

**LUMINATE EDUCATION GROUP
LEEDS CITY COLLEGE CORPORATION**

**MINUTES OF THE MEETING OF THE
BOARD OF GOVERNORS
HELD ON MONDAY 14 DECEMBER 2020**

Present

Colin Booth	Group CEO
Shaid Mahmood (Chair)	Governor
Ken Morton (Vice Chair)	Governor
Jenef Ngombo	Student Governor
Helena Phillips	Governor
Jane Pither	Governor
Richard Shaw	Governor
John Toon	Governor
Ian Watling	Governor
David Yates (Vice Chair)	Governor

The quorum for the meeting was seven board members

In Attendance

Tiwonge Chipeta (up to item 7)	EDI Manager
Andrea Cowans (up to item 7)	Director of Student Life
Lydia Devenny	Deputy CEO Services
Mala Dhillon (item 7 only)	Group Director of Development & Projects
Melanie Halstead	Director of Governance
Bill Jones	Deputy CEO & Principal, Leeds City College (LCC)
Gemma Simmons-Blench	Deputy CEO Curriculum & Quality
Ann-Marie Spry	Group Vice Principal (Adults)
David Warren	Group Vice Principal (Development)
Andrew Whitaker	CEO, White Rose Academies Trust (WRAT)
Joe Wilson	Interim Principal, Leeds Conservatoire

The meeting took place via Google Meet and started at 5pm

MEETING ADMINISTRATION

1. Welcome and any Apologies for Absence

Jenef Ngombo was welcomed to her first meeting as student governor. Apologies for absence were received from Inder Hunjan (governor).

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. Standing declarations as per the register of board members' interests were noted, as was Shaid Mahmood's recent appointment as Chair of the Association of Colleges (AoC).

4. Minutes of the Meeting of the Board held on 19 October 2020 and any Actions or other Matters Arising

Governors considered the draft minutes of the previous board meeting and a rolling list of actions and other matters arising from previous meetings. The Group VP Development updated governors on the outcomes of the consultation on the proposed change of name for the corporation. He advised that the majority of respondents were in favour of the proposed change of name from Leeds City College to Luminate Education Group, with many commenting that it provided clarity. It was confirmed that all other actions and matters arising from previous meetings had been completed or appeared separately on the agenda for this meeting.

RESOLVED:

That the minutes of the meeting of the board held on 19 October 2020 be approved as a true and accurate record and that these be signed by the Chair.

5. Communications

Written Resolutions and/or Chair's Action

The Director of Governance confirmed that there had been no written resolutions circulated or chair's action since the previous board meeting.

Key Statutory Areas

Members of the executive and relevant link governors confirmed that there were no issues relating to governors' statutory duties that needed to be brought to the board's attention at this meeting.

Other Communications

The Chair reported that he and the CEO had been invited to meet with the new Vice Chancellor of Leeds Trinity University later that week to discuss areas of potential collaboration; feedback would be provided at the next board meeting or sooner if necessary. Governors were also provided with feedback from the Chair and CEO following their recent meeting with the Chief Executive of Harrogate Borough Council at which they had discussed the key role of Harrogate College in Harrogate's economic recovery plan and the proposed local government reorganisation.

STRATEGY AND POLICY

6. Equality, Diversity and Inclusion (EDI) Policy

The EDI Manager presented a new overarching EDI policy statement for the Luminate Education Group which, subject to board approval, would be accompanied by policies specific to each group member. Governors spent time discussing behaviours and responsibilities in relation to EDI, with an emphasis on this going much further than statutory obligations under the Equality Act. The board commended the range of EDI related activities taking place across the group which included CPD programmes, an EDI themed staff development day and a BAME staff mentoring programme. Governors particularly welcomed the planned development of a Race Equality Roadmap and looked forward to receiving further information on that in due course.

The board also considered and endorsed the group's Black Lives Matter (BLM) statements and agreed to adopt the International Holocaust Remembrance Alliance (IHRA) working definition of antisemitism. Arising from the board's discussion around these statements, it was clarified that the group's overarching EDI policy statement included provision for further statements around all equality priorities. This work was ongoing, with statements including Islamophobia and Trans Rights currently being considered. Governors supported this as an approach, noting that further statements around equality priorities to be responsive to

changing contexts locally, nationally and globally would be brought forward to future board meetings.

RESOLVED:

To approve the group's overarching EDI policy statement, to endorse the BLM statements as presented and to adopt the IHRA working definition of antisemitism.

7. Corporate Social Responsibility (CSR) Strategy and Action Plan

The board considered a draft group CSR strategy and action plan, this having been identified as a strategic priority in the previous year. Governors were also updated on the work that had been undertaken with each member organisation to help shape their local CSR action plan and the establishment of Special Interest Groups to support this agenda.

