

LUMINATE EDUCATION GROUP

<p style="text-align: center;">MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON MONDAY 21 JULY 2025</p>
--

Board Members Present

Colin Booth	Group CEO
Andrew Chang	Governor
June Dennis	Governor
Cath Lennon	Governor
Carolyn Lord	Governor
Ken Morton	Governor
Jane Pither	Governor
Richard Shaw	Governor
John Toon	Governor and Chair of the Board

The quorum for the meeting was eight board members

Other Attendees

Darcy Amamou (item 8 only)	Deputy Head of Communications
Bill Barton	Vice Chair, Leeds City College Board
Lee Chapman (item 12 only)	Deputy Head of Digital Learning
Melanie Halstead	Director of Governance
Liam Johnson (item 12 only)	Change & Transformation Manager
Stuart Jolley	Chief Financial Officer
Bill Jones	Deputy CEO & Executive Principal
Gemma Simmons-Blench	Deputy CEO Curriculum & Quality
Ann Marie Spry	Group Vice Principal, Adults
Isabel Sutcliffe	Vice Chair, Harrogate College Board
David Warren	Group Vice Principal, Development
Natalie Wilson	Group Vice Principal, Curriculum & Skills
Joe Wilson	Principal, Leeds Conservatoire

The meeting started at 2pm and took place virtually via MS Teams

MEETING ADMINISTRATION

1. Welcome, Introductions and Apologies for Absence

The Chair welcomed June Dennis to her first meeting as a governor of Luminare Education Group. Apologies for absence were received from Matt Findull, Becky Hewitt, Qasim Hussain and Julie Hyde (Governors). As this would have been his last meeting as Student Governor, board members expressed their thanks to Qasim for his contribution and commitment.

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 the owner of GenNorth, Richard Shaw declared an interest in agenda item 4, specifically the minutes of the meeting held on 12 May 2025 insofar as they related to GenNorth. As a partner at Clarion Solicitors, Carolyn Lord declared an interest in agenda item 14e (related party transaction). Other standing declarations as per the register of board members' interests were also noted.

4. Minutes of the Meetings of the Board held on 12 May, 2 June and 25 June 2025 and Actions/Matters Arising from previous meetings

The board considered the draft minutes of its meetings held in May and June 2025 and reviewed the rolling list of actions and other matters arising from previous meetings, all of which had been or were on schedule to be completed.

RESOLVED:

That the minutes of the meetings of the board held on 12 May, 2 June and 25 June 2025 be approved as a true and accurate record and that these be signed by the Chair.

5. Communications

Chair's and CEO's Communications

Governors were updated on matters relating to White Rose Academies Trust (WRAT) including the ongoing due diligence by the Trust Board to identify a preferred merger partner and the outcome of the recent Employment Tribunal (ET) preliminary hearing. The Chair reported that ET claims against WRAT had been scheduled for hearing in March 2026. It was noted that a number of senior employees of Luminare would likely be called to give evidence; it was agreed that whilst there was no compulsion on them from Luminare to do so, if they chose to do so Luminare would make sufficient time available to them to prepare for that process.

The Chair congratulated all involved in the group's achievement of the Tribal 'HE Project of the Year' award.

The CEO provided an update on proposals relating to the Morley Adult Education Centre following which the board agreed that a written resolution be circulated should a decision to proceed be needed before the next board meeting.

Written Resolutions and/or Chair's Action

One written resolution (dated 19 June 2025) had been circulated and approved between board meetings; this related to board appointments/reappointments following recommendation by the Governance & Nominations Committee.

Feedback from Link Governors

Link Governors provided feedback from their recent meeting with members of the Student Parliament. The board asked how requests and issues raised by the Student Parliament are considered internally; the Deputy CEO & Executive Principal advised that he meets with the Student Parliament on a regular basis, providing a two-way process of communication.

The Health & Safety Link Governor had attended a meeting of the Group Health & Safety Committee and reported that good progress was being made on a number of fronts.

