

CCN BUSINESS COMMITTEE MEETING

CONFIRMED MINUTES OF THE CCN BUSINESS COMMITTEE MEETING HELD ON TUESDAY 10 DECEMBER 2019 AT 5.30 PM IN THETFORD BUILDING BOARDROOM, CITY COLLEGE, NORWICH, NR2 2LJ

Committee members:

Andrew Barnes (Chairman), Corrienne Peasgood (Principal), Noel Bartram, Jonathan Barnard

In attendance:

Martin Colbourne (NES MD), Jerry White (Deputy Principal), Sue Millions (Administrator)

1. Apologies for Absence

Apologies were received from Denise Troughton, Emily Staley, Julia Buckland and Clare Johnson.

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.

Corrienne Peasgood informed the Committee that she has been appointed as a Member of the LEP Board.

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

3. Draft Minutes of the Meeting held on 8 October 2019 (Paper 02)

The draft minutes of the meeting held on 8 October 2019 were 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. Two new Governors have been appointed and inducted. 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. It was noted that the report will be presented to the next Business Committee Meeting taking place on 4 February 2020. 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 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.

Amendments have been made and the updated documentation presented to both Business and Board. Action completed.

Action 1 (Business 1): *The July 2019 emerging picture accounts to be uploaded onto OnBoard.* Action completed.

Action 2 (Business 1): *A more detailed breakdown of employer debt to be provided at the next Business Committee Meeting taking place on 10 December 2019.* Please see papers relating to agenda item 5.1. Action completed.

Action 3 (Business 1): *The Principal to ask the Audit Committee to monitor senior managers expenses annually and amend their Terms of Reference accordingly.* The Terms of Reference have been amended and the Audit Committee will review them annually. Action completed.

5. Section A

5.1 Finance Reports

(Papers 04 - 07)

The funding update, finance KPIs - update on SA, IA and EA targets, monthly management accounts and emerging picture and the debt action plan papers were previously circulated and the following highlighted:

The total operating deficit for the year August to October 2019 shows a deficit of £138k compared to a budgeted surplus of £239k, producing an adverse variance of £377k. Discussions followed on the monthly variance and a full explanation was provided by Martin Colbourne. Noel Bartram asked if the budget figures can be included on the balance sheet to be able to compare balances at each meeting. It was agreed that this was a fair challenge and will be included, going forward.

It was noted that the full emerging picture will be presented to the full Board at their meeting taking place on 17 December 2019.

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

The weekly CCN weekly debtors' report, as at 5 December 2019, was presented as previously circulated and the full content noted for information.

It was noted that following the merger with Easton College in January 2020 the emerging picture will be complicated and the pressures will be highlighted and discussed at each Business Committee Meeting.

The full content of all the Finance Reports was noted.

5.1.1 College Dashboards and Financial Plan

(Papers 08-09)

It was noted that in accordance with the Education and Skills Funding Agency approach to assessing the financial health of Colleges, the assessment grades, based on the College's Financial Plan submitted were graded as Good for 2018/19 and Good for 2019/20.

The Dashboard, previously circulated, gives a high-level overview of the the college's financial performance and it was noted that the content gives Governors an overview of the College's cash position, projections, funding stream and the current position on the three ratios that the ESFA use to assess the financial health of the college.

It was confirmed that following the merger with Easton College, the assessment grades will remain as Good.

The full content of the Dashboard was noted.

5.2 Approval of Modern Slavery Statement

(Paper 10)

The statement previously circulated sets out CCN's actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its business and its supply chains. The statement being discussed, relates to actions and activities during the financial year (1 August 2018 to 31 July 2019).

Committee members asked who reviews all aspects of the supply chain when taking on new suppliers and how the procurement policy ties into the statement. It was agreed that the Principal will review the policy against the AoC model and check Easton College's statement.

It was noted that the suggested change around auditing will not be made.

Action 1: The Principal to review the Modern Slavery Statement and provide the full Board with an update for approval at their meeting taking place on 17 December 2019 (CP).

Action 2: The full Modern Slavery statement to be uploaded onto the College's website and can be viewed at: www.cc.ac.uk/corporation-documents (CJ).

5.3 Integrated Financial Model for Colleges

(Papers 11-12)

The College Financial Planning Handbook for 2019 was received two week's ago and is normally reviewed by the Audit Committee.

From January 2020 the new model replaces four existing templates: the College Financial Plan; the College Financial Record; the Cash flow available for debt servicing (CFADS); and the monthly cash flow template. It will also enable the ESFA to speed up the consolidation of data from all colleges, reducing the time taken to produce the college dashboard and benchmarking reports from months to weeks. This will provide valuable reports to colleges quicker; enabling them and the agency to act sooner.

The model also introduces several new features:

- Monthly financial information allowing colleges to express forecast monthly cash position for at least the next 24 months
- Semi-automated inputs allowing monthly profiling of income and expenditure to ease completion and improve accuracy
- A blend of actuals and forecasts so it can be completed consistently at any point in the current year
- Clarity on joint ventures and subcontracting as well as under-delivery of ESFA funding.

The submission of financial returns was discussed and, following the merger, the Principal suggested that CCN may not be able to meet the submission deadline for February 2020. It was noted that this will only be a potential concern this year and financial return deadlines will be met in February 2021.

Following discussions, it was agreed by the Committee that the Principal will contact the ESFA and raise the College's concerns regarding the tight deadline set.

Action 3: The Principal to contact the ESFA to discuss the February 2020 deadline for financial returns (CP).

5.4 Governance and Search Update

5.4.1 Governors' Individual Self-Assessment Feedback (Paper 13)

An update on the self-assessment feedback received from Governors following the completion of the 2019 surveys and following discussion, it was agreed that the suggestions submitted would be followed up in more detail at the CCN Strategy Day taking place on Friday 17 January.

Action 4: Self-assessment feedback to be reviewed at the next Strategy Day (CP / CJ).

5.4.2 Review of Committee and Board Membership (Papers 14-15)

Board Membership was discussed, and it was agreed that the number of Committee and Board members would be reviewed at the Strategy Day and the expertise would be reviewed following the completion of a Skills Matrix by Governors before the Strategy Day takes place.

The Principal informed the Committee that Philip Richardson would consider joining CCN Board from Easton College to give continuity for a maximum term of two years. It was agreed to wait and see who else steps forward from the Easton and Otley Board before a final decision is made.

Action 5: Number of Committee and Board members to be discussed at the Strategy Day (CP / CJ).

Action 6: Governors to complete a Skills Matrix before the Strategy Day being held on 17 January (CJ).

5.4.3 Updated Business Terms of Reference (Paper 16)

An updated copy of the Business Committee's Terms of Reference was previously circulated for information.

6. Section B

6.1 Workforce Development Report

It was noted that the Workforce Development Report was presented and thoroughly discussed at the last Business Committee meeting which took place on 8 October 2019.

6.2 Facilities and Estates Update including DigiTech and Health and Safety (Paper 17)

The Facilities and Estates, including the DigiTech and Health and Safety Updates, provided by Jon Bonham were previously distributed and the full content noted. The following was highlighted to those present:

- Southwell demolition has been completed and the site cleared, and planning approval has been received. The Tender process is underway, and the return date is 12 December.
- Easton and Otley – the asbestos found in Easton was discussed and it was noted that strategies are in place and removal works are programmed for the Christmas break.
- The use of Fire Marshalls and First Aiders was discussed, and it was agreed to check how many are needed. The Principal agreed to discuss this with other similar sized Colleges on how best to manage this.
- It was agreed that there are no issues with first aid as caretaking and nursing services are always on site.

The full content of the report was noted.

Action 7: The Principal to contact other Colleges to ascertain the number of Fire Marshalls and First Aiders they have in place (CP).

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:

- Governance – Skills Matrix
- Financial Dashboard
- Finance Update
- ESFA Integrated Finance Model

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

It was noted that a full presentation will be delivered to the full Board Meeting taking place on 17 December before all papers are signed and sealed on 18 December 2019.

10.2 External Audit Contract

(Paper 19)

The external audit contract extension papers were previously circulated for approval and signature at today's meeting. Martin Colbourne informed the Committee that:

- The current external audit contract commenced on 3 May 2017 and the initial contract length was for three years, thereby expiring on 2 May 2020. The contract allows for an extension for a further period of one year plus one year should the Group consider that the Contractor has achieved all service and performance standards during the duration of the contract.
- The Contract is managed by the NES MD and the Principal of CCN and on an operational basis by the NES Finance Manager.
- It has been suggested that the anticipated extension will commence on 3 May 2020 and run for 1 year, expiring on 2 May 2021, with possibility of extending for a further 1 year.

Following discussion, it was noted that the Committee are recommending to the full Board, the extension of the contract with KPMG for an additional 12 months for approval.

Following discussion, the Committee approved the extension to the External Audit Contract and the papers were signed by the Chair.

10.3 Union Colleagues Meeting Minutes

There were no Union Colleagues Minutes tabled at the meeting.

10.4 Norwich Staff Forum Meeting Minutes

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

10.5 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 4 February 2020 at 5.30 pm in the Thetford Building.

All business having been concluded, the meeting finished at 7.45 pm.

CHAIRMAN:
(signed)

DATE: