

Minutes of an electronic Finance and General Purposes (F&GP) Committee meeting held at 1630 hrs on 29 June 2020

Present	Rod Allerton	Ian Jackson	Brian Redshaw (Chair)
	Rachel Nicholls (Acting Principal)	Simon Smith	
In Attendance	Ralph Devereux (Interim Clerk)	Catherine Hall (ED (HR))	Charlotte Hobday (Gp Dir Fin)
	Angela O'Reilly (VP(C&Q))	Marie Peene (Apprenticeships)(54-56/19 only)	David Pennell (NCS)
	Louise Perry (NCS)	Peter Walker (VP(CS))	
Apologies	Michael Rabbett	Kelly Swingler	

PART ONE

STANDING ITEMS

F54/19 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS

- a. Opening Remarks. The Chair welcomed all to the meeting and explained that discussions would be strictly to agenda items to minimise meeting time. **(Action 1)**
- b. Opening Actions, the apologies were accepted. The meeting was quorate, no notice had been received of any Member becoming ineligible to hold office and there had been no unregistered interests declared.

F55/19 MINUTES AND ACTIONS

- a. The Minutes of the last meeting held on 19 March 2020 were confirmed for electronic signature; action delegated to the Clerk. **(Action 2)**
- b. Matters Arising from the Minutes. There were no matters arising.
- c. Action Register; actions from the previous meeting were considered.

Please refer to referenced Minute for further detail		Status
Action 1	F34/19a. Meeting discussion strictly to agenda items,	Complete
Action 2	F35/19a. Last minutes (28.11.19) confirmed for signature.	
Action 3	F37/19. Subcontracting Fees and Charging Policy approved	
Action 4	F40/19. iMET accounts approved.	
Action 5	F41/19. Management accounts received and noted.	
Action 6	F43/19. Bank Mandate approved.	

- d. Training and Attendance. There were no Training or Attendance matters to consider.
 - e. Urgent Business. There was no urgent business requested.
- a. **The information was noted.**
 - b. **Action had been identified. (Register at 67/19)**

BUSINESS ITEMS (Papers had been posted to Board IQ in advance)

F56/19 APPRENTICESHIPS

Apprenticeships numbers had declined nationally through the lockdown, and since apprenticeship payment was made for actual delivery, with a consequent effect on income (Q3:-c£176k). An unsuccessful application had been made to the Provider Relief Scheme prompting rigorous action to redress the balance including “furlough” for seven staff members. The Education and Skills Funding Agency (ESFA) had extended non-levy contracts until March 2021. The Association of Colleges (AoC) was in discussions with the DfE seeking financial support but with no outcome as yet, this was a serious national issue and had prompted a redirection of focus for the start of the coming year. The Subcontractor Committee had approved in principle that Peterborough Skills Academy (PSA, a consortium of which PRC owned 20%) could increase their overall contract value to £210,085 for 2019/20 to cover an additional 40 starts, Committee approval was sought. The matter was considered, programmes comprised a selection of course lengths with completions over the next 2 years and the proposal was approved. **(Action 3)** The full update was discussed and noted; anecdotally, the likelihood of any financial clawback was low.

- a. **The information was noted.**
- b. **Action had been identified.** (Register at 67/19)

Marie Peene left the meeting.

F57/19 HUMAN RESOURCES (HR)

The comprehensive paper included the full HR Report, and at AnnexA the Key Performance Indicators (KPIs), in-year HR information by category was discussed:

- a. Staff in post. The pay costs reduction exercise had reduced the number from 904 employees (fte c504, August 2019) to 825 (fte 460, 30 April 2020).
- b. Turnover. The rolling staff annual staff turnover at 30 April had been 20.1% (AoC benchmark 18.2%). The Covid situation was prompting a reduction on turnover as pending appointments and recruitment had been paused.
- c. Sickness Absence. The rolling staff annual sickness at 30 April had been 6.4 days however the highest element, those affected by anxiety, stress and depression, was 32.1%
- d. Employee Relations (ER) and Performance Management (PM). There had been 80 ER cases, 19 still live, averaged at 12.3 per month reduced from the previous year’s 16.4; since lockdown 3 cases had been lodged. Details were noted in the paper.
- e. Information for staff on Covid related issues was provided through regularly updated FAQ, the latest full version attached at Annex B and, at Annex C full detail of furloughed staff had been tabulated, all was noted.

The information was received and noted.

F58/19 MANAGEMENT ACCOUNTS

Financial matters were included in a single report accurate to 30 April supplemented by a comprehensive list of appendices and a detailed narrative. The forecast YTD remained positive, although reduced, all variances were fully explained and numbers detailed in the paper. As considered in the previous item, staff costs were currently 64.7% of income and the numbers included the agreed 1% staff pay award and a provision of £300k had been made for the iMET position, considered later, which included a £40k redundancy provision. It was likely that the staff costs percentage would decrease post-merger. The accounts were received and noted. **(Action 4)**

- a. **The information was noted.**
- b. **Action had been identified.** (Register at 67/19)

F59/19 SUBSIDIARY COMPANIES

- a. Group accounts. The consolidated Group accounts (PRC, APT Ltd & PRCVentures) were considered and the forecast positive surplus was noted, University Centre Peterborough (UCP) was now (wef 5 June) a wholly owned subsidiary and the 2 months of UCP income and expenditure would be consolidated into the PRC main account for the year ended 31 July 2020.
- b. Individual Accounts. Individual Q3 accounts for each of the group partners were attached and noted:
 - (i) UCP, the contribution was 42k above forecast;
 - (ii) APT, the contribution was £123k below forecast (including a £25k provider relief grant) expressed reservations over financial and management would be explored; and **(Action 5)**. Members were reminded that APT was on the Register of Apprenticeship Providers, (RoATP)
 - (iii) PSA, an overview of activity, including financial details was noted.

Inspire Education Group (IEG) The complete PRC Group, including New College Stamford (NCS) results had been reconciled to date to provide an early overview of how IEG will look.

The information was noted.

F60/19 ESFA FINANCIAL HEALTH

The ESFA had written (29.05.20 attached) and confirmed that the financial health grade for 2018/19 had been assessed as “Outstanding”; members took comfort from the information.

The information was noted and welcomed.

F61/19 FINANCIAL AND CAPITAL PLANS

Details of the financial and capital information presented to the Merger Shadow Board (MSB) were considered and discussed,

- a. Financial. ESFA requirements and Covid induced uncertainty over the coming year had prompted a comprehensive scrutiny of the coming year’s budget; the ESFA reforecast would be a single IEG submission. Initial work had been completed and indicated a surplus of £399k, which represented 5.62% of the total budget, the requirement for an “Outstanding” financial health grade was 6%. The planning was still at an early stage but guidance was required to inform further planning. The issue was considered and fully discussed, including whether the staff pay award was possible, a decision on that matter would be taken later in the year when this actuality became clear. The IEG initial year could be turbulent as restructuring became established and a firm financial base would be essential; it was agreed that every effort should be made to bring the budget surplus into the desired bracket, but, in extremis, reserves would provide the headroom.
- b. Capital. The Covid related impact and experience had shifted curriculum delivery to a combination of classroom and remote delivery and this was now likely to remain the norm. That fact had prompted a basic review of capital investment, which had concluded that the immediate priority was provision of enabling capability and, certainly in the near future, focus should be on provision of IT resource. Earlier in the year the original joint capital determination had been revised and had resulted in a facilitating allocation of £850k for technology investment; full detail of the proposed expenditure was included in the paper. The refocused capital budget was discussed and agreed as the correct approach. **(Action 6)** Focus would be maintained on the “Google Education Suite” as the preferred software solution supporting “Chromebooks” and laptops.

- a. **The information was noted and received.**
- b. **Actions had been identified (Register 67/19)**

F62/19 ESTATES

- a. Common Room. Full detail of the refurbishment scheme had been approved at the last meeting, the tender had been let; the work had now started and was expected to be completed by the end of July.
- b. Main Hall. Refurbishment of the Main Hall was currently being costed but the work had now been put on hold through the refocus of the capital budget considered above.
- c. Vehicle Fleet. The vehicle fleet, reduced from 8 to 6 units with 2 refurbished would be upgraded in October 2020.
- d. Green Level Accreditation (GLA). The Peterborough Environmental City Trust (PECT) had again accredited PRC at the "Green" Level.

The information was noted.

F63/19 VENTURE TERMINATIONS

- a. iMET. The Corporation meeting on 23 April 2020 had not approved the draft iMET Business Plan and loan request, in the light of similar decisions by the Cambridge Regional College (CRC) Corporation it had had been mutually agreed to cease trading as soon as possible. In accordance with a written agreement, the terms of which were included in the accompanying paper (2.1) and endorsed by the iMET Board on 4 May (2.2), Eversheds had prepared a draft deed of termination (2.3). Arrangements to bring iMET apprentices into College and other issues, including the regrettable redundancy, were detailed in the accompanying paper, and were noted. The total cost of all associated expense was c£300k. The draft deed of termination had been unanimously approved for signature at the special Corporation meeting held the previous day; the Clerk to seal. **(Action 7)**
- b. UCP. The UCP situation had been resolved and the organisation was now a wholly owned subsidiary of PRC and, in a few weeks, of the IEG (full detail in the attached report). The HE strategy was key to the IEG vision, mission, values and strategic plan, which had been considered by the MSB; IEG HE provision would be consolidated into UCP. Full Governance arrangements including all Regulatory Documents had been established, Directors appointed and two new independent governors were being sought. The generally poor performance of the accommodation agency would be urgently addressed.

- a. **The information was noted.**
- b. **Action had been identified. (Register at 67/19)**

F64/19 APPOINTMENT OF BANKERS

NCS and PRC currently had individual banking and loan arrangements and these would require closure and establishment of a Group alternative, accordingly, tenders for Group transaction services and borrowing had been issued on 29 April 2020 for submission by 15 May. That tender had sought transaction services and a range of borrowing/credit options, to maximise flexibility in light of current operating uncertainty. Tenders had been received from Santander and Barclays, (Lloyds had declined) both included conditional (exclusivity) loan rates. Full details of the arrangements were in the accompanying papers and were considered and the decision to appoint Barclays for borrowing and transactional services was endorsed. Arrangements were required to be established asap but the outstanding loans (c£2.5m) could be repaid on 31 July for later reimbursement. Barclays required security and not covenanted agreements and it was minded to offer the Sports Centre, the Nursery and the two Ryhall Road properties as collateral.

The information was received and noted.

F65/19 URGENT BUSINESS

There had been no urgent business requested. However, this had been the last meeting of the Committee and the Corporation Chair placed on record his personal appreciation for Bryan Redshaw's outstanding leadership; a sentiment spontaneously supported by all. Bryan, in reply commended the support from members and staff.

F66/19 DATES OF NEXT MEETING

The date of the next meeting would be notified.

F67/19 ACTION REGISTER

Please refer to referenced Minute for further detail		Resp	Date
Action 1	F54/19. Meeting discussion strictly to agenda items.	Chair	Wie
Action 2	F55/19a. Last minutes (19.03.20) confirmed for signature.	Clerk	
Action 3	F56/19. PSA contract value increase approved.	Apps	Wie
Action 4	F58/19. Management Accounts received.	Dir Fin	
Action 5	F59/19b(ii) APT finances/management query.	IJ/RN	asap
Action 6	F61/19b. Capital expenditure refocus agreed.	VPCS	01.09.20
Action 7	F63/19a. iMET deed of termination to be signed.		Wie

Ralph Devereux (Clerk) for Brian Redshaw (Chair)

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Final Audit Report

2021-02-11

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