STRATEGIC ITEMS OF BUSINESS

6. Review of Group Risk Register and any Emerging Risks/Issues

Whilst no new risks had been added to the group risk register, the scores of some risks had increased, namely (i) judicial review impacts on funding to build new college and as a result the viability of Harrogate College and (ii) increased community tensions may lead to a critical incident on or close to sites. The latter was reported to be due to a lack of progress in lockdown training and business continuity training across the group; this matter had been the subject of a deep dive at the June 2025 Audit Committee meeting and, whilst some progress had been made, the committee remained concerned at the level of pace and therefore highlighted this particular risk to the board. Management reported that fire safety work had taken priority over business continuity to date but that discussions were taking

place as part of the 2025/26 business planning process around the level of additional resource required for business continuity. A further update was to be provided to the Audit Committee in the autumn term. A separate paper relating to the Harrogate College project would be considered later in this meeting.

RESOLVED:

To approve the current iteration of the group risk register, noting and supporting the Audit Committee's interventions around business continuity planning.

7. Key Issues, Risks and Recommendations arising from Group Member Boards

The respective chairs and/or senior leaders provided feedback from recent meetings of the FE College Boards, the University Centre Leeds (UCLeeds) Board and the Leeds Conservatoire (LC) Board, with a particular emphasis on any key risks identified.

It was reported that the HE Fees and Refunds Policy had been combined into a single policy covering both UCLeeds and LC, with specific details regarding fees and payment/liability dates omitted to future proof the policy. The UCLeeds Board had discussed the fees for 2026/27 entry, which were proposed at a range from £9,000 to £9,535 per year for home students, with particular consideration to whether increasing all fees to the maximum £9,535 could impact recruitment. The board had asked that recruitment to the highest fee level courses be monitored to understand whether a blanket fee should be applied for future years. Following this discussion board members had agreed to recommend for approval the HE Fees and Refunds Policy and the fees for UCLeeds for 2026/27 entry.

RESOLVED:

To approve the HE Fees and Refunds Policy and the fees for UCLeeds for 2026/27 entry, as recommended by the UCLeeds Board.

8. Luminate Group Strategy 2025-27

Following the World Café event held in January, a refreshed Group Strategy had been consulted on and the Deputy Head of Communications now presented a final draft for board approval. Governors were asked to submit any final comments over the next two weeks.

RESOLVED:

To approve the Luminate Group Strategy 2025-27 subject to any final comments being submitted by governors.

9. Strategic and Operational Development Plan (SODP) Targets 2025/26

The Deputy CEO Curriculum & Quality presented for approval the group's SODP targets for 2025/26, confirming that member boards had considered the targets proposed for their institutions and agreed to recommend them for inclusion in the plan.

For the benefit of new board members, it was explained that the annual SODP is the highest-level document across the Luminate Education Group that details the group's strategic aims, priorities and high-level operational targets. The plan is the result of a detailed bottom up process that ensures that all board level strategic action plans are delivered and that key high-level quality and financial targets for 2025/26 are met or exceeded.

Governors sought and received confirmation that the proposed targets served to address all of the quality related risks identified on the group risk register. It was agreed that these areas also be the subject of 'deep dives' at member board level.

It was noted that the full 2025/26 Strategic and Operational Development Plan would be presented for board discussion/approval in October 2025 and a detailed review against the targets in the plan would be presented to the relevant boards in the annual reporting cycle.

RESOLVED:

To approve the SODP targets for 2025/26, as detailed within the circulated report.

10a. Group People Policies

The board considered a new Pay Supplement Policy which had been created in order to formalise and standardise arrangements for pay supplements, in particular market supplements and attraction payments, and was intended to assist with recruitment and retention of key specialist roles in specific hard to recruit areas. It was confirmed that regular analysis of market supplements and attraction payments would be monitored and reported via the executive leadership team.

The Chief Financial Officer informed governors that it was planned to pay a non-consolidated payment to staff in July 2025, as previously agreed and in accordance with section 8 of the Pay Supplement Policy.

The board was also asked to approve an amendment to the Group's Managing Organisational Change Policy, as follows:

"Pay protection only applies if you accept or are appointed to a role which is one grade lower than your current grade" to be amended to read "Pay protection only applies if you accept or are appointed to a role which is one grade lower than your current grade (two spine points for those on a spot salary)"

The Deputy CEO & Executive Principal explained that the reason for this change was that the group now had more staff on spot points and therefore needed clarity in the policy wording. In response to a question from governors the Deputy CEO advised that the financial impact of the proposed change was minimal.