The Chair of the Leeds City College Board reported that board members had welcomed the work being done in this area but had questioned the number of objectives. It was acknowledged that CSR in an educational setting posed questions around the differentiation of core business and CSR. The Chair of the Keighley College Board advised that the board had acknowledged the importance of retaining a local flavour with a layered approach.

In reviewing the draft action plan, governors felt that success measures needed to be more easily identifiable for some of the actions. It was also suggested that the CSR strategy be mapped against the group strategy and strategic priorities to ensure continued alignment. The Group Director of Development & Projects undertook to update the CSR strategy and action plan to reflect the feedback from governors.

RESOLVED:

To approve the group CSR strategy and action plan for 2020/21 subject to the refinements suggested by governors.

RISK MANAGEMENT

8. Review of Group Strategic Risks

In considering the group's strategic risk register, governors focused in particular on the three significant risks identified, reviewing the identified risk control measures and further actions required to reduce the probability or impact of those risks. Uncertainty in relation to the timing of the disposal of the Horsforth site continued to place pressure on short-term financing and working capital requirements so governors spent some time discussing this in the context of risk. Governors sought and received an update on how each of the planned mitigating actions were being progressed. As previously requested by the Audit Committee, a report commissioned in relation to the cyberattack was presented separately on the agenda for this meeting.

Governors reflected on how the risk management framework could be strengthened to show the 'golden thread' between the group's strategic priorities, key risks and ownership of these through the individual objectives of senior staff and requested that this approach be implemented in future. The Group CEO advised that this work had started in the way he had approached senior staff targets in the current year and undertook to refine this further for the following year. It was also noted that the board's second workshop on risk appetite had been scheduled for February 2021; as with the first workshop held in November 2020, this would be facilitated by RSM Risk Assurance Services.

RESOLVED:

To approve the strategic risk register as presented.

9. Group Cyberattack

At its previous meeting the board had been updated on the IT systems restoration and rebuild, data restoration, and wider business continuity and disaster recovery strategy. As requested by the Audit Committee, a forensic investigation had been commissioned following the cyberattack and the outcomes of that investigation were now presented by the Deputy CEO Services. Governors' discussion focused on the sequence of events leading up to the cyberattack, the impact of the cyberattack and the remedial work carried out. Governors questioned what mitigating actions had been taken earlier in the year when the increased risk associated with the move to remote learning and working had been identified. The Deputy CEO Services advised that whilst posing an increased level of risk, the move to remote learning and working had been necessary due to Covid-19 and the national lockdown. In response to a question around systems yet to be recovered, the Deputy CEO Services confirmed that all corporate systems had been restored but the catching up of data was ongoing. At the request of governors, the Deputy CEO Services provided an explanation of the ongoing costs associated with the new security system compared to previously and the one-off costs covered by insurance.

It was reported that no evidence of data exfiltration had been identified as a result of the ransomware attack and it was noted that the case had been closed by the Information Commissioner's office. The Deputy CEO Services did however draw governors' attention to a remaining risk around data in that although there was no evidence of any data exfiltration, it was not possible to conclusively confirm that no data was exfiltrated by the threat actor.

Having considered the outcome of the detailed forensic investigation and the additional updates provided by management, the board was satisfied with the specific actions implemented to further strengthen the IT environment and mitigate future risk. This was particularly important in the light of continued remote learning and working. In considering its need for assurance going forward, the board noted that this would be built into the internal audit plan. Governors commended the resilience shown by staff, noting the need for continued staff training and development as the rebuild was not 'like for like'. The importance of staff wellbeing during this challenging period was also emphasised.

10. Covid-19 Response and Recovery Planning

Governors received a detailed report on the ongoing response to Covid-19 across all parts of the group. Their discussion focused on the arrangements for ensuring continued delivery in constantly changing circumstances, and how the health and safety of staff, students and stakeholders continued to be prioritised. They also discussed the need to focus on building further resilience and the group's plans for recovery beyond the pandemic.

PERFORMANCE MONITORING AND SCRUTINY

11. Strategic and Operational Development Plan and Targets 2020/21

The Group CEO presented the group's draft Strategic and Operational Development Plan for 2020/21 and governors considered the proposed quality and financial targets. At its previous meeting the board had reviewed the significant areas where 2019/20 targets had not been met and where overall performance remained below national averages or internal expectations. They now sought confirmation that targets for each of the areas where overall performance was below expectations had been included in the plan for 2020/21.

In response to a query relating to EBITDA, the Deputy CEO Services advised that the target in the plan was consistent with the agreed operating budget. Governors suggested that each measure used by the ESFA to determine financial health be added to the

Strategic and Operational Development Plan in addition to the EBITDA target; the Group CEO undertook to add these to the plan.

Governors questioned whether the focus on teaching and learning had been impacted by the cyberattack and other challenges. The Deputy CEO Curriculum and Quality assured governors that there remained a relentless focus on the quality of education. However, whilst some improvements had been made since the last Ofsted inspection, there was not yet enough overall progress for the FE colleges to self assess as 'outstanding'. Governors encouraged the executive to alert the respective boards of any additional support required in relation to teaching and learning. In relation to English and maths, governors asked whether the colleges could sustain the level of progress reported. The Deputy CEO Curriculum and Quality expressed confidence that it was sustainable and underpinned by online resources and online learning. It was noted that the self-assessment cycle had been revised this year and the Deputy CEO Curriculum and Quality advised that a three yearly cycle was being considered for the future.

RESOLVED:

To approve the 2020/21 Strategic and Operational Development Plan and Targets subject to inclusion of the additional financial measures requested by governors.

12. Student Recruitment 2020/21

The Group CEO presented an update on student numbers across the group. It was noted that the apprenticeship market remained extremely volatile. In addition, careful consideration would need to be given as to if and when to invest in new courses to get closer to the adult target. Leeds Conservatoire had recruited incredibly well and HE recruitment in the FE colleges had also held up. With regard to the latter, it was noted that the University Centre had been impacted by the cyberattack. The CEO of WRAT reported that the academies within the Trust were now a secure first choice; of particular note was the growth of Leeds West Academy despite closure of the sixth form provision.

13. Finance

Financial Position and Forecast 2019/20

Board members reviewed the period 12 financial outturn position. The Chair of the Finance Committee drew attention to an increase in the pension liability, adding that this was to a large extent outside of the group's control. The Chair of the Finance Committee also advised that the committee had requested that the 2020/21 numbers be circulated to members as soon as they became available, having been delayed due to the cyberattack.

Cash Flow Forecast and Commentary

The Deputy CEO Services presented the cash flow forecast as had recently been submitted to the ESFA. The forecast had also been considered in some detail by the Finance Committee at its meeting earlier in the month. The committee had received assurance that the payment issues arising from the cyberattack had been factored into the cash flow and that the entire spend had been captured. The Finance Committee had highlighted that during years 1 and 2 of the forecast there were several months where cash flow would be a matter of concern; they had been assured that weekly meetings continued to take place to review the cash flow and adjustments made as necessary.

The board supported a proposed extension to the corporation's existing revolving credit facility with Santander until the end of January 2021 in light of the fact that the WYCA Investment Committee was not scheduled to meet until early January.

RESOLVED:

To note the cash flow forecast and commentary submitted to the ESFA and to approve an extension to the corporation's existing revolving credit facility with Santander until the end of January 2021.

Cost of Living Pay Award for the Luminare Pay Scale

The Group CEO introduced a paper proposing a 2020/21 cost of living pay award for all staff employed on the Luminare Pay Scale. He explained that the Luminare Pay Scale applied to all staff employed in the FE colleges and all staff working for Luminare Group Services. Governors were reminded that historically staff employed on this pay scale had received a cost of living pay award on 1 December each year with the practice in recent years being to confirm the pay award recommended nationally by the Association of Colleges (AoC) - this was 1% in December 2018 and 1% in December 2019. The circulated report summarised the 2020/21 pay claim put forward by the Trade Unions and the national offer from the AoC. The board was asked to consider and approve the following course of action:

- To fix the lowest salary point on the Luminare Pay Scales as the same as the living wage, calculated by the Living Wage Foundation.
- To apply to become an accredited living wage employer with the Foundation.
- To confirm a preference long term for most contracted-out services to be brought back in-house with improvements in terms and conditions equal to those already directly employed on the Luminare Pay Scale.
- That where services are contracted out, to ensure that staff are paid the living wage, calculated by the Living Wage Foundation.
- To increase pay points on the Luminare Pay Scale by 1% or £250 - whichever is the greater. This increase to be applied from 1 December 2020.

Whilst appreciating that the proposal was driven by affordability, board members expressed their disappointment that funding restraints prevented further reward for staff in such a challenging year.

RESOLVED:

To approve the course of action set out above in relation to the 2020/21 cost of living pay award for the Luminare Pay Scale.

Property Strategy Expenditure Proposals

The Group CEO presented a series of proposals for expenditure to progress projects within the group property strategy. The proposals related to early planning being progressed to design a major refurbishment of the Park Lane buildings, detailed planning work on Pudsey Sixth Form College and refurbishment of St Bartholomew's Centre to accommodate growth in adult student numbers and to improve facilities.

It was confirmed that both the Property Strategy Committee and the Finance Committee had examined the proposals and recommended that the board agree to progressing the design works as outlined in the circulated reports. The Chair of the Finance Committee advised that the committee had sought and received assurance that achievement of the current year budgeted EBITDA would not be adversely impacted by the proposed expenditure. The committee had also highlighted that other elements of the property strategy may need to be delayed due to cash flow unless grant funding was made available.

The Leeds City College Board also supported progressing the Pudsey Sixth Form College project having discussed the educational arguments and strategic issues.

The board sought and received confirmation that all of the proposed expenditure was included in the cash flow considered earlier in the meeting.

RESOLVED:

- (a) To support the proposed direction of travel in terms of a 25 year+ refurbishment of the Park Lane buildings and that design work to support an application for grant funding from the ESFA for the refurbishment be progressed during 2021, subject to more detailed proposals being brought to the board before committing to more significant expenditure on detailed design work for the refurbishment.
- (b) To approve the appointment of a project management company to start detailed design work on Pudsey Sixth Form College from January 2021, with a budget of £200k for design costs up to March/April 2021, subject to further approval being sought in advance of any additional expenditure to complete the design process, allowing the board an opportunity to review the progress made with partners and the likelihood of securing loan funding to start building works.
- (c) To approve proceeding with the lease of the St Bartholomew's Centre, preparation of the lease documents for signature, and a capital budget of up to £670k for refurbishment works.

14. Group Member Boards

The respective chairs and members of the executive presented feedback from recent meetings of the three FE college boards, the Leeds Conservatoire board and the White Rose Academies Trust (WRAT) board. It was reported that improving teaching, learning and assessment continued to be a priority for Harrogate College. Governors' were alerted to a risk identified at Keighley College in relation to community tensions affecting the college community; there had been little evidence of tension in the college, however, this posed a greater risk in the darker evenings for criminal activity and the Principal was therefore considering the need for additional security cameras and outside lighting. It was noted that the Principal post for the Printworks Campus of Leeds City College had been advertised and the Leeds Conservatoire Board had appointed its new Chair with effect from January 2021. The Chair of the WRAT board reported on the appointment of the Principal at Millfield Primary Academy. The WRAT board had also agreed to progress to the next stage of due diligence relating to UTC Leeds joining the Trust. A discussion followed around the strategic benefits of the UTC joining WRAT and the Luminare Group and, arising from this discussion, the Group CEO was asked to bring back to the board the details of any financial support required.

15. Group Committees

The board received papers summarising the discussions, decisions and recommendations arising from recent meetings of the Finance Committee, the Property Strategy Committee and the Governance & Nominations Committee.

The Governance & Nominations Committee had recommended a number of board and committee member appointments and reappointments, each having been carefully considered in line with the group's policy on the selection, appointment and reappointment of governors and co-opted board and committee members. The committee had also reviewed board and committee member attendance during 2019/20, noting an overall attendance rate of 90% against an agreed target of 85%. The board was recommended to reaffirm its overall target of 85% for 2020/21.

It was noted that recommendations made by the Finance Committee and Property Strategy Committee had been covered earlier in the meeting.

RESOLVED:

- (a) That Jenny Hoy be appointed as a governor of the FE corporation and as a member of the Remuneration Committee for an initial term of one year effective from 1 January 2021.

- (b) That Liz Mear be appointed as a co-opted member of the Leeds City College (LCC) Board on a date to be agreed by the Chair of the LCC Board following their forthcoming meeting.
- (c) That Stella Owen be reappointed as a co-opted member of the Leeds City College Board for a second term of office with effect from 1 January 2021.
- (d) That Kate Gledhill be reappointed as a co-opted member of the Keighley College Board for a second term of office with effect from 1 January 2021.
- (e) To reaffirm the overall target of 85% for board and committee member attendance during 2020/21.

CONFIDENTIAL BUSINESS

16. Confidential Minutes of the Meeting of the Board held on 19 October 2020

RESOLVED:

That the confidential minutes of the meeting of the board held on 19 October 2020 be approved as a true and accurate record and that these be signed by the Chair.

17. Remuneration Committee Feedback and Recommendations

(Members of the executive including the Group CEO withdrew from the meeting for this item of business)

The Chair of the Remuneration Committee provided feedback from a meeting of the committee held on 30 November which included the outcomes of performance appraisals and achievement of 2019/20 performance targets, the outcomes of the committee’s annual review of senior staff remuneration and the committee’s annual report for 2019/20.

RESOLVED:

- (a) To approve the proposed changes to senior staff remuneration, as recommended by the Remuneration Committee and detailed within the circulated report.
- (b) To receive and note the Annual Report of the Remuneration Committee.

The meeting closed at 8.45pm

Signed: (Chair) Date: