

## CCN BUSINESS COMMITTEE MEETING

### CONFIRMED MINUTES OF THE CCN BUSINESS COMMITTEE MEETING HELD ON TUESDAY 29 JUNE 2021 AT 4.00 PM, VIA MICROSOFT TEAMS

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#### **Committee members:**

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

#### **In attendance:**

Jon Bonham (Director of Estates and Facilities) agenda item 1 only, Julie Jarvey (Health and Safety Manager) – agenda item 1 and 2 only, Martin Colbourne (NES MD), Jerry White (Deputy Principal), Jodie Mitchell (Head of Professional Services), Clare Johnson (Clerk to the Corporation), Sue Millions (Administrator)

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#### **1. Estates and Facilities Update including Digitech** (Paper 01)

The Estates and Facilities Update including Digitech, from Jon Bonham, was previously circulated, discussed and the following highlighted:

Digitech update – please see the confidential minutes.

- The “live” compliance status and planning for all three sites was noted and it was confirmed that at CCN and Paston there are currently 12 late tasks – but they are all in progress. Key areas such as fire and legionella have been completed. At Easton, 31 tasks are late / still in development, but key tasks are scheduled correctly.
- The revenue approved projects across the three sites were noted and the progress on each area confirmed. It was confirmed that the works to be completed using FECA monies have been extended beyond the 31 March 2021 deadline, and it is expected that all works will be completed by the end of the academic year. Jon Bonham confirmed that there are no concerns on costs as the majority of FECA monies was allocated to projected contracted prices. Regular meetings take place between the accountant, Martin Colbourne, Jerry White and others and ensure all are on track.
- The KPI ratings for property services, contract services, cleaning, catering and caretaking and security were noted.

The full content of the Facilities and Estates Update was noted.

The Chair thanked Jon Bonham and his team for their full and comprehensive report. Jon Bonham left the meeting at 4.25 pm.

#### **2. Health, Safety and Well-Being Policies for CCN and NES** (Papers 02-03)

The Chair welcomed Julie Jarvey, Health and Safety Manager, to the meeting.

The Health, Safety and Well-Being Policies for CCN and NES were previously circulated, discussed and the following highlighted:

Julie Jarvey talked the Business Committee through the process of writing the Health, Safety and Well-Being Policy, noting that following the preparation of the draft the policy was

reviewed by the Health and Safety Group, Unions, the Senior Leadership Team, Martin Colbourne and the Principal. It has been brought to the Business Committee for sign-off and then full approval will be sought at the next full Board Meeting.

It was noted that the policy sets out the aims of the college, details the structure of the organisation and how it will manage and promote its health, safety and wellbeing objectives, together with the arrangements for implementation to ensure legal compliance. The policy reflects what the organisation does to comply with legislation and meet good practice and recognising the hazards that it works with. The associated procedures demonstrate how this is achieved and implemented on a day to day basis.

Julie Jarvey explained that the policy is divided into eleven parts - General Health, Safety and Wellbeing Policy Statement; Organisational Structure; H&S Roles and Responsibilities; General Arrangements for Health and Safety; Health and Safety Information, Instruction and Training; Health and Safety Communication; Legal Requirements and Updates; Monitoring the effectiveness of the policy and its arrangements; Setting Objectives ; Document Control and Legal References. Each section is comprehensively covered within the policy and covers students, staff, governors and the senior leadership team, all are aware of their commitment to the policy.

The Chair agreed that it is an impressive document which highlights the responsibilities of governors. These are clearly noted in Section 3.2.1. Julie Jarvey offered additional training sessions to governors if required.

The Principal informed governors that Health and Safety will be part of the internal audit process next year and will be confirmed with governors at their full Board Meeting next week.

Julie Jarvey reassured governors that day to day procedures and systems, like COVID, can be monitored and reviewed through the Health and Safety Strategy and Action Plan discussed at the last meeting. Following discussion, it was suggested and agreed that all Health and Safety Group minutes be uploaded to the Business Committee agendas, so that governors can view and respond, if necessary.

Following agreement, the Committee recommended the Health, Safety and Well-Being Policy to the full Board for approval.

Julie Jarvey left the meeting at 4.40 pm.

**Action 1: Going forward, Health and Safety Group minutes to be uploaded to Business Committee agendas for information (CJ / JJ).**

**Action 2: Health, Safety and Well-Being Policy to be recommended to the full Board for approval at their next meeting taking place on 6 July 2021 (CJ).**

### 3. Apologies for Absence

Apologies were received from Emily Staley for today's meeting.

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

### 4. 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.

There were no declarations of interest given at today's meeting.

**5. Draft Minutes of the Meeting held on 18 May 2021** (Paper 04)

The draft minutes of the meeting held on 18 May 2021 were amended slightly and agreed as a true record of the meeting and will be signed by the Chairman at the next available opportunity.

**6. Draft Confidential Minutes of the Meeting held on 18 May 2021** (Paper 05)

The draft confidential minutes of the meeting held on 16 March 2021 were agreed as a true record of the meeting and will be signed by the Chairman at the next available opportunity.

**7. Matters Arising from the Previous Minutes** (Paper 06)

Action 5 (13.10.2020): *The Principal to contact Bree Sherwood to ascertain the skills she requires from additional Audit Committee members and then contact appropriate Governors to attend the meeting taking place in November. Membership is agreed as Bree Sherwood, Philip Richardson and Jill Lanning. The Principal is in discussion with one further Governor. The action will be discussed further as part of Governance Strategy review. The Principal informed the Committee that she has been contacted by a potential governor with audit experience who would be interested in joining the Board and it was agreed that the Principal will forward his CV to both Andrew Barnes and Bree Sherwood for review and discussion. It was noted that Bree Sherwood and Andrew Barnes are meeting with a potential new governor on Wednesday morning. **Action on-going.***

Action 2 (02.02.2021): *Governors' role descriptions to be reviewed and refreshed after the TEN Group strike-off to remove references to them in the document. Scheduled for review at the meeting taking place on 29 June 2021. Following the recent consultation further amendments are required to the document and will be presented to the full Board on 6 July 2021. **Action on-going.***

Action 6 (16.03.2021): *Cost of Living Pay Award to be discussed at the CCN Business Committee Meeting taking place on 29 June 2021 as part of their budget setting agenda. Please see agenda 8.1.7. Action completed.*

Action 1 (18.05.2021): *Julie Jarvey to prepare an annual H&S Report and an H&S update to the Business Committee once a term. It was agreed that the Clerk would update the schedule of business and present at Board. Action completed.*

Action 2 (18.05.2021): *The draft budget for 2021/22 will be brought to the next Business Committee taking place on 29 June 2021. Please see agenda 8.1.7. Action completed.*

Action 3 (18.05.2021): *Further Education Capital Transformation Fund (FECTF) update to be provided at the full Board Meeting taking place on 25 May 2021. The FECTF confirmation, was due on 21 May 2021, is still awaited. Martin Colbourne will update the full Board, when received. **Action on-going.***

**8. Section A**

**8.1 Finance Reports** (Papers 07-18)

The finance papers were previously circulated, and the following information highlighted and discussed.

### **8.1.1 ESFA Financial Health and Letter and Dashboard**

The ESFA Financial Health and Letter and Dashboard, received from the Education and Skills Funding Agency in May 2021, was previously distributed and the following highlighted:

The documentation was written following the ESFA's receipt of the college's audited financial statements and assurance returns for the year ended 31 July 2020 and the finance record for the years ending 31 July 2020 (2019/20) and 31 July 2021 (2020/21) and the following assessment grades, based on the college's finance record, are noted as Outstanding for 2019/20 (the outturn year), and Good for 2020/21 (the current budget year).

Martin Colbourne confirmed that the College's audited financial statements, financial statements management letter and the annual report of the audit committee were reviewed by the ESFA and they have not identified any significant financial control concerns.

The dashboard was discussed, and it was noted that around 30% of the sector show an outstanding health rating and it was agreed that it is a good confirmation of the college's health rating outlining the college's strengths. The dashboard gives a high-level overview of the college's financial performance and it is primarily aimed at governors, to help in their role in overseeing the corporation's financial performance and ensuring financial sustainability and solvency. It was noted that performance ratio (EBITDA) is in the middle of the graph and staff costs (including contract tuition services and excluding restructuring) is below the National FE College Median as staff costs do not include NES so seem leaner than is.

The Chair noted that he is proud of the dashboard and asked if there are areas to improve on or are the finance team satisfied with its content? Martin Colbourne informed governors that the ratio around the balance sheet is strong and the surplus in I and E is difficult to answer but mechanisms would be reacted to. It was agreed that the college would not want to be below a strong good. It was agreed that targets will be reported against the dashboard in the full budget paper.

### **8.1.2 AoC FE College Finance Commentary**

Martin Colbourne informed the Committee that the weekly AoC Briefing Alert dated 10 June 2021, and written by Julian Gravatt, the AoC Deputy Chief Executive, provided a summary of all FE College finances for 2019/20 and was included within today's papers for information. The briefing alert follows the release from the ESFA of the 2019/20 financial data pack (all the summarised information from the submission of the audited 2019/20 FE College Accounts).

Martin Colbourne thought it would be useful for governors to view the summary to give a wider view of the state of FE College finances. Where appropriate, notes were provided, in red, to highlight CCN information.

The Chair thanked Martin Colbourne for his comments and for setting out the college's position to what is reasonable.

### **8.1.3 Latest Management Accounts and Emerging Picture – April 2021**

Please see confidential minutes.

### **8.1.4 Debts Update**

Please see the confidential minutes.

### 8.1.5 LIBOR Transition Proposal

Martin Colbourne informed governors that in March 2021 the Financial Conduct Authority (FCA) announced that GBP LIBOR will cease after 31 December 2021, therefore, CCN's bankers have prepared a 'LIBOR loan facility transition proposal' which governors are required to consider and approve.

Lloyds have prepared two documents: a Transition Proposal document and LIBOR transition guide and both documents were included in the Business Committee pack for information.

Discussions followed on the two possibilities: pegging to the Bank of England Base Rate or using the Sterling Overnight Index Average (SONIA), Lloyds are recommending the first option. It was confirmed that there will be no gain or loss as the base rate will stay the same. It was noted that Lloyds Bank will cover the cost of the transition and this will not affect the cost of borrowing. Martin Colbourne informed the Committee that these discussions relate to the Ipswich Road loan, which comes to an end in 2027/28 and the final 5-year rate will need to be set in the next 12 to 18 months. The Ipswich Road loan is on a 10-year rate fixed until September 2022 and the Easton loan is fixed until 2034.

Governors were informed that the college is required to consider whether they require their own advisers on this transition and Martin Colbourne informed them that on the basis of the change not impacting on the current fixed rate deals, and the legal costs of transition are being met by the bank, he does not propose that the college seek additional advice on this change. The college is also required to provide details of their review and resolution to approve the transition agreement, noted in the Business Committee and Board minutes, and details of who the two signatories will be. Full details were appended in the pack as an email from Lloyds bank detailing the sign-off process.

Following lengthy discussion, it was proposed that Andrew Barnes (as Chair) and Corrienne Peasgood (as CEO and Principal) authorise the transition.

**Action 3: The LIBOR proposal from the Committee to be recommended and approved at the full Board Meeting taking place on 6 July 2021 (MC / CJ).**

### 8.1.6 New Draft College / NES Finance Regulations

Martin Colbourne prepared a paper for the Committee highlighting the proposed updated draft of the College Finance Regulations and the supporting schedule of delegated authority for discussion and proposal and to go before the full Board for approval.

Martin Colbourne confirmed that following the mergers with Paston and Easton, the de-merger of the academies, and the subsequent wind-up of the TEN Group structure there has been the need for a revision of the Finance Regulations. It was noted that the structural changes to the College are reflected in the document and the key delegated authorities, which remain unchanged, are included in the schedule.

It was agreed that following the Business Committee's review, the Finance Regulations they will be presented to the Board on the 6 July 2021 and the following are proposed:

- For over £100k, may appropriately be set into the budget. It was confirmed that there are very few, i.e. UEA; KLM delivery costs, included. It was agreed that an easy way to present to the Board will be reviewed and could maybe set into the budget at the beginning of the financial year if pre-approved and previously identified. Any new contracts and capital spend, will be brought to the Board as usual.

- Principal and CFO to approve items over £25k up to a value of £100k.
- Principal to approve items between £5k to £25k.
- College and NES management to approve items between £1k to £5k.
- Department managers to approve items up to £1k.

**Action 4: Finance Regulations to be presented to the Board on the 6 July 2021 (MC / CJ).**

#### **8.1.7 Draft Budget for 2021/22 (including cost of living award)**

Please see confidential minutes.

#### **8.2 Grounds Maintenance (Horticulture) Tender** (Paper 19)

Please see confidential minutes.

#### **8.3 Cleaning Services Tender** (Paper 20)

Please see confidential minutes.

#### **8.4 Governance Matters**

##### **8.4.1 Review of Committee Terms of Reference**

It was agreed that the Committee's Terms of Reference will be reviewed following the receipt of the AoC's new Code of Good Governance.

##### **8.4.2 Review of Role Descriptors for Chair, Governors and Clerk**

It was agreed that this agenda item is discussed at next week's full Board Meeting.

##### **8.4.3 Review of Governors' Appointments and Length of Service as of June 2021** (Paper 21)

It was noted that the current Governors' Appointments and Length of Service, as of June 2021, was previously distributed for information.

The Principal informed governors that the current four-year length of service could be out of kilter with the national code and it could be recommended to change to three years, with a maximum nine-year appointment. It was agreed that succession planning is important and will be reviewed when the new Code of Governance is received and detail brought back to the Business Committee for review.

#### **9. Section B - papers presented in Section B are for discussion only if requested by Governors.**

There were no papers tabled in this section of the meeting.

#### **10. Section C - papers presented in Section C are for information only.**

##### **10.1 Union Colleagues Minutes** (Papers 22-23)

The confidential minutes from the Principal and NES MD Meetings which took place on 15 April and 26 May 2021, were previously distributed for information and the full content noted.

**11. Other Urgent Business**

There was no urgent or additional business discussed at the meeting.

**12. Confidentiality**

Agenda items 1 (Digitech), 8.1.3, 8.1.4, 8.1.7, 8.2 and 8.3 are tabled as confidential.

**13. Date of Next Meeting**

The next Business Committee is scheduled to take place on Tuesday 12 October 2021 at 4.00 pm. Venue to be notified at a later date.

All business having been concluded; the meeting finished at 6.12 pm.

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

**DATE:** .....