RESOLVED:

To approve the new Pay Supplement Policy and the proposed amendment to the Managing Organisational Change Policy.

10b. Gender Pay Gap Report 2025

The Deputy CEO & Executive Principal introduced a report providing the gender pay gap data for the FE Colleges and University Centre, taken on 31 March 2025. The mean pay gap for this period was reported to be £0.83p (up £0.12p from the previous year) and the median pay gap was £0.00 (down £0.47p from the previous year).

Analysis of the gender pay gap calculations and comparison with national and sector-wide figures provided the board with significant assurance that the measures taken by Luminate Education Group to address the gender pay gap were successful. However, it was identified that further work was needed to attract more women into the upper quartile positions, and more males into the lower quartile positions (particularly apprentice roles).

Governors were pleased to note that some initiatives were already ongoing and contributing to the positive impact on the gender pay gap and welcomed the additional initiatives planned which were felt to be thorough, thoughtful and wide-ranging.

11. Group CEO Transition Plan

The board considered a detailed transition plan reflecting the appointment of the CEO Designate and the arrangements necessary to support a seamless transition in January

2026. In response to a question around leadership capacity, the Deputy CEO & Executive Principal (CEO Designate) advised that executives leadership team roles and responsibilities were currently being reviewed and reallocated. He also advised of plans to appoint an Executive Principal for Leeds City College. Governors endorsed the proposed actions outlined within the plan which were aimed at ensuring leadership stability and achievement of the group's strategic priorities. It was suggested that future iterations of the transition plan focus on the opportunities in addition to risks and that key messages be identified as part of the communications plan.

12. Artificial Intelligence (AI) 'Deep Dive'

As previously requested, the board welcomed a presentation on the group's current practice and future plans in relation to AI. A discussion followed around governance, data control, tools/applications and the opportunities for collaboration with industry. Governors were pleased at the progress made to date and agreed to return to the topic as part of the 2026 World Café and/or Strategic Seminar within the context of the group's Digital Strategy.

RECURRING BUSINESS

13. Financial Performance

Feedback from Finance Committee

The Chair of the Finance Committee reported that the committee had met earlier that day; significant items of business considered by the committee appeared separately on the agenda for this board meeting.

Financial Position and Forecast 2024/25 including Cashflow Forecast

The Chief Financial Officer (CFO) presented the financial position for the group for the year to 31 May 2025. He reported that income was broadly in line with budget with income variances related to apprenticeships and HE fees and higher than planned staffing expenditure being offset by a significant underspend on other operating costs, bringing the overall position back in line with budget.

At its meeting earlier that day, the Finance Committee had discussed the staff numbers in the report, which were being managed through a combination of staff restructures and vacancies, bringing these close to the level they were at the start of the year. Committee members had queried what could be done to manage the numbers of agency staff being used, which had a significantly higher cost than employing substantive staff, impacting on the overall expenditure in this area. It was explained that agency staff were mainly required in hard to recruit areas such as trades courses, but that the new Pay Supplements Policy would hopefully reduce reliance on agency staff in the future.

The cashflow position as at 31 May 2025 represented 31 cash days in hand. The CFO advised that the main variances against the forecast cash balance related to the capital expenditure position. He added that in late March the group had received confirmation from the DfE that an additional £4.3m of capital funding would be awarded to the group, which would be replicated the following year. It was explained that the allocation for next year and future years' allocations had not been included in the cashflow forecast at this stage, but that this additional funding would have a positive impact on the group's cash balance and cash days in hand. It was noted that the Finance Committee had asked that the plan for this capital grant be presented to both the Finance and Property Strategy committees, to be reviewed alongside the Curriculum, Student Growth and Property Strategy in December 2025.

2025/26 Operating Budget and Three Year Financial Plan

The CFO presented the proposed consolidated budget for the group for 2025/26 and confirmed that the budgets for each element of the group had been approved by the member boards. Governors were informed that a further increase to study programme

funding had been agreed with the DfE subsequent to the drafting of the budget so actual income would be higher than reported. At its meeting earlier that day the Finance Committee had noted that the budget planned for a significant level of growth and had sought assurance that this was realistic. The CFO assured governors that the Business Planning process ensured that budgets were prudent and realistic and that while a substantial level of growth was expected over the next three years, the planned growth was still lower than had been achieved in previous years.

Finance Committee members had also noted that the ratio of borrowing to percentage of income was above 45% for the current year and, while this was planned to reduce over the course of the three year forecast, the level of borrowing reduced the group's overall financial health score to 'requires improvement' for the next two years. The CFO confirmed that no additional borrowing had been assumed over the course of the plan due to the risk of further decreasing the financial health scores. In response to a query from governors, the CFO advised that the additional capital income from the DfE had not been included in the financial plan; although this would improve the cash position, this would not impact the EBITDA and borrowing ratios.

The board discussed the group's HE income and, in particular, the financial position of Leeds Conservatoire, which was unlikely to return a positive EBITDA for the duration of the financial plan. It was explained that improvement to the conservatoire's financial position was largely dependent on the outcome of the next round of World Leading Specialist Provider Funding (WLSPF) and governors were assured that the conservatoire's executive team were actively working to improve the position. However, it was acknowledged that some decisions regarding cost savings could not be taken until after the WLSPF round was complete as doing so could negatively impact the ability to secure this funding. Applications for Degree Awarding Powers would reopen from August, which, if successful, would save the conservatoire around £500k a year in validation fees. Governors were assured that the Leeds Conservatoire Board was also cognisant of the financial position, and a scenario planning exercise was planned for the autumn term.

RESOLVED:

To approve the 2025/26 Operating Budget and Three Year Financial Plan.

Proposed Delivery Partnerships and Supply Chain Policy for 2025/26

Following consideration by the Finance Committee earlier that day, the group's proposed delivery partnerships and supply chain policy for 2025/26 were recommended for approval by the board. It was reported that for 2025/26 a small number of new contractors were proposed and that, while the group normally tried to limit the number of subcontractors used, these partnerships would help the group in addressing its aims to tackle the levels of NEET young people in the region. These providers were also able to provide access to training such as skills bootcamps, which could act as a progression route into further education. The Finance Committee had been assured that strong due diligence was in place for all subcontractors and that the provision was of high quality and low risk to funds, with arrangements in place for ongoing monitoring of the provision.

RESOLVED:

- (a) To approve the list of subcontractors and contract values as recommended by the Finance Committee and detailed within the circulated report.
- (b) To approve the Subcontractor and Supply Chain Policy for 2025/26, as recommended by the Finance Committee.

14. Property, Estates and Health & Safety

Property Strategy Committee

The Chair of the Property Strategy Committee (PSC) presented a paper providing feedback from a meeting of the committee held on 1 July 2025. Following consideration by the committee, both the Group Travel Strategy and Fire Safety Statement of Intent and Policy were recommended for approval by the board. Other significant items of business considered by the committee appeared separately on the agenda for this board meeting.

RESOLVED:

To approve the Group Travel Strategy and the Fire Safety Statement of Intent and Policy, as recommended by the Property Strategy Committee.

Enfield FECTF Project Update and Revised Budget

The board was informed of an ongoing issue at Mabgate related to the disconnection of a mains sprinkler valve in the Studio 24 building, which had added a number of weeks to the programme due to challenges engaging with Yorkshire Water to complete the works needed. As a result the group had engaged local MPs and the DfE who had written to Yorkshire Water but no timescale could be given for the issue to be rectified. The financial impact of the delay was to increase the overall cost of the Enfield build project by £1.4m. Assurance was given that the building would be operational by February 2026 with some additional measures in place to work around the issues at Studio 24.

The proposed budget increase had been considered by both the Finance and Property Strategy committees and, whilst disappointing, was recommended for approval by the board.

RESOLVED:

- (a) To note the intention to use the Enfield project ELT contingency budget of £250k towards the identified project overspend.
- (b) To approve an increase to the Enfield project budget of £1.4m, taking the approved expenditure to £20,387k (a variance of £1.15m on the original full board approved budget).
- (c) To note an additional financial risk related to the delayed grant draw down, as detailed within the circulated report.

Harrogate College FECTF Project Update and Revised Budget

The Group Vice Principal Development updated the board on the latest developments with the new Harrogate College building, explaining that following the approval of planning at the end of May, a pre-action protocol letter had been received related to concerns over parking arrangements. As a result, the group had engaged legal counsel and a Unilateral Undertaking had been issued which committed the group to funding a pot of money to mitigate parking concerns. It was confirmed that the money for this had already been allocated within the existing budget and was therefore not an additional spend.

It was reported that the DfE had been kept informed of the impact of the delays on the overall project budget and an additional £1.1m of grant funding had been requested from the DfE to cover the overall cost increase. However, it was clarified that due to a number of savings made elsewhere in the project, costs would be £479,000 over the budget previously approved by the board. Governors were informed that the group was also in discussion with the DfE regarding extending the deadline for grant funds to be drawn down. Although the final programme was still pending, the new building was expected to be completed by November 2026, with demolition of the old building and remaining groundworks to be completed in the summer.

RESOLVED:

- (a) To approve the group entering into contract with Caddick Construction Ltd (CCL) at the end of the Judicial Review period subject to:
- the formal challenge received on 19 June 2025 being considered by the group's legal advisers to have no merit and would therefore be unsuccessful;
 - the DfE being supportive of the above and agreeing that Luminate enter into a construction contract; and
 - any revised construction contract sum being funded from within the £400k Construction Contingency amount.
- (b) To approve the overall proposed new project budget as detailed within the circulated report.

Proposed Lease Renewals – Eastgate and Deacon House

The Group Vice Principal Development presented a paper seeking board approval to enter into new leases at Eastgate and Deacon House. The Property Strategy Committee considered the proposed lease arrangements at its meeting on 1 July 2025 and agreed to recommend for approval by the board.

RESOLVED:

- (a) To approve the signing of a new 5-year lease for Deacon House at an annual rent of £79,500k excluding VAT.
- (b) To approve the signing of a new 4-month lease for Eastgate at an annual rent of £199,648 excluding VAT.

Related Party Transaction – C Lord (Governor) took no part in this discussion or vote

In June 2024 the board had agreed to contract with Clarion Solicitors for legal support related to planning permission for the Harrogate College capital project. The value of the contract was up to £7,500 (plus VAT) for Clarion plus up to £7,500 (plus VAT) for support from a barrister (Piers Riley-Smith of Kings Chambers). It was reported that both of these amounts had now been spent and the board was therefore asked to extend the value of the contract with Clarion Solicitors by a further £7,500 (plus VAT) and a further £7,500 (plus VAT) for Piers Riley-Smith.

RESOLVED:

To extend the value of the contract for legal advice from Clarion Solicitors by up to a further £7,500 (plus VAT) plus £7,500 (plus VAT) for barrister input from Piers Riley-Smith of Kings Chambers.

15. Audit and Assurance

The Chair of the Audit Committee presented a paper providing feedback from a meeting of the committee held in June 2025.

The internal audit strategy and plan for 2025/26 was recommended for approval by the board; it was confirmed that this would remain under review throughout the year to respond to any changes in the group's risk profile. Minor updates to the Audit Committee's terms of reference for 2025/26 were also recommended for approval. The group's financial regulations, fraud policy/procedure and treasury management policy had all been updated following annual review; the main changes related to the thresholds within the financial scheme of delegation and additions to incorporate the requirements of the Procurement Act.

It was reported that Validera had now commenced the Park Lane C Block post-project review commissioned by the board; the resulting report would be presented at the next Audit Committee meeting.

RESOLVED:

- (a) To approve the Internal Audit Strategy and Plan for 2025/26.
- (b) To approve the Audit Committee's Terms of Reference for 2025/26.
- (c) To approve the proposed changes to the Financial Regulations, Fraud Policy & Procedure and Treasury Management Policy for 2025/26.

ANY OTHER BUSINESS

Chair of Governors

A brief discussion took place around terms of office and the Chair confirmed his willingness to continue in role until the end of the following academic or calendar year should the board wish him to do so. It was noted that discussions were also underway with individual governors as part of succession planning arrangements.

The meeting closed at 5.06pm

Signed: (Chair)

Date: