last meeting (18 October 2022) were confirmed for signature. **(Action 6)**
- b. There were no matters arising from the minutes.
- c. Outstanding Actions. Actions from the last meeting had been implemented.

See referenced minute for full action.		Status
Action 1	2/22a Minutes of last meeting (4 July 2022) confirmed for signature	Complete
Action 2	3/22d LP to consider the presentational aspects of the risk reporting in relation to gaps to target	
Action 3	3/22e RN to follow up regarding signage for PC around the city	
Action 4	9/22 LP to confirm with auditors regarding inclusion of QRS who are not currently mentioned in the IEG Self-Assessment Questionnaire for External Audit	

The information was received and noted.

Actions had been identified. (See Register at end of document)

17/22 COMMITTEE MEETINGS

Minutes of Committee meetings held since the last Corporation were provided; Recommendations to the Corporation for approval were made at the following meetings:

- Curriculum & Quality Committee, 20 October 2022
 - Audit Committee (AC), 29 November 2022
- a. The Annual Complaints and Compliments Report was received and noted.
 - b. Tony Keeling was **approved** as Chair of Audit Committee in light of MB's decision to step down.
 - c. The Annual Review of Confidential Minutes was **approved**.
 - d. The Modern Slavery Statement was **approved** for upload to the IEG website, subject to the requested amendments being incorporated. Finance & Resources Committee to review the Investment Policy in line with the Modern Slavery Statement at the next committee meeting (**Action 7**)
 - e. All safeguarding elements operated through IEG Safeguarding team – has been discussed how we are going to move that forward. Separate item on agenda at meetings.

The information was received and noted.

Actions had been identified. (See Register at end of document)

18/22 CHIEF EXECUTIVE OFFICER (CEO) REPORT

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. Impacts of the Autumn Statement on the sector, including sector response and IEG response.
- b. ONS Re-classification is a significant item. Much is still unknown. To be covered as a substantive item at the January Development Session. (**Action 8**) Key things to understand and seek advice on relate to borrowing for the Centre for Green Technology, how subsidiaries are viewed, and the financial guarantee in place for UCP. It is difficult to know at this stage as to how far they might impose Managing Public Money on colleges. More will become known in the coming months.

The information was received and noted.

Actions had been identified. (See Register at end of document)

19/22 DfE GUIDANCE ON GOVERNANCE ARRANGEMENTS

The paper was presented for information.

The information was received and noted.

20/22 ANNUAL GOVERNANCE TRAINING SCHEDULE

- a. A paper was presented outlining the proposed Annual Governance Training Plan, as recommended by the Internal Auditors, and covering mandatory, required and optional elements of training.
- b. The Corporation **approved** the Annual Governance Training Schedule as presented.

The information was received and noted.

21/22 GOVERNOR DASHBOARDS 2022/23

- a. The governor dashboard for 2022/23 was outlined and has been developing over time.
- b. There is positive growth in terms of 16-18, but behind plan for HE numbers; for that reason Growth and Finance are rated amber.
- c. There is work being undertaken in relation to data cleansing which is anticipated to improve the attendance data. Staff are also working closely with learners and using all the support services that can be offered to try to keep learners in education as mental health issues and the effects of Covid continue to have an impact on students. Learners have been out of the classroom environment for a considerable period of time and some young people are struggling to adapt their concentration levels. Outside factors are also putting some learners under additional stress, including the cost of living crisis.
- d. Valuing Our People rated as red; staff absence is higher than target, and turnover and vacancies are high. RAG rated red to focus attention on what more can be done.
- e. Governors noted they were pleased to see Internal Audit statistics added to the dashboard.

The information was received and noted.

22/22 SAFEGUARDING

- a. **Annual Safeguarding Report**

The Annual Safeguarding Report gives a picture of safeguarding arrangements across IEG and had been previously scrutinised by the Curriculum & Quality Committee, who had recommended it to the Corporation Board for approval. Key priorities were highlighted. The Annual Safeguarding Report was **approved** by the Corporation Board.

b. Safeguarding Policy For All

(i) The policy had been updated to reflect key changes to Keeping Children Safe in Education. To ensure governors have a robust understanding of local safeguarding issues, a date is to be identified before February half-term for a 1-hour update on Safeguarding for Governors; GD to confirm date and time (**Action 9**)

(ii) Governors noted that 94.4% of learners felt safe in college which implies that 5.6% either did not feel safe or did not respond and asked about any positive action and understanding around that going forwards; further work is being carried out around safe spaces as it was clear in student feedback that there are some areas where students felt less safe. There is a piece of work underway to understand why that is and what can be done to address that. This figure is not, however, out of kilter with the sector. Sometimes this can also be due to varying definitions by students. This will continue to be reviewed to improve.

(iii) Governors were impressed with the strategies in place and the work of the team on a daily basis; the work undertaken, the attention to detail and the passion is extraordinary.

(iv) The volume of referrals for counselling was reported as being higher in SC than PC; SC had been working with the YMCA whereas PC only moved to work with them mid-year. Differing roles within the teams also mean they can offer different levels of support.

The Safeguarding For All Policy was **approved** by the Corporation Board.

The information was received and noted.

Actions had been identified. (See Register at end of document)

23/22 SAR & QIP APPROVAL

a. The Annual SAR for 2021/22 and draft QIP for 2022/23 were presented. A moderation panel was held in November which agreed the grades presented. There are some presentational changes from previous iterations to better align with the new Enhanced Inspection Framework.

b. Approval of the SAR and grades was sought; Grade 1 for Adult Learning provision; Grade 2 for all other provisions. The SAR and gradings were **approved** by the Corporation Board.

c. A governor in attendance at the moderation panels noted that they were impressed by the robustness of the conversations and challenge. The SAR Report is extremely clear and a good reflection of the position. The QIP will pick up areas for improvement and actions to address.

d. Governors commented on the excellent structure of the document.

e. The QIP will be presented to the Curriculum & Quality Committee for approval and monitoring.

The information was received and noted.

24/22 FINANCE

a. A draft IEG Audit Findings Report 2021/22 was provided; final version is to be added to the Additional Information shelf on Board Intelligence once available (**Action 10**)

b. Four sets of accounts had to be prepared and resourcing issues have caused delays. Accounts need substantially approving by the Corporation Board. A short table provided an overall summary of financial results which marries into the Finance Reports governors have seen previously. EBITDA was slightly below target but a good result. The most important number to note is cashflow from operations before investment which supports capital plans going forward.

c. Group accounts contain some new sections and a raft of information regarding governance, the SAR last year and areas under consideration. All will be reflected from this year onwards in the Group report.

d. The IEG Report and Financial Statements have to be signed by both the Accounting Officer (RN) and the Corporation Chair and states material compliance with the funding agreement.

e. Information regarding the ESFA audit was submitted but otherwise it is a fairly standard set of accounts. The I&E was affected by huge pension adjustments which were explained but the Group position is pretty balanced with a small surplus. To get the accounts over the line a small adjustment of £5k to APT is required to reinstate balances to zero and move into the IEG accounts; the bottom line should only move by £5k from the report provided today.

- f. The P2 finance report was covered in detail at F&R. Some minor changes to the report were outlined in terms of KPIs, a project page added, and capital update. The report presents a generally sound position but with some challenges around non-pay inflation. Pay awards were reported to have been received with mixed feelings as some benefitted greatly and for some it was a little more disappointing, but in the main it was received positively, acknowledging that IEG have moved early to do as much as possible for their staff. The report is positive in terms of growth with a great strike rate for bids put in and growth in both 16-18 and apprenticeships.
- g. The UCP 5-year plan was built under the premise that a major sub-contractor, Addict Dance, had been retained which provides 30% of the UCP income, but they have now confirmed their intention to move away to a new provider. This plan therefore needs a complete re-write to reflect this implication. The impact will be no new learners, a 50% reduction next year and 30% reduction in 2 years' time. There will also be an impact on wider back office functions and bursaries, and other activities that need to be reassessed. This is also a reportable event to the OfS so they will require a new plan as a draft plan was submitted. The final plan is due on 23 January but notice has only just been received from Addict Dance; the new version will be circulated outside of Board and will also be circulated to the UCP Council in order to meet the deadline. **(Action 11)** There will be no impact on financial year ending July 2023; the impact will be seen from next year. It is also unclear whether IEG can still provide the financial guarantee to UCP given the ONS re-classification so this will require further review as guidance become clearer.

The IEG Report and Financial Statements were **approved** in principle subject to no material changes being made.

The information was received and noted.

Actions had been identified. (See Register at end of document)

25/22 ANNUAL AUDIT COMMITTEE REPORTS

- a. The annual report from the Audit Committee to the Corporation Board was presented. This document summarises the work of the Audit Committee throughout the year and gives a sense of the assurance gained from IA. All areas audited throughout the year and the outcomes were noted. All areas had received Substantial or Adequate assurance except for Commercial Activities which received Limited Assurance due to a lack of targets. A business plan process has been started to address this and work is underway.
- b. The Audit Committee were commended on a robust year.
- c. All recommendations have been implemented.

The Annual Audit Committee reports were **approved**.

The information was received and noted.

26/22 RISK REPORT – REVIEW OF STRATEGIC RISKS

- a. The report was presented.
- b. The Risk Action Plans should be the plans to move from the current positions to reach target and this is where governors should focus review and challenge.
- c. The highest risks were outlined. Risks need to be updated in relation to the breaking news of the ONS re-classification decision and the impacts of the Addict Dance subcontract being terminated.
- d. The risk levels reflect the current position but there have been a number of updates to the Action Plans between the last report to Board and this iteration.
- e. Enrolment, staff recruitment and HE numbers were discussed. HE in FE has suffered and UCP has done well to retain the numbers it has in a challenging environment.
- f. Increasing costs were noted; the Executive Team continues to explore ways to reduce costs across the organisation.

The information was received and noted.

27/22 EMPLOYER ENGAGEMENT STRATEGY

- a. The Annual Employer Engagement Report and Strategy were presented to update governors on how targets have been met.
- b. The Strategy has been revised to reflect the new EIF and LSIPs, and to outline progress to date. It will be further reviewed in the new year for 2023-25.
- c. Employer satisfaction was noted as being on target.

- d. Achievement rates for Apprenticeships were 2% above national benchmark but apprenticeship standards are very low across the country and have dropped significantly over the last 2 years, partly due to the impacts of Covid. Work is ongoing to improve achievement rates.

Governors **approved** the Employer Engagement Strategy.

The information was received and noted.

28/22 PARTNERSHIP & SKILLS UPDATE

- a. This report is routinely taken to the Finance & Resources Committee but has been added to the Board agenda to inform governors how the Group is responding to local demand and employer needs and update on innovative projects undertaken.
- b. The Strategic Development Fund projects were outlined.
- c. The Skills Agenda was outlined. The EBD is working on a position paper in preparation for Ofsted.

The information was received and noted.

29/22 ESFA AUDIT UPDATE

- a. The ESFA Audit has now been completed; three points were raised with the ESFA Territorial Team to explain frustrations with the clawback amount. The end point assessment point is being further reviewed.
- b. Efforts were made to challenge the way in which clawback is approved as the whole practice completely disincentivises providers because of ludicrous funding rules; this will also be raised at the Strategic Conversation in January. Whilst the clawback figure is technically in line with the guidance, the guidance needs to be reviewed.
- c. The clawback dates all the way back to 2017 for apprenticeship income spanning 4 years; no audit was undertaken in that period so no discrepancies were flagged.
- d. Sufficient provision for the clawback was made in the accounts for last year.

The information was received and noted.

30/22 CORPORATION SAR

- a. A framework for the evaluation of governance was presented for approval.
- b. This framework will be fully implemented for 2022/23 and will also be implemented to the fullest extent possible for 2021/22 in light of the absence of the Governance Director.
- c. The Self-Assessment Plan was **approved** by the Corporation and Governor Development Interviews as part of this process will be scheduled by the Governance Director to take place in January. **(Action 12)**

The information was received and noted.

Actions had been identified. (See Register at end of document)

31/22 CENTRE FOR GREEN TECHNOLOGY

- a. The funding position was outlined and the gap noted.
- b. IEG recently secured £2.471m, confirmed verbally from the Transforming Cities Fund.
- c. There is one more bid submitted to the Post-16 Capacity Fund for which the outcome is expected to be known in spring.
- d. The project has progressed well but a decision needs to be made as to whether to move to a construction phase soon due to lead times on materials after planning permission is secured (expected January). Should the Corporation choose to move forward and no further funding is secured, IEG would still not drop to anywhere near the ESFA's minimum cash days.
- e. There is optimism around the latest funding bid which ticks every line of the criteria, and is aligned to growth figures for Peterborough.
- f. There are some further funding opportunities for which bids will be entered.
- g. Options were outlined as per the paper. There is a risk of delaying the decision as IEG would need to have contracted by March to meet the funding conditions of the P16CF fund.
- h. MC advised of provisional agreement for an allocation at a Combined Authority Transport meeting in November; CEO to follow this up immediately with the Chair, Lewis Herbert, and Member Officer, Daniel Snowden. **(Action 13)**
- i. Governors asked, given supply chain issues and industrial unrest, how likely completion by 2024 is; some soft market testing is being undertaken but clearly suppliers are reluctant to commit when Board approval to progress has not yet been secured. Contractual lead times

mean starting in May for a 55 week build leaves only 6 weeks contingency, so it would be tight but possible. A decision now would help secure supply chain and project planning. The team has a really good track record in terms of delivering on time and to budget which is heartening.

- j. Governors enquired as to research around likely take up of courses proposed for the building and the forecast income. A lot of work on curriculum development and market research in terms of engaging with employers about skills needs has been undertaken and factored into design of the curriculum. Durham College have just opened a £12m centre and IEG is engaging with them. Building capacity will be circa 230 students. Annual income from additional students would be £1.265m with staff costs against that, but most of the building costs will hopefully be funded. Staff costs generally run at about 50% leaving a contribution rate of circa £633k. More students on site also increases spending at the commercial outlets. The skills are needed and demand for those skills will only increase; those students could go elsewhere if this project does not proceed.
- k. Adding weight to the argument beyond the student demand is the increasing desire for sustainability; there is a moral responsibility to proceed and IEG could capitalise on this opportunity by leading the way with this project. Green technology is becoming politically very significant and there are also exciting HE opportunities within this. UCP could offer a flagship course. The project will build specialist provision that competitors could not easily replicate.
- l. Governors asked if there is any financial risk to the fundamental funding position of the Group; it would not compromise the Group financial health because all metrics would still be achieved. Cash days would probably drop to circa 50 which is well above benchmark. The requirement to have such high cash holdings may also diminish over the next couple of years.
- m. The projected spend includes complete fit out with fixtures and fittings.
- n. Governors considered that the risk of not proceeding was tremendous. The budget set has contingency and value engineering given the current environment and there is reasonable confidence that there is sufficient buffer to ensure that cash in bank to operate is secure. There is also the possibility of pulling in other projects to accommodate. In the original plan for next year there is £2m put in for other projects of which there are none as yet.

The Corporation **approved** the move to construction phase on the basis of £7.56m from reserves at risk based on the funding guaranteed.

It was RESOLVED that the Corporation Seal be applied to the Transforming Cities funding agreement in the presence of the Corporation Chair, IJ, and the Chief Executive Officer, RN.

The information was received and noted.

Actions had been identified. (See Register at end of document)

32/22 STUDENT GOVERNOR REPORT (inc. Accounts)

- a. The paper was outlined, summarising the planned activity for the academic year.
- b. The key priority in the first term has been to begin raising awareness of the SU around the Colleges.
- c. The budget for SU Activity was highlighted.

The information was received and noted.

33/22 URGENT BUSINESS AND NEXT MEETING

There had been no urgent business agreed.

34/22 DATE OF NEXT MEETING

The next meeting would be at 1615 on Thursday 23 February 2023 at Peterborough College.

ACTION REGISTER

See referenced minute for full action.		Resp	By
Action 6	16/22a Minutes of the last meeting (18.10.22) approved for signature	GD	wie
Action 7	17/22d F&R Committee to review the Investment policy in line with the Modern Slavery Statement	CFO	07.02.23
Action 8	18/22b ONS Re-Classification to be covered as a substantive item at the January Governor Development Event.	GD/CEO	12.01.23

Action 9	22/22b(i) A 1-hour Safeguarding for Governors training session to be scheduled before February half term	GD	wie
Action 10	24/22a Final version of IEG Audit Findings Report 2021/22 to be added to Board Intelligence Additional Information shelf once available	CFO/GD	ASAP
Action 11	24/22g New version of UCP 5 Year Plan to be circulated outside of the Board and to UCP Council	CFO	23.01.23
Action 12	30/22c Governor Development Interviews to be scheduled	GD	wie
Action 13	31/22h RN to follow up on possible allocation from Combined Authority Transport meeting.	CEO	wie

Staff and student governors and those in attendance left the meeting for confidential items.

The meeting concluded at 7:05pm.