

IEG CORPORATION BOARD

2 July 2024

17:00 - 19:27

Stamford College

ATTENDANCE

PRESENT

David Pennell (Chair)
Angie Morris (Vice Chair)
David Cashmore
Suneel Appan
Gemma Roger
Gillian Beasley
Prof Sir Les Ebdon
Nicholas Crippa
Pamela Kilbey
Qun Yang
Rod Allerton
Tony Keeling
Rachel Nicholls (CEO)
Steve Saffhill (Staff Governor)
Tony Warner (Staff Governor)

IN ATTENDANCE

Joanne Ulyatt (Governance Director)
Louise Perry (Chief Financial Officer)
Ed Thomas (Chief Operating Officer)
Julia Bates (Chief Curriculum Officer)
Angela O'Reilly (Vice Principal Curriculum & Quality)
Sarah Young (Vice Principal Student & Staff Experience)

APOLOGIES

Faustina Yang
Jonathan Teesdale
Marco Cereste
Martin Ballard
Vincent Brittain

65. WELCOME

Standing item

Speaker: Chair

Time: 17:00

(a) Apologies for absence; Apologies were as noted.

(b) Confirmation of eligibility and declarations of interest; No notice had been received of any Member becoming ineligible to hold office, the meeting was quorate and interests were declared.

(c) Requests for urgent business; None requested.

66. MINUTES OF LAST MEETING (14.05.2024)

Decision item

Speaker: Chair

Time: 17:02

- Minutes of the last meeting (14.05.24)
- Matters arising from the minutes
- Action from the minutes
- Training undertaken & meetings attended to be logged on Governance Training Log

a) The Minutes of the meeting held on 5 March 2024 were confirmed for signature. **(ACTION 22)**

b) Matters arising from the minutes: There were no matters arising.

c) Actions from the minutes: All actions from the last meeting were complete.

d) The Governance Training Log was up to date.

67. COMMITTEE MEETINGS UPDATE AND ACTIONS FOR CORPORATION - APPROVALS

Decision item

Speaker: Chair/GD

Time: 17:05

Committee meeting updates & Actions (Full minutes from recent meetings included in Supplementary Pack):

(a) Finance & Resources Committee - 11 June 2024

- **Policy Approvals:**
 - Environmental Policy
 - Fees Policy
 - Financial Regulations Policy
 - Reserves Policy
 - Partnership Policy
 - H&S Policy inc. Statement of Intent
- **Approval of Rationale for Subcontracting & Values for 2024/25 and to Update Values for 2023/24**
- **Procurement: Transport & AEB Tenders**
- **Centre for Green Technology Update (in Supplementary Pack)**

(b) Audit Committee Minutes - 18 June 2024

(c) Curriculum & Quality Committee Minutes - 19 June 2024

(d) Search & Governance Updates - 2 July 2024

NB. The Supplementary Pack Papers can be found in the 'Documents Next Meeting' folder on the left hand navigation menu under 'Board Meetings'

All policies recommended by the Finance & Resources Committee were **approved** by the Corporation Board.

A significant decrease in subcontracting was noted as IEG builds more direct delivery. Reducing the number of subcontracting partners has provided the opportunity to focus in on the relationships with high performing partners. The Subcontracting Values for 2024/25 and the updated values for 2023/24 were **approved** by the Corporation Board.

The transport and AEB tenders, as defined in the papers provided, were **approved** by the Corporation Board.

The Search & Governance Committee had met prior to the Board meeting and recommended extensions to terms of office for Angie Morris and Martin Ballard; AM had agreed to extend by a further term of two years, and MB had agreed to extend his term by one year; the Corporation Board **approved** the extended terms.

68. CEO REPORT

Information item

Speaker: CEO

Time: 17:10

- a. The report was presented. Notification had been received since writing the report that IEG will receive revenue funding of circa £24K relating to the closure of the refectory to allow for exams that could not be held in the hall due to RAAC. This is a positive outcome that had been noted in the finance report as an unknown but is now known.
- b. A political update in terms of activity locally and polls predictions was discussed. The CEO attended the hustings event in Oakham and it was expected that the Conservative candidate was likely to retain the seat. Peterborough voting is expected to be very close and there could be a potential change on the horizon.
- c. Labour Councillor, Dennis Jones, had been voted in as Leader of Peterborough City Council, and a letter sent to him from the CEO was shared with governors. He had been pleased to be invited to the IEG Student Awards event which he attended and was very positive about.
- d. An update was given regarding a variety of recent visitors to IEG. It has been confirmed that IEG will be the first to be visited for conditions surveys in the next round; the previous survey was an incorrect assessment of the IEG estate and its state of repair and as a result of constant lobbying, IEG will be visited first for assessment.
- e. Governors were given an overview of the College Financial Handbook, noting specifically the governor responsibilities that they must understand and fulfil.
- f. In terms of seeking capital grants, a great deal of work was done for the bid submitted to the Department for Business and Trade, and this work has now been built into the Estates Masterplan. As such, when funding is available or announcements are made about schemes that IEG could apply for, the Group will be shovel ready. Planning is underway for the official opening of the Centre for Green Technology and associated PR opportunities, and with a track record of bringing projects in on time and within budget, this will stand the Group in good stead to bid for future opportunities.

69. GOVERNOR DASHBOARD 2023/24

Discussion item

Speaker: CFO/CEO

Time: 17:20

- a. The dashboard presented a generally positive picture for the end of the year. Governors were pleased to note an increase in achievement rates for Apprenticeships, and were reassured that it is being moved forward and will continue its improvement journey. There has been considerable focus in on paperwork, systems, delivery approach and team structure to make the required improvements. Fortnightly meetings are held to go through data line by line, and student by student.
- b. Staff sickness and turnover was a little disappointing, having been down all year but it has now piqued a little, though generally still a good trend and it is hoped this will settle again after summer.
- c. Governors noted the high number of vacancies, however, 53 of the 96 vacancies are newly approved posts to accommodate growth next year, so the figure did not increase as dramatically as it seemed. Governors questioned as to the timing for recruiting to vacancies; it is hoped that most will be filled by September, particularly the curriculum positions, but the IT technician posts are less critical in terms of timeframe. The recruitment will be a careful balance to ensure the increased posts are balanced to match the growth numbers. For any posts with uncertainty an agency worker will be recruited by QRS as there are no recruitment charges after 12 weeks so they can then be flipped over to permanent contracts. All 96 vacancies are built into the budget.
- d. Sustainability numbers are positive, with gas and electricity consumption consistently down all year.
- e. There has been good progress with IA recommendations with the majority closed down.

70. FINANCE REPORT - P10

Discussion item

Speaker: CFO

Time: 17:30

- P10 Report
- 3 Year Financial Plan
 - CFFR – in supplementary pack
- UCP Budget & Capital Plan 2024/25
- Learning Curve Supported Delivery Programme Update

P10 Report

- a. The P10 finance report was presented, with the full year surplus relatively static at £8K lower than P9. One of the two unknown values was the receipt of a revenue loss grant for RAAC which has now been confirmed.
- b. A bad debt review had been conducted and the team are working to recover as much as possible. Some write offs will be inevitable, for example, for library fines and transport costs, because the contracts are with 16-18 year olds. The debts will be actively chased insofar as is possible, but many of the amounts will be immaterial. The area of highest bad debt is HE; the Student Loans Company cover half of the fees if a student drops out, but if they have gone past the trigger date then the student is liable for the remaining half; the students tend to be difficult to track down and not asset rich, so whilst it is very actively managed, it is difficult to collect.
- c. Staff costs may come down a little as there are quite a high number of leavers in June and there is also £70K contingency left in the pay forecast which is unlikely to be required; this would improve the bottom line at year end.
- d. The Centre for Green Technology remains on track and on budget. Since writing the report, further discussions with builders and quotes received around the SEND refurbishment and relocation have cast doubt as to whether it is still a viable project at this time, consequently the funds will be switched to boilers and window replacements if required. A proposal to operate only in certain rooms would reduce the scope to the extent that it would just be a light refurbishment, and it would likely be more beneficial and better value for money to plan for what could be achieved for next year. Communications around this development will be carefully managed as the staff involved will be disappointed. A modular build on a nice part of the site is being considered because a change of use

could be quite quickly implemented at a later date, but would provide SEND with a nice new facility in the meantime; this proposal will be developed over the summer period. It is very much an emerging issue but the Estates team are working hard to ensure that capacity requirements are still met.

e. Plans are written and being reviewed to ensure that the £598K of T Level SEA grant will be spent by September as required.

3 Year Financial Plan

a. The plan had been written in alignment to the revised strategic plan and is built on budget principles and a draft plan reviewed by the Finance & Resources Committee. All of the assumptions have been scrutinised over two days by the Exec team.

b. One key difference flagged; cash days reduced to not less than 45 days. This is a deliberate change seeking to optimise investment opportunities whilst remaining financially safe. This was discussed in depth to ensure that governors were comfortable with the change and fully aware of the implications on the position.

c. A considerable hike in income relates to lagged funding for recruitment levels last September, and also an increase in T levels with in-year funding, though this is subject to clawback if 90% of the funded numbers are not achieved.

d. There is increased expenditure relating to new posts created; if planned growth is not achieved then posts can be quickly removed to remedy any imbalance. The plan reflects a full year effect of this year's pay award, increased pension costs of circa £2M and the considerable increase in posts.

e. The capital plan usually sets aside circa £1.5M for business as usual, but this has been doubled to £3M for 2024/25 to increase capacity to accommodate the known demographic growth expected.

f. Governors questioned whether a change of government would affect a potential pay award; assuming that no additional funding is awarded this year then a 3% pay award has been built in as a placeholder; a paper will be submitted to Board in the autumn term to review affordability. Difficulty will arise if government awards a large pay award for schools which then attracts FE staff.

g. An increase in catering prices was noted following hikes to costs. This follows a targeted increase in mid-April against branded products. The September increase is being much more proactively managed than any increase before, with a clear understanding of margins on every product sold.

Every cost increase has been accompanied by mitigations for the most vulnerable students through the bursary, including bolstering the amount given and awarding it more widely than just those entitled to free school meals. Approximately 50% are now entitled to some bursary funding and IEG continues to provide free breakfasts for all staff and students. The change to thresholds as extended bursary to more families at Stamford College. Payment methods have been updated to make it less obvious how a student is paying which saw an increased uptake. Costs of providing the bursary are subsidised with money that IEG receives as an agent; this is an intrinsic part of the IEG allocation and is circa £1.5M that sits in the balance sheet to be given out and which then washes back in as it is spent.

h. A slightly different presentation is required for the CFFR return to the ESFA, showing the prior year, current year and two future years. The numbers fully reconcile to the financial plan. The Board were asked to approve the CFFR for submission to the ESFA by 31 July 2024.

UCP Budget & Capital Plan 2024/25

Governors noted the gross margins on both IEG and UCP. UCP is in a tricky situation because there has been no increase in HE income for the last 12 years. Enrolment numbers in HE are very static for a number of reasons, but because IEG employs all of the UCP staff and so they have all been rewarded the same in terms of pay awards, consequently there has been a building pay base and increase in pensions which is eroding the margins.

*The Corporation Board **approved** the IEG Financial Plan 2024-27, and the CFFR for submission to the ESFA.*

*The Corporation Board **approved** the UCP Budget 2024/25 as part of the IEG Group Financial Plan 2024-27.*

Learning Curve Supported Delivery Programme Update

- a. An update was provided on the Supported Delivery Model pilot to support the reduction in subcontracting required in 2024/25.
- b. Despite some teething problems in understanding each other's data, the pilot was completed successfully and IEG has now issued a full tender for a delivery partner for the next 3 years. The tender will conclude in August and the procurement and contract approval may therefore require Board approval outside of committee prior to the first Board meeting of 2024/25 in October, to ensure the contract is in place to deliver successfully next year.
- c. Governors asked about the scale of this delivery; the allocations and tolerances for subcontracting were explained. IEG has also done a lot of work internally around blended learning and online platforms. Peterborough has a strong market for adult learning, but SC has always struggled to recruit, hence a greater reliance on subcontracting. Ideally IEG wants to deliver the adult offer directly, but the supported delivery model provides a useful backstop to ensure the allocation is met.

71. STRATEGIC DOCUMENTS

Decision item

Speaker: CEO

Time: 17:50

- Strategic Plan
- Annual Accountability Statement

- a. The IEG Strategy document and the IEG Accountability Agreement were presented. The strategy had been shared with governors two weeks prior to the meeting to allow ample time to review, critique and share any further suggestions prior to approval.
- b. The strategy had been considered at a number of development events over the preceding months, and a great deal of feedback had been garnered from stakeholders. A number of emails from governors with comments and suggestions had been received and incorporated into the final draft.
- c. Governor views on both documents were invited.
- d. Governors commented on the excellent readability of the document, using good plain English, and a clear and effective structure and presentation. The final document reflects discussions held with governors and they could see that their input was reflected within the final draft. Overall the Board felt it was a superb document, and there was a strong consensus for the third cover option, however, following reflection on a session delivered at the Staff Conference, it was agreed to amend to Be Bold, Be Brave, Be Exceptional, rather than using "fearless" **(ACTION 23)**
- e. The document had been designed internally by a graphic designer, noting that her ability to deliver what RN had visualised in her mind had been excellent.
- f. Governors advised that it is a fantastic document that they will be proud to distribute as a tool in their role as ambassadors, noting that they cannot think that anyone reading the document would not want to be a part of it. The clarity of the wording, the vibrancy, and the sense of purpose and direction is excellent, and the way in which it can talk to so many stakeholders at the same time is to be commended. The photos selected reflect very well the communities that IEG serves.
- g. Governors recognised the difficulties in discussing a new strategy when potentially facing a new government. It was requested that the reference to the general election be removed in order that it does not very quickly out-date the document. **(ACTION 24)**
- h. The Exec team are planning the roll out and communication around the strategy document, and considering what mediums are to be used. Signage and marketing materials will be updated accordingly.

*With the amendments agreed, the Corporation Board **approved** the IEG Strategy.*

- i. The governors noted that the IEG Accountability Statement is also an excellent document, incorporating the new vision, mission and strategic priorities. Targets have been updated to reflect the new IEG strategic priorities and, in particular, the four priorities that relate to meeting skills needs.
- j. The Accountability Statement will be sent to the DfE by the end of the week.

*The IEG Accountability Statement was **approved** by the Corporation Board.*

- k. Governors were thanked for their input into the documents.

72. RISK MANAGEMENT REPORT

Discussion item

Speaker: CFO

Time: 18:15

- a. At this time of year it is very stable in terms of risk. None of the residual risk scores had changed.
- b. The Risk Management Committee had undertaken a very comprehensive review of the contingency risk register, including a peer review process which worked very well in terms of identifying where to focus attention and resources. A risk management audit will take place in the autumn term.
- c. To achieve Cyber Security Plus accreditation next year the Group will need to begin considering risk in a different way, so there may be some changes forthcoming as a result.
- d. Governors have watched the process mature over the last few years and noted that the processes adopted and the visibility are better than they have seen across other organisations.
- e. Exam costs were discussed; improved management information has been requested to increase visibility for Exec. A piece of work is to be undertaken across finance, exams and curriculum to review and improve this. To some extent providers are hostage to awarding bodies; whilst the sector does rally against it, exam boards are increasing costs. Consequently, IEG may have to think about how to standardise across the boards to ensure cost effectiveness. Governors noted that the Fees Policy had been updated around non-attendance; there was discussion around the need to approach this with management discretion where appropriate. Governors queried whether this reflected higher levels of absenteeism; whilst attendance at exams is in the high 90s percentage-wise, the government requirements around student achievements in English and maths, whether Functional Skills or GCSE, necessitates that IEG must keep pursuing students to achieve the standard required, but inevitably some will disengage and this does impact attendance.

73. APPRENTICESHIPS IMPROVEMENT UPDATE

Discussion item

Speaker: CEO

Time: 18:20

- a. A full review of the improvement works across Apprenticeships had been undertaken by the Curriculum & Quality Committee.
- b. Salient points were highlighted for the Corporation Board.
- c. The Group Director of Apprenticeships had decided to leave IEG at the end of July; a replacement has been appointed to start in August. The successful candidate has a considerable background in FE and had since moved across to work for RSM so also has audit expertise. He is very knowledgeable in the area and it is hoped that he will have the right skills and experience to build on the improvements already in motion. He will pick up next steps and continue work on the short-term priorities and strategy moving forward, as well as developing growth opportunities.

74. GOVERNANCE DOCUMENTS

Speaker: Governance Director

Time: 18:30

- Corporation & Committee Meeting Schedule for approval
- Revised Executive Summary Template
- Governance Business Schedules

a. The governance documents were presented.

b. The Corporation & Committee Meeting Schedule 2024/25 was **approved**, subject to one request from the Vice Chair to move the October Board meeting. The Governance Director will action this request and then issue invites via the Team Engine portal. **(ACTION 25)**

c. The template and business schedule were positively received. The business schedule will be regularly updated to ensure it remains current.

75. STUDENT UNION - PROPOSAL TO DISSOLVE

Speaker: VPSSE/GD

Time: 18:35

a. A proposal was put forward to adapt the student union model in favour of a Student Leadership Programme. Students had been approached for feedback on the proposal via the Student Union and student mentors, and the responses captured were very positive.

b. Governors supported the need for a change to the approach, recognising that there has been a persistent struggle to gain the level of engagement required for a really positive impact. However, there was some nervousness around the request to dissolve the Student Union. Governors were assured that this has become the norm across other FE colleges in the country with very few still operating under the old NUS models. The value of the NUS card has completely diminished for students owing to student discount offered through platforms such as Student Beans and Unidays which are free to subscribe to.

c. Governors asked for the proposal to be further elaborated on to include greater detail relating to how the Board engages and interacts with the student body. The value of student voice is so important and therefore governors requested more information on how this will be captured as part of the proposal going forward. The VP SSE will take this feedback on board and work with her team to refine the proposal. **(ACTION 26)**

76. LINK GOVERNOR SCHEME PROPOSAL FOR 2024/25

Decision item

Speaker: Governance Director

Time: 18:40

a. The proposal was presented to offer enhancements to the link governor programme. Whilst there has been good participation particularly around the Group focused links, there have been some curriculum areas where engagement has been less. As curriculum at IEG is vast and there are so many areas to cover, the Governance Director and VP Curriculum proposed to initiate governor open events within curriculum areas. This would be an invitation to all governors to attend and spend time within different curriculum areas across the academic year, at pre-scheduled dates to be added to the governance schedule, where they would have the opportunity to meet with curriculum staff and receive key information on results and surveys, etc. This is intended to increase the scope and include opportunities to align with the student leadership programme and meet with staff at all levels of the organisation rather than just senior staff, and is therefore intended to enhance rather than undermine the link governor activity.

b. Some governors felt strongly that the link governor strategy should not be changed due to lack of commitment from fellow governors.

c. This was discussed at length with a number of positive responses. Governors requested that the team flesh the proposal out with further detail and bring it back to Board at the next meeting.

(ACTION 27)

77. URGENT BUSINESS: (RE ITEM 65C)

Standing item

Speaker: Chair

Time: 18:45

None requested.

78. DATE OF NEXT MEETING: THURS 3 OCT 2024 (SC)

Speaker: Chair

As per the plan approved, the next meeting will be held on Thursday 3 October 2024 at Stamford College.

79. CONFIDENTIAL PART II

Discussion item

Speaker: CEO

Time: 18:45

Separate confidential minute recorded.

80. CONFIDENTIAL PART II

Decision item

Speaker: CEO

Time: 18:55

Separate confidential minute recorded.