

LUMINATE EDUCATION GROUP

<p style="text-align: center;">MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON FRIDAY 28 APRIL 2023</p>

Board Members Present

Colin Booth	Group CEO
Mark Garratt (up to item 12)	Governor
Billiejean Goodyer (up to item 15)	Student Governor
Carolyn Lord	Governor
Shaid Mahmood	Governor and Chair of the Board
Ken Morton	Governor
Jane Pither	Governor
Richard Shaw	Governor
Ian Watling	Governor
David Yates	Governor and Vice Chair of the Board

The quorum for the meeting was seven board members

Other Attendees

James Broadhurst	ELT Project Co-ordinator
Laura Cavanagh	Head of Communications
Melanie Halstead	Director of Governance
Stuart Jolley	Chief Financial Officer
Bill Jones	Deputy CEO & Executive Principal
Gemma Simmons-Blench	Deputy CEO Curriculum & Quality
David Warren	Group Vice Principal, Development
Joe Wilson	Principal, Leeds Conservatoire

The meeting took place at the Leeds City College Printworks Campus and started at 10am

MEETING ADMINISTRATION AND GOVERNANCE

1. Welcome and Apologies for Absence

James Broadhurst and Laura Cavanagh were welcomed to their first meeting of the board.

Apologies for absence were received from Cath Lennon (Governor), John Toon (Governor and Vice Chair of the Board) and Ann-Marie Spry (Group Vice Principal, Adults).

2. Determination of Observers/Attendees at the Meeting

The board agreed attendees/observers at the meeting as per the above attendance list.

3. Declaration of Interests in any Agenda Items

Governors were reminded of the requirement to declare their interest in any agenda items. As Chair of the Association of Colleges (AoC), Shaid Mahmood declared an interest in agenda item 10 (FE pay) insofar as this related to AoC pay negotiations/recommendations. Other standing declarations as per the register of board members' interests were noted.

4. Minutes of Meetings of the Board held on 12 December 2022 and 30 January 2023 and consideration of any Actions or other Matters Arising

The board considered the draft minutes of its meetings held in December 2022 and January 2023 and reviewed the rolling list of actions and other matters arising from previous meetings. Governors were updated on the whistleblowing and associated matters

discussed in January and developments since that time. The Head of Communications was thanked for her input into the article recently published by FE Week relating to Luminate Education Group and White Rose Academies Trust. It was noted that the ESFA had invited the Chair and the CEO to a meeting to discuss the group's ongoing complaints; the Chair undertook to inform governors of the outcome of this meeting.

5. Communications

Chair's and CEO's Communications

The Chair and CEO provided feedback from the group's annual strategic conversation with members of the FE Commissioner's team and the ESFA held earlier that month. Governors were pleased to note that the meeting had been extremely positive and had included discussion around the group's positive approach to curriculum reforms, quality and financial performance indicators and the group's property strategy. With regard to the latter, the ESFA had indicated that the outcome of post-16 capacity fund bids was expected to be announced mid-May.

Written Resolutions and/or Chair's Action

The Director of Governance confirmed that one written resolution (dated 20 March 2023) had been circulated and approved by governors since the previous board meeting. This related to the appointment/reappointment of board and committee members following recommendations made by the Governance & Nominations Committee.

It was reported that the Chair and the CEO (as Accounting Officer) had signed the group's 2021/22 year end accounts following satisfactory conclusion of the outstanding matter relating to Leeds Conservatoire, as discussed/agreed by the board in December 2022.

Update from Students' Union (SU) President

The President summarised recent activities of the SU which included SU Officer training (including leadership training) and participation at a House of Lords skills and training event. Governors were also pleased to hear that the warm spaces programme was proving to be very popular, with many students benefiting from the programme. Some negative feedback had been provided by students at the Printworks Campus relating to segregation of students and the Deputy CEO & Executive Principal explained the reason for this temporary security measure. The Deputy CEO also undertook to look into an issue raised by students regarding the prayer room at Quarry Hill.

Feedback from Link Governors

The SEND Link Governor advised that he had provided an input to the group's draft SEND Policy which was presented separately for board approval.

