

## CCN BUSINESS COMMITTEE MEETING

**CONFIRMED MINUTES OF THE CCN BUSINESS COMMITTEE MEETING HELD ON TUESDAY 08 OCTOBER 2019 AT 5.30 PM IN THETFORD BUILDING BOARDROOM, CITY COLLEGE, NORWICH, NR2 2LJ**

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### **Committee members:**

Andrew Barnes (Chairman), Corrienne Peasgood (Principal), Denise Troughton, Noel Bartram, Ian Webb

### **In attendance:**

Martin Colbourne (NES MD), Jerry White (Deputy Principal), Clare Johnson (Clerk to the Corporation), John Pollitt (Deputy Managing Director) - agenda item 6.3 only, Sue Millions (Administrator)

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### **1. Apologies for Absence**

Apologies were received from Emily Staley.

It was noted that a quorum was present, and the meeting had been convened in accordance with the articles of association of the company.

### **2. Declaration of Interests**

Governors and Committee members are requested to make known any relevant pecuniary interests relating to any items on the agenda and it was noted that all declarations will be recorded.

Jerry White informed the Committee that from October 2019, he is a non-executive Director of RCU, leaders in data analysis and research for the post-16 education sector.

There were no further declarations of interest given at the meeting.

### **3. Unconfirmed Minutes of the Meeting held on 25 June 2019** (Paper 02)

It was agreed to amend the following: Page 4 – the ninth bullet point to be changed to: “The Principal reiterated that 68% should be achievable and 65% would be a stretch”. The unconfirmed minutes of the meeting held on 25 June 2019 were then agreed as a true record of the meeting and will be signed by the Chairman at the next meeting.

### **4. Matters Arising from the Previous Minutes** (Paper 03)

Action 3 (Business 2): *The Principal to explore the appointment of a new Governor with property experience. It was agreed that the Chair would give the contact details of the proposed new Governor and arrange for the Principal and Chair to meet with him on a Friday before the end of term.* It was noted that there are currently two vacancies on the Business Committee. The Chair agreed to forward personal details of potential Governors to Clare Johnson who will arrange a meeting. **Action on-going.**

*Action 8 (Business 4): The Principal to discuss the setting up of a Remuneration Committee, as part of the Audit and Risk Committee with both Bree Sherwood and KPMG before completing the process. It was agreed the Jacky Sturman and Corrienne Peasgood will liaise and agree a date for the meeting. It was noted that this meeting will be arranged in the Autumn term. The remuneration Terms of Reference have been drafted for discussion. Please see agenda item 5.2.1. Action completed.*

*Action 9 (Business 4): When finalised, the date of the Remuneration Committee process to be included in the annual Schedule of Business. It was agreed that 'targeting inclusion' will be included in the 2019/20 Schedule of Business. The Remuneration Committee Meeting will be held on Tuesday 26 November 2019 and included on the revised Schedule of Business. Action completed.*

*Action 3 (Business 5): Martin Colbourne and Jerry White to challenge and review employer debt and report back to a future Business Committee Meeting. A thorough review of Employer Debt is on-going, and a summary will be included in the debt paper for the next Business Committee Meeting taking place on 8 October. A thorough review of Employer debt is on-going, and a summary is included in debt paper for Business Committee. Please see agenda item 5.1.1. Action completed.*

*Action 6 (Business 5): The Principal to review the Risk Register process and present a paper to the full Board Meeting taking place on 21 May 2019 for discussion. It was agreed that the Risk Register will be discussed at the Governor Strategy Day taking place on 12 July. Please see agenda item 11.1. Action completed.*

*Action 7 (Business 5): LRC recovery statistics to be compiled by Martin Colbourne for review by the Business Committee. It was agreed that the LRC recovery update will be provided at the next Business Committee Meeting taking place on 8 October 2019. Please see agenda item 5.1.2. Action completed.*

*Action 1 (Business 6): Martin Colbourne to present a report on the key risks of the 2019/20 Budget at the second meeting of the Business Committee taking place on 10 December 2019. **Action on-going.***

*Action 2 (Business 6): Martin Colbourne to present the budget for 2019/20 to the full Board Meeting taking place on 9 July 2019 following its recommendation from the Business Committee. Action completed.*

*Action 3 (Business 6): Martin Colbourne to forward the draft 2019/20 budget to Lloyds for Phase 1 due diligence. Action completed.*

*Action 4 (Business 6): Martin Colbourne to present the Caretaking Tender documents to the full Board for approval and signing at their next meeting taking place on 9 July 2019. Action completed.*

*Action 5 (Business 6): Martin Colbourne to present the Internal Audit Tender documents to the full Board for approval and signing at their next meeting taking place on 9 July 2019. Action completed.*

*Action 6 (Business 6): The Clerk to update the Business Committee's self-assessment. Action completed.*

*Action 7 (Business 6): Clerk to amend the Business Committee's Terms of Reference. Clare Johnson is awaiting update on statements relating to Risk and Cashflow. **Action on-going.***

*Action 8 (Business 6): Principal to review the intervention regime and new Intervention Policy to see if any changes were required to the Business Committee's Terms of Reference. Action completed.*

*Action 9 (Business 6): Sue Millions to upload the DigiTech Factory Decision Matrix to the meeting agenda, on OnBoard. Action completed.*

## **5. Section A**

### **5.1 Finance Reports**

(Papers 04 - 08)

## Management Accounts and Emerging Picture

The total operating surplus for the year August to June 2019 shows a surplus of £55k compared to a budgeted surplus of £459k, producing an adverse variance of £404k.

The weekly CCN cash flow forecast was presented as previously circulated and the full content noted for information.

The full content of the Finance Report was noted.

The management accounts from July 2019 and the emerging picture, were verbally discussed and the following highlighted:

2019/20 provisional outturn budget 1920 provisional outturn was tabled and the following highlighted.

- Year to date operating surplus of £269k compared to a budgeted surplus of £323k, resulting in an adverse variance of £54k.
- Favourable position against July emerging picture of £94k surplus.
- It was noted that targets will be amended accordingly when all figures are finalised.
- With pressure on the pay line, a small amount of changes will be made, and the accounts will be reviewed by KMPG in the week beginning 14 October 2019.

The full content of the management accounts was noted, and it was agreed that Martin Colbourne will forward the updated version to Clare Johnson to upload onto OnBoard .

### **Action 1: The July 2019 emerging picture accounts to be uploaded onto OnBoard (MC / CJ).**

#### **5.1.1 Employer Debt**

At a previous meeting, Martin Colbourne and Jerry White were asked to challenge and review employer debt and report back to a future Business Committee Meeting, (Business 5 Action 3), the following highlights were noted:

- There are approximately 1100 Employers with HE the biggest employers and having average debts of between approximately £4k - £7.5k.
- Apprenticeship employer average debt is smaller, at approximately £400 - £500. Of all employers, 90% (1009 employers) are good payers and of the remaining 10%, 5% (58 in number) do pay but are late in paying. This can be up to 7/8 months late. Late-payers are generally the large companies, such as Utilities employers (National Grid, Anglian Water, Northumberland Water, Network Rail). 3% (36) are generally write-offs and are for varying reasons. 2% (21) are employers which have gone into administration and very little is usually recovered in these cases.
- Of the debts that go to LRC for Employers – between approximately 20-25% of the total debt is recovered. Current amounts with LRC for employers amount to approximately £41k.

Following discussion, the question was asked as to what can be learnt from the employer debt and it was agreed that a more detailed breakdown will be provided for the Business Committee Meeting taking place in December.

**Action 2: A more detailed breakdown of employer debt to be provided at the next Business Committee Meeting taking place on 10 December 2019 (MC).**

### 5.1.2 LRC Recovery Statistics

At a previous Business Committee meeting Martin Colbourne was asked to compile LRC (Legal Recovery Company) recovery statistics for review by the Business Committee and following discussions the following was highlighted:

- The process for students is as follows:
  - After 30 days of non-payment - a gentle reminder requesting payment is sent.
  - After 44 days – a second reminder is requesting they read the rules and regulations regarding paying.
  - After 56 days – a pre-warning letter is sent, stating all the regulations and pre-warning them that they face suspension. At this stage a report is sent out which filters down to lecturers to enable them to speak to individual students regarding payment.
  - After 70 days they are sent a letter of suspension. (Only 4 students were suspended in this manner last year)
- Students persistently within the above processes and paying late meet with the Deputy Principal.
- Student debts will be sent to LRC as a last resort, usually after a further letter is sent, notifying them that this will happen unless they pay within 14 days. There are currently 22 cases at LRC, with outstanding amounts totalling approximately £25,375. Of these the 3 largest outstanding debts are: £6,999, £3,555 and £3,227
- Remaining outstanding amounts average £725 per individual.
- In addition, 2 student cases are currently at the small claims court: one is agreeing to pay monthly and for the other, enforcement action is due to take place. The outstanding debt on these amounts to approximately £7,700.

It was agreed that this process is a last resort and is always conducted with caution. It was noted that the Student Union is working closely with this process and to date, have received no complaints from students.

## 5.2 Governance and Search Update

### 5.2.1 Remuneration Terms of Reference

(Paper 09)

A draft copy of the Remuneration Committee's Terms of Reference was previously circulated and after discussion it was agreed to make the following changes:

- It was noted that the document has been compiled using the AoC terms of reference model.
- Membership to be changed to: The Committee shall comprise of at least 4 members which will include the Chair of the Corporation, the Chair of the Curriculum and Standards Committee, the Chair of the Business Committee and the Chair of the Audit and Risk Committee.
- It was also agreed to include the following sentence: Should a member hold two of these roles another member from the Business Committee will also attend.

Discussions followed on the well-publicised expenses of a Principal and it was agreed to ask the Audit Committee to monitor senior managers expenses annually and amend their Terms of Reference accordingly.

**Action 3: The Principal to ask the Audit Committee to monitor senior managers expenses annually and amend their Terms of Reference accordingly (CP / CJ).**

### 5.2.1 Requirements for CCN Training Events

Governors were asked if they would like to hold additional training events alongside the two strategy days already in the calendar and after discussion, the following was agreed:

- The two strategy days per year are useful and will remain in the calendar.
- It was agreed to continue with 5-minute training at each Board meeting.
- To only run other training sessions as and when they are needed, e.g. policy changes.

### 5.2.2 CCN Board Skills Audit as at 02 October 2019

(Paper 10)

Following discussions, the Governors skills audit was reviewed with agreement from all present to use the data held when recruiting potential Board members from the EOC merger.

## 6. Section B

### 6.1 Workforce Development Report and Annual HR Report

(Papers 11 -12)

The Workforce Development and Annual HR Reports were presented as previously circulated and the full content noted.

- Sickness is monitored by the Executive Team on a monthly basis. It was noted that the slide on the average sickness should have read that the average sickness for the year was 0.6% above the previous year, not 6% as typed.
- CCN Yearly turnover slide to include number of leavers in the next report.
- As at the end of the academic year, 88.1% of initial appraisals were completed and 54% of mid-year reviews (45.3% in 2017/18). The appraisal cycle closed on 1<sup>st</sup> October and the Principal informed governors that 93.5% of appraisals were completed last year and 68.8% of mid-year reviews and career conversations completed in 2018/19.
- On-Boarder – The Principal informed the Committee that in addition to collecting feedback from staff leaving the organisation, new starters are also able to give feedback in their first 3 months of employment. The first full year of results is now available (89 respondents), which shows that 73% of new starts were classed as engaged, 21% at risk of leaving and 6% leaving the organisation. The largest reason given by staff at risk of leaving was the match between their expectations and reality. The largest reason given by engaged staff for feeling engaged was the nature of the work itself.

### 6.2 TEN Group Update

- The Chair informed the Committee that the UTCN are now stand-alone, only purchasing IT; accounting and nursing services from NES. The exit went extremely well, and the handover completed successfully, and on time.
- Norfolk Academies have reviewed their Shared Service Agreement and now have a reduced scope of services, still receiving IT, finance and estates from NES. All other services are no longer required.

- All the changes were made during the budget setting process and have been included in the budget provision for 2019/20.

### 6.3 IT Update

(Paper 13)

This agenda item was discussed at the beginning of the meeting.

The IT Update, from John Pollitt, was previously circulated before the meeting and the following noted:

- Managed Print Solution – has been deployed successfully. More transparency is noted through the tracking usage and the information is more valuable to students. 43% reduction in the number of devices. Denise Troughton asked if the printer could be checked in Norfolk House as it has been broken a few times since installation.
- New cashless catering solution has now been implemented at all outlets and the free school meals students are now well supported. The solution will be launched in January 2020 with all staff and then parents.
- Phases I and II of the CCTV upgrades is nearing completion and Phase III will see all cameras replaced. The images, so far, are much improved.
- The network projects completed were noted.

The full content of the report was noted.

The Chair thanked John Pollitt and his department for the excellent work undertaken and savings made.

John Pollitt left the meeting at 6.00 pm.

### 6.4 DigiTech Update from Steering Group Meetings

(Paper 14)

The DigiTech Update provided by Jon Bonham was previously distributed and the full content noted. The following was highlighted to those present:

- Planning consent has been received for the DigiTech Factory without needing to go to Committee.
- All planning conditions are as expected.
- PQQ complete with ITT about to be issued to 5 contractors.
- Currently £200k above cost plan with items identified for value-engineering but not yet implemented.

## 7. Section C

**Papers presented in Section C are for information only.**

## 8. Other Urgent Business

There was no urgent business tabled at the meeting.

## 9. Summary of the Meeting

## **9.1 Review of Meeting Against Strategic Aims**

It was noted that discussions throughout the meeting were appropriate to the five strategic aims and success indicators.

## **9.2 Items Identified for the Full Board**

Following discussions, it was agreed that the following will be brought to the full Board's attention:

- Managed print
- Cashless catering
- 1920 provisional outturn
- Governors training
- Skills audit
- Core training
- Appraisal completion
- Expenses
- DigiTech Factory
- Risk Register

## **9.3 Any Changes or Additions to be Considered for the Risk Register**

Following discussion, it was agreed that no risks need to be changed or added to the Risk Register following today's meeting.

## **10. Confidentiality**

There were no confidential items tabled at today's meeting.

### **10.1 Easton and Otley College Update**

#### **10.1.1 Due Diligence Reports**

It was noted that the due diligence reports will be prepared and presented to the full Board Meeting taking place on 15 October 2019.

### **10.2 Union Colleagues Meeting Minutes**

There were no Union Colleagues Minutes tabled at the meeting.

### **10.3 Norwich Staff Forum Meeting Minutes**

There were no Norwich Staff Forum Minutes tabled at the meeting.

### **10.4 Paston Staff Forum Meeting Minutes**

There were no Paston Staff Forum Minutes tabled at the meeting.

## **11. Date of Next Meeting**

The next Business Committee is scheduled to take place on Tuesday 10 December 2019 at 5.30 pm in the Thetford Building.

All business having been concluded, the meeting finished at 7.25 pm.

**CHAIRMAN:** .....  
(signed)

**DATE:** .....