

Minutes of the meeting of the IEG Corporation Finance and Resources Committee (FRC) held at 1630 hrs on 14 March 2023 in the Boardroom at Stamford College

Present	David Pennell (Chair)	Ian Jackson	Rod Allerton	Vincent Brittain
	Faustina Yang (remote)	Rachel Nicholls (CEO)		
In Attendance	Joanne Ulyatt (Governance Director)	Jacqui Fleming (GDEHS)	Carol Hargreaves (GDHR)	Emma Graham (GDF)
	Alison Fox (EDBD)			
Apologies	Louise Perry (CFO)	Fathima Keegan		

37/22 ELIGIBILITY, QUORUM, DECLARATION INTERESTS AND MEMBERS

- a. Apologies were as noted.
- b. No notice had been received of any Member becoming ineligible to hold office, the meeting was quorate, and no interests were declared.
- c. There were no requests for urgent business.

38/22 STANDING ITEMS

- a. The Minutes of the last meeting (07.02.23) were confirmed for signature. **(Action 11)**.
- b. There were no matters arising.
- c. Actions from the last meeting were considered; all had been completed or were being progressed.

See referenced minute for full action.		Status
Action 8	21/22g UCP Business Plan and some marker points at which F&R can expect to be updated on progress against plan to be brought to next meeting.	Complete
Action 9	28/22a Minutes of the last meeting (21.11.22) confirmed for signature	Complete
Action 10	31/22j Agenda item at next Committee meeting re Nursery Update to include marketing and growth plan	In Progress

**The information was received and noted;
Actions had been identified. (Register at end of document)**

39/22 HR UPDATE

- a. The HR Report was presented; minimal changes since last report.
- b. Excellent work around staff wellbeing was noted. Governors asked how the activity of the Mental Health Champions will be tracked to ensure impact; all interactions are confidential but there will be regular reviews of activity. Governors were heartened by so many options available to staff in terms of both internal and external support and would like to see some wellbeing tracking to monitor effectiveness and how the opportunities are utilised; it was suggested that the VPSSE, who leads the Mental Health & Wellbeing Committee, could provide an annual report to governors. **(Action 12)**
- c. Governors noted that vacancies remain stubbornly high and asked if there was any easing at all. There seems to be an increase in good quality candidates and people attending interviews, and there have been some returners which is positive in terms of retention/benefits of working for IEG. Lots of work has been done around non-pay/corporate rewards, and also around minimum wage/real living wage in order to help address lower salaried vacancies which have been hard to

recruit to. Governors will continue to monitor and requested some further information on the report in terms of how many vacancies have been outstanding for 3, 6 or 9 months, etc. **(Action 13)**

The information was received and noted.

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

The GDHR left the meeting.

40/22 HEALTH & SAFETY UPDATE

- a. Following First Aid issues discussed at the last meeting, there has since been a recruitment campaign, promotion of the role on screens and posters and an all staff email; 19 of 20 vacancies now filled. 50 applications were received and every candidate had to have their line managers endorsement to allow them to do it, plus an interview to discuss the responsibility and ensure a commitment to the role. A 1-year tie in period/payback clause is in place to ensure the cost of training is not lost. Training provided is a 3-day course valid for 3 years. IEG is one of the highest paying colleges for the role.
- b. Numbers currently show PC recording many more First Aid calls than SC; from next year the process will be aligned at both colleges so comparisons from September should be more equally represented in terms of ratios.
- c. Near misses and accident reporting was discussed in relation to cultural differences around H&S between the campuses and how they are being aligned.
- d. Near misses within inclusive learning were highlighted; plans for improvement require spending of circa £500k. This will be further explored when the new COO takes up post.
- e. Funding of £779k based on expected recruitment figures has been awarded to IEG to spend on specialist equipment for T Levels.

The information was received and noted.

The GDEHS left the meeting.

41/22 UCP UPDATE

- a. A draft 3-year business plan for UCP was presented, including SWOT analysis and actions. The document also went to UCP Council who were content with it and will see regular points of tracking.
- b. 35% staff turnover in both professional staff and academic staff, which has increased from circa 9% before ARUP opened in the city.
- c. UCP is now one of OUs biggest UK partners.
- d. Finance have done root and branch review, looking at UCP as a faculty and ignoring overheads, which shows UCP to be making a return similar to faculties.
- e. Risks from reclassification were discussed in terms of impact. A return was filed to DfE regarding the UCP Guarantee from IEG and what reclassification will mean going forward in relation to this.
- f. There is potentially a piece of work to be done around income generation through hiring out of the building.
- g. There is some nervousness around numbers; governors know UCP is working hard to be nimble and diversify but there are some concerns about potential growth. No exit strategy is included in the plan but governors were assured that it would be the same response as in the FE context as IEG has direct control over UCP. The connection between the Colleges and an internal pipeline for progression into HE has not previously been fully capitalised on but this seems to be improving. UCP accounts for 10% of IEG turnover but there is financial risk attached.
- h. Governors would like to receive more updates to F&R from LK going forward to allow careful tracking of the financial sustainability and changes in funding profile due to shifts between PT/FT provision. Analytics completed for the 5-year plan are in far more detail than previously and provide a more realistic forecast. UCP Dashboard to be brought to F&R quarterly **(Action 14)**
- i. The forecast numbers were scrutinised and replacement of learners lost due to the termination of the partnership with Addict was discussed. It is unrealistic to expect to replace the learners because HE in FE is a really tough market and some colleges are moving away from it for that reason. UCP will need to scale down a little due to the increasingly tough environment and seek incremental growth instead of trying to replace with another subcontractor with as powerful a brand as Addict. Page 34 of the pack shows the teach out and the loss of income is therefore phased until 2025 when it disappears. To replace the numbers within UCP on a range of the courses offered would be extremely difficult; historically, without the Addict learners, UCP was always settled around 450-500 learners and unless another very well-established partner was found it is unrealistic to think that those numbers could be replaced over the next 2-3 years as the market is not there. UCP

needs to now focus on optimal group sizes, subjects that are cost effective to deliver and economies of scale to maximise the financial benefits of the provision.

- j. The niche provision of the Centre for Green Technology was discussed in terms of how the business could be grown and the scale of opportunity. The building capacity will 300 in terms of student numbers.
- k. Obligation on governance in terms of strategic oversight was noted; IEG Corporation Board has reserved financial powers but UCP has autonomy over the curriculum and quality.
- l. FY noted that ARU are leading community engagement by hosting numerous events on campus; LK to discuss with FY outside of the meeting to further this aspect. **(Action 15)**

The information was received and noted.

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

42/22 FINANCE UPDATE

a) Group Finance Report P6

- a. The P6 report was provided.
- b. A reforecast of all areas has been undertaken, looking particularly at large areas of non-pay cost. Utility bills are far outstripping forecast, despite a contingency built in, having increased from £30k to £90k per month at PC and this is being carefully monitored. All other areas are being reviewed to mitigate and make savings where possible. This has been factored in for budgeting next year.
- c. In terms of projects, one bid was successfully changed allowing spending of £40k which could otherwise not have been spent.
- d. Some analytics work around spending within catering has been undertaken. The allocation of bursary has been amended to reflect increasing costs of food and aligns with guidance for use of bursary.
- e. Apprenticeship numbers were noted; there was discussion around whether to reduce the number of courses delivered to improve quality, or to continue with the offer because if IEG does not deliver the difficult provision then potentially nobody will – a serious review is needed to formulate a long-term plan. Governors feel a duty for IEG to deliver but despite exceeding national averages, achievement rates are not good enough. People do not want to leave industry for the salaries IEG can offer. A strategy must be considered starting with some root and branch reviews. There is opportunity for growth but IEG must also be able to deliver quality.
- f. Nursery capacity was discussed; it would be difficult to run at 100% currently due to staffing issues and the legal ratios; RLW may help with recruitment.
- g. It was noted that the UCP I&E variance column did not tally at the bottom and requires correction. **(Action 16)**

b) Subsidiary & Commercial Ventures Report P6

- a. The report was presented.
- b. Stamford Fitness recorded the highest member numbers it has had since opening at 218 members.

The information was received and noted.

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

43/22 NATIONAL MINIMUM WAGE PAY AWARD OPTIONS

- a. Governors were asked to consider a proposal to recommend option 6 on the paper at a cost of £190k; £140k is already in the budget for the NMW increase. IEG Executive would like to implement the Real Living Wage which is believed to be affordable, both because it feels like the moral thing to do in a cost of living crisis and would also be expected to help with recruitment. This uplift would also impact the three bands above the RLW pay point in order to maintain the differential, thus increasing bands 12,14 and 16. The allocation is larger for 2023/24 due to growth numbers this year and the CFO is confident it is affordable.
- b. It was agreed that a recommendation would be made to the IEG Corporation Board to implement Option 6 with effect 1 April 2023. As the timing of the next Board meeting does not align with the need for this decision to be made and implemented in order for IEG to meet the legal obligation as current salaries for staff on bands 12 and 14 will fall below the NMW, the paper will be circulated outside of the meeting for decision. GD/CFO to action **(Action 17)**
- c. If it is agreed by Board, this decision then needs to be leveraged in terms of PR and monitored to ensure it has the desired effect on recruitment and retention. Vacancies by band should be built into the HR Report to understand if it has impact. **(Action 18)**

**The information was received and noted.
Actions had been identified. (Register at end of document)**

44/22 BUDGET PRINCIPLES & CAPITAL PLANNING

- a. The paper was presented for feedback.
- b. Work is underway regarding transport providers; meetings have been diarised to discuss and explore options further.
- c. Governors were comfortable in terms of headline assumptions and **approved** the use of these budget principles in the 2023/26 Financial Plan.

The information was received and noted.

45/22 REVIEW OF INVESTMENT POLICY

- a. Two amendments suggested to update the Treasury management Policy were highlighted.
- b. Governors asked what unethical was classed as and suggested adding a definition and a list of sectors/countries that IEG would not invest in, and also if green options were favoured over others. This detail is to be defined and the policy brought back to the next meeting in June. **(Action 19)**
- c. Governors also requested discussion regarding options for cash reserves and considering how to invest, including levels of risk and whether investments should be made in cash or stocks and shares. Interest is now far more favourable than previously. A wider discussion on this to be added to the agenda for June. **(Action 20)**

**The information was received and noted.
Actions had been identified. (Register at end of document)**

46/22 URGENT BUSINESS

There had been no urgent business agreed.

47/22 NEXT MEETING

The next meeting would be at 1630 on Tuesday 13 June 2023 at Peterborough College.

ACTION REGISTER

See referenced minute for full action.		Resp	Date
Action 10	31/22j Agenda item at next Committee meeting re Nursery Update to include marketing and growth plan	GD/CFO	13.06.23
Action 11	38/22a Minutes of the last meeting (07.02.23) confirmed for signature	GD	wie
Action 12	39/22b VPSSE to provide annual report to governors on effectiveness and utilisation of wellbeing initiatives	VPSSE	July 2023
Action 13	39/22c GDHR to add detail to vacancy reporting in terms of how long the role has been vacant (3, 6, 9 months, etc)	GDHR	wie
Action 14	41/22h UCP Dashboard to be brought to F&R Committee quarterly	LK/CFO	wie
Action 15	41/22i LK to link with FY outside of the meeting to discuss community engagement	LK/FY	wie
Action 16	42/22g UCP I&E variance column to be corrected	GDF	wie
Action 17	43/22b Paper to be circulated to Corporation Board for decision outside of meeting regarding recommendation to approve Option 6 relating to NMW/RLW	GD/CFO	wie
Action 18	43/22c Vacancies by band to be built into the HR Report to understand if implementing the RLW improves recruitment/retention at those levels	GDHR	wie
Action 19	45/22b Definition of 'unethical' and list of countries/sectors not to be invested in to be added to policy along with detail on whether green options were to be favoured over others	GDF/CFO	13.06.23
Action 20	45/22c Agenda item re investment to be scheduled for next meeting	GD	13.06.23

The meeting closed at 18:20