The Safeguarding Link Governor provided feedback from the most recent meeting of the Safeguarding Strategy Group at which critical incident planning had been discussed; this was now being progressed on a campus basis. Governors were pleased to hear that a cross-group Sexual Harassment and Violence Working Group was now up and running. Governors were also pleased to note that 95% of students responding to the 'on exit' survey confirmed that they felt safe at college. It was confirmed that the Safeguarding Strategy Group would monitor implementation of the recommendations identified by the internal auditors following their recent review of the group's safeguarding arrangements.

6. Governance

Feedback and Recommendations from Governance & Nominations Committee

The Director of Governance presented a paper updating governors on the most recent discussions and recommendations arising from the work of the Governance & Nominations Committee.

At its meeting in March the committee had considered, and recommended for board approval, proposed revisions to the group memorandum of understanding and scheme of delegation, the main changes being:

- (a) Removal of all references to White Rose Academies Trust.
- (b) Inclusion of University Centre Leeds and the University Centre Leeds Board.
- (c) Further detail/explanation of the dispute resolution process.
- (d) Further detail/explanation of Luminare Education Group as sole company member of Leeds Conservatoire.
- (e) Updated reference to shared services to reflect the wording of the 2022/23 group strategic priority.
- (f) Clarification that matters identified for approval by the Luminare Group and Leeds Conservatoire boards require both boards to agree.

The board approved the proposed revisions, noting that these would also require approval by the Leeds Conservatoire Board.

The Governance & Nominations Committee had also considered the draft revised Code of Good Governance for English Colleges on which the Association of Colleges (AoC) had recently consulted the sector. The Director of Governance advised that the new version of the code reflected the significant policy changes arising from, for example, the Skills for Jobs White Paper and subsequent Skills and Post 16 Education Act 2022 and the Office for National Statistics (ONS) reclassification of colleges. Having considered the consultation document, the Governance & Nominations Committee had supported the proposed new code and the Director of Governance had responded to the consultation on behalf of the group, having taken feedback from the committee and other governors. It was noted that the intention was for a final version of the new code to be published in the summer term.

The Governance & Nominations Committee had also discussed various reforms to strengthen governance, as set out within the Skills for Jobs White Paper, and in particular the requirement for all FE corporations to have an external governance review every three years. Governors discussed the proposed scope for a review to be commissioned early in the new academic year.

RESOLVED:

- (a) To approve the revised group memorandum of understanding and scheme of delegation.
- (b) To delegate authority to the Governance & Nominations Committee, in conjunction with the Director of Governance, to agree the final scope and commission the external governance review to be carried out during 2023/24.

Appointment of Chair/Chair Designate, Staff Governor and Student Governor

The board was reminded that Shaid Mahmood's term of office as a governor and as Chair of Luminare Education Group would end on 31 October 2023. John Toon had been nominated as Chair with effect from 1 November 2023 and the board unanimously supported his appointment as Chair Designate. A discussion followed on the importance of ongoing succession planning for the board (including the role of Chair) and the options available to support this process. This would remain under review by the Governance & Nominations Committee.

The Director of Governance reported that four nominations had been received for staff governor; an election would therefore be arranged with the nominee receiving the highest number of votes being recommended to the board for appointment.

Qasim Hussain had been elected as SU President for 2023/24 and was therefore recommended for appointment as Student Governor.

RESOLVED:

- (a) To appoint John Toon as Chair of Luminate Education Group with effect from 1 November 2023 for a two year term of office.
- (b) That John Toon's term of office as a governor be extended by two months, to 31 October 2025, to coincide with his appointment as Chair of Governors.
- (c) To appoint Qasim Hussain as Student Governor for the period 1 September 2023 to 31 August 2024.

STRATEGY, POLICY AND RISK

7. Review of Group Risk Register

At its meeting in March the Audit Committee had discussed an emerging risk around gang crime/violence and the risk of increased community tensions leading to a critical incident on or close to sites had subsequently been added to the risk register. The Deputy CEO Curriculum & Quality explained the background to this new risk and governors sought and received assurances around the controls/actions in place to mitigate the risk.

The board went on to review other changes made to the risk register and the status of individual risks. In considering the risk around competition from other providers in key markets affecting the group's ability to grow and diversify, governors discussed the broader risk around the state of the market, in addition to competition. Another risk related to a lack of brand clarity affecting public perceptions of the group and its ability to engage with diverse stakeholders. Linked to this, the Chair of University Centre Leeds updated governors on the ongoing development of the University Centre's marketing strategy.

It was reported that although there had been extensive negotiations around pay and conditions with all trade unions, UCU and Unison had recently provided notification of their intention to hold an industrial action ballot of their members. A discussion took place regarding the potential impact of any industrial action and the risk of students being prevented from graduating. It was noted that a separate paper on the agenda for this meeting provided further information. Governors also recognised that staff recruitment challenges and resulting skills shortages may necessitate a review of the curriculum offer in some parts of the group; this would be kept under review by local boards.

RESOLVED:

To approve the current iteration of the group risk register, including the mitigating actions in place and planned by management.

8. Accountability Agreement

In advance of the meeting board members had received a copy of the group's draft Accountability Agreement for the academic year 2023/24 and now received a presentation from the ELT Project Co-ordinator on the key aspects of the agreement, its purpose, and the approach taken to develop it. Governors supported the statement of purpose, aims and objectives set out in the agreement and welcomed the way in which the document was presented, particularly the annexes relating to the individual colleges. The following minor amendments were suggested:

- Reference to Pudsey Sixth Form College to be amended to more accurately reflect the current status of the proposed project.
- Reference to Harrogate Borough Council to be updated to North Yorkshire Council.
- Addition of the words "more efficient" to the Leeds City College objective relating to the property strategy (objective 3).
- Clarification of whether the reference to Foundation Degree Awarding Powers (FDAP) should read Luminate Education Group rather than University Centre Leeds.

The board agreed the Accountability Agreement, and the Corporation Statement to be

signed by the Chair, subject to the above changes. There was a general comment around how some of the objectives would benefit from being smarter/more specific which the executive undertook to review for future iterations.

Governors thanked the ELT Project Co-ordinator for his work in compiling the draft agreement and his presentation of it at this meeting.

RESOLVED:

To approve the Luminate Education Group Accountability Agreement for 2023/24, including the statement of purpose, aims and objectives set out therein, subject to the minor amendments listed above, and that the Chair sign the necessary statement on behalf of the Corporation.

9. Group Strategy 2023-25

The board considered and provided feedback on the draft strategy document with those who had attended the group world café in February recognising how that event had shaped the refresh. Suggested changes/additions included:

- Review of the wording of cultural aims
- SEND to have more of a focus within the strategy
- Review of language and/or explanation of technical terms such as ‘restorative practice’ and ‘trauma informed practice’
- Review of reference to Pudsey Sixth Form College to accurately reflect the status of the project at the time of publication

Other suggested changes were of a presentational nature. Governors thanked the Head of Communications for her work in compiling the refreshed strategy and looked forward to receiving a final version for approval.

10. Further Education (FE) Pay at Luminate Education Group

The board had approved the group’s long-term approach to pay at its July 2022 meeting. The Deputy CEO & Executive Principal provided an update on the actions taken since that time to improve staff remuneration. Governors confirmed their continued support of the group’s approach to improving reward through its scale and ability to innovate in a way that is affordable and sustainable given the funding constraints and external environment. A discussion followed on the likely impact of the proposed actions and the likelihood of preventing strike action. The CEO commented that the proposals were focused on recruitment and retention and being fair to staff rather than preventing industrial action.

RESOLVED:

- (a) To continue to support the policy of increasing the lowest pay point to match changes to the Real Living Wage as and when they occur.
- (b) To continue to endorse the policy to support the AoC national negotiations and pay the recommended percentage pay award to all staff for 2023/24 and in future years.
- (c) To continue to support the policy of ensuring those currently paid the Real Living Wage (RLW) are paid in line with the annual increase to this.
- (d) To support an annual review of the lowest points on the FE colleges & Services pay scale in order to support the RLW and maintain pay differentials.
- (e) To support the proposal to allocate a proportion of any surplus additional to the budget to staff pay.
- (f) To support the policy of reviewing the Luminate pay scales to narrow pay differentials with different sectors where this is causing recruitment, retention or quality issues, where this is affordable.
- (g) To support the proposal to increase employer involvement in and sponsorship of the curriculum with the view to offsetting group pay and non-pay expenditure through their contributions.

(h) To support the proposal to research good practice in the sector to further improve efficiency.

11. Shared Services

The CEO presented an update on the implementation of Luminate shared services and planned next steps. A discussion followed around the benefits of being part of a larger group which the CEO undertook to highlight when presenting his update to member boards.

12. Policies

Governors reviewed new/updated policies relating to data protection, modern slavery & human trafficking and SEND (Special Education Needs & Disabilities). The SEND Link Governor had reviewed and provided feedback on an earlier draft of the SEND policy and was satisfied with the version presented for approval.

RESOLVED:

To approve the new/updated policies relating to data protection, modern slavery & human trafficking and SEND.

PERFORMANCE MONITORING AND SCRUTINY

13. Strategic and Operational Development Plan 2022/23 – Mid Year Update

As previously requested by the board, the Deputy CEO Curriculum & Quality presented a mid-year update against the agreed strategic and operational development plan, focusing on those areas identified at the start of the year as presenting the highest level of challenge or risk for 2022/23, those being:

- Performance within A Levels;
- Apprenticeship achievement rates;
- The significant levels of support needed to prepare students for external examinations;
- Staff wellbeing/welfare.

It was reported that significant progress had been made with A Level provision, especially so for year 12 learners. The Deputy CEO advised that predicted achievement data showed improvement in year 13 data from 60.8% in 2021/22 to 64% for 2022/23. Although lower than the national average, it was acknowledged that retention of these learners was very low at the start of year 13. Year 12 learners had a predicted achievement in 2023/24 of 82.6%, a 21.8% point increase on the 2021/22 data. In response to a question around attendance, the Deputy CEO reported that it continued to increase across the provision and was now 84% (higher for year 12 learners). Other action taken to improve performance included significant staff training, implementation of a standardised approach to data management, and a change to the curriculum to enable vocational subjects to be studied alongside 2 A Levels. It was expected that this area of provision would self-assess at a grade 3 in 2022/23 and at least a grade 2 in 2023/24. At the request of governors, the Deputy CEO provided an update on leadership arrangements, with FE Associates having recently been commissioned to support the recruitment of a permanent Principal.

It was reported that significant progress had also been made with Apprenticeship achievement rates, with predicted improvement at all three FE colleges in 2022/23. Governors were pleased to note that the predicted improvement across Luminate Education Group would deliver performance almost 18% points above the national rate for apprenticeship standards. Ongoing actions to secure the improvement in performance included monthly meetings with departments to review all aspects of the apprenticeship journey.

Governors' attention was drawn to the challenges around preparing students for exams, particularly at the Printworks Campus where a number of curriculum departments were currently in 'special measures'. The board was updated on the intervention and support in place to improve performance in those areas and was assured that the Leeds City College Board continued to monitor progress and the impact of the interventions in place.

The board was informed that although significant work had been undertaken around staff wellbeing/welfare, the impact had yet to be realised. At the request of governors, the Deputy CEO outlined the numerous initiatives introduced which included staff flu vaccines, training on wellbeing, cost of living working groups, an increase in welfare and wellbeing activities, the appointment of a staff wellbeing officer and the opportunity for staff to volunteer. Despite all of this, the challenges and impact of inflation, coupled with the ongoing industrial negotiations, had led to increased stress and anxiety for staff. Board members welcomed the wide range of initiatives to support staff during this particularly challenging period whilst recognising that the impact had yet to be realised.

14. Finance

Financial Position and Forecast

Governors reviewed the group's financial position for the first seven months of the financial year, noting that EBITDA was generally in line with the agreed operating budget. The main variances in income related to lower than targeted HE recruitment at University Centre Leeds and Leeds Conservatoire, as discussed at previous board meetings.

Cashflow Forecast and Commentary

In considering the quarter two cashflow forecast, governors noted that the cash balance was slightly behind forecast; the Chief Financial Officer (CFO) advised that this was due to the timing of capital and confirmed that the year-end cashflow forecast was positive.

Proposed Financial Objectives 2023/24

The Deputy CEO & Executive Principal introduced a paper recommending an updated set of financial objectives for the group. The proposed objectives had been discussed at the most recent meeting of the Finance Committee and were recommended for approval by the board. The Finance Committee had debated the EBITDA objective in particular, following which the committee agreed that the target should be lowered to reflect the current cost pressures being experienced by the group. The committee recommended a reduction in the target from EBITDA in the range of 8%-12% to 6%-10%. The remaining financial objectives remained unchanged from the current year.

RESOLVED:

To approve the proposed financial objectives for 2023/24, as recommended by the Finance Committee.

Operating Budget Assumptions 2023/24

The CFO presented a paper providing details of the budget setting process in its early stages, focusing on the assumptions regarding income and expenditure. The assumptions had been tested by the Finance Committee at its most recent meeting and a final draft operating budget would be presented for approval in July.

15. Property and Estates

Property Related Expenditure

Following scrutiny by the Property Strategy Committee and the Finance Committee, the board was recommended to agree proposals relating to additional fees for the Pudsey Sixth Form project, lease of additional space at the Eastgate site and a salix project at Leeds Conservatoire. In response to a question from governors, the Group Vice Principal Development advised that the outcome of the group's post-16 capacity fund bid to support the Pudsey Sixth Form project should be known mid-May. The CFO also updated the

board on the recently announced details of the DfE loans scheme; should the post-16 capacity fund bid be successful, the Pudsey Sixth Form project would be eligible for a DfE loan.

RESOLVED:

To approve the following property related expenditure, as recommended by the Property and Finance committees:

- (a) Pudsey Sixth Form College – additional site survey/investigation costs of £25k.
- (b) Lease of additional space at Eastgate – to revise the existing three leases into a single lease which includes extending the third floor lease at an additional cost of £130k per annum, including service charge, and extending the current term to at least 2028 on the basis that this provides value for money and future flexibility.
- (c) Leeds Conservatoire Salix Project – to accept SALIX grant funding for the decarbonisation of Leeds Conservatoire and approve internal financing of up to £593,613 to support the completion of the project.

Cleaning Contract

Following a competitive procurement process, the board was recommended to approve the appointment of a cleaning contractor for Luminate Education Group. It was noted that all cleaning provision for the group, with the exception of Leeds Conservatoire and Harrogate College, was currently contracted out. The recent tender process had not included the provision of cleaning services at Harrogate College and Leeds Conservatoire, the intention being to benchmark the existing in-house cleaning services against the appointed external cleaning contractor at some time during the term of the contract with consideration as to whether the management and provision of the service would be more cost effective by contracting out. It was confirmed that a variation to the terms of contract to enable this change had been included within the tender documentation.

RESOLVED:

To approve the award of the contract for cleaning services to Bulloughs Cleaning Services Limited for a three-year period effective from 1 August 2023 on the terms detailed in the circulated report.

16. Feedback and Recommendations from Group Committees

The respective chairs and senior leaders provided feedback from recent meetings of the Audit Committee, Finance Committee and Property Strategy Committee.

It was reported that the group had been approached by the ESFA to sub-contract an additional 28 apprentices through Yazz Hair Training Academy, following the insolvency of another training provider. The Finance Committee had discussed the proposal and agreed that, given the best-case achievement rate for this cohort stood at 90%, the risk to quality assurance and overall achievement rates was relatively low. The committee recommended that the board approve Yazz Hair Training Academy as a new subcontractor.

The Property Strategy Committee had been informed that the outcome of lease negotiations for the Keighley Manufacturing Hub had resulted in a lease of 18.5 years being offered (extended from 15 years) at peppercorn rent with an upfront payment from the grant allocation. The committee had considered the revised Heads of Terms and agreed to recommend to the board for approval. The committee had also been updated on the group's long intended ambition to contribute towards a public realm sculpture in the Cultural Quarter of Leeds and specifically in the vicinity of the Quarry Hill Campus. Committee members had supported the vision for the sculpture to become a focal point and landmark feature and recognised the benefits to Luminate Education Group as an educational institution in the area. However, members had suggested further exploration around maintenance obligations which the CFO was addressing. In light of the new requirements following reclassification of the sector, board members asked whether the associated

expenditure required DfE approval. The CFO confirmed that legal advice had been sought which suggested that approval was not required.

RESOLVED:

- (a) To approve the appointment of Yazz Hair Training Academy as a new subcontractor, as recommended by the Finance Committee.
- (b) To agree the lease Heads of Terms relating to the Keighley Manufacturing Hub, as recommended by the Property Strategy Committee.

17. Feedback and Recommendations from Group Member Boards

The respective chairs and senior leaders provided feedback from recent meetings of the FE College Boards, the Leeds Conservatoire Board and the University Centre Leeds Board. Governors were particularly pleased to hear of the positive Ofsted T-Level Thematic Review which had been carried out across the FE colleges. There were no specific recommendations from member boards requiring approval at this meeting.

The meeting closed at 1pm

Signed: (Chair) Date: