

**LUMINATE EDUCATION GROUP
MEMORANDUM OF UNDERSTANDING & SCHEME OF DELEGATION
MARCH 2023**

INTERPRETATION

“Luminate Education Group”, “The Group” or ‘Group Members’ means Harrogate College, Keighley College, Leeds City College, Leeds Conservatoire and University Centre Leeds.

“The Corporation” means the Further Education Corporation of Luminate Education Group, established under the terms of The Further and Higher Education Act 1992.

“Group Board” means the Governing Body of the Luminate Education Group Corporation.

“Member Boards” includes the Harrogate College Board, Keighley College Board, Leeds City College Board, Leeds Conservatoire Board of Directors and the University Centre Leeds Board.

OBJECTIVES

The objectives of this Memorandum of Understanding & Scheme of Delegation are:

- To define the relationship between the Luminate Education Group member organisations.
- To ensure clear dissemination between the work of the group board and each member board and how each fulfils its responsibilities and their commitments to each other to ensure the success of the group.
- To provide clear parameters for decision-making.
- In the respective and common best interests of each group member organisation, to provide for optimal integration and co-ordination of governance, through and within the group, in accordance with the respective, applicable regulatory requirements and general Charity Law principles.

PURPOSE OF THE LUMINATE EDUCATION GROUP

Luminate Education Group is a collection of passionate education providers based in the Leeds City Region. We see ourselves as ‘always stronger together’. At the heart of our organisation are our students. Our aim is to always make a positive difference to their lives by providing nurturing and quality learning experiences, which sees no student left behind. The role of Luminate Education Group is to support our member organisations and people to deliver an inclusive and aspirational education for all. We unite together to create greater collective stability and influence locally, regionally, nationally and internationally. We are committed to using our expertise, passion and financial resources to support each member to achieve their goals and aspirations, whether that is developing cutting-edge learning environments or delivering outstanding education and training. Central to this approach is working closely with the local communities that we serve, responding to the challenges they face and offering a sense of place for staff, students and their families. We know that delivering high quality and inclusive educational opportunities to every single one of our learners is challenging, but seeing the positive outcomes we can have on people’s lives means that we will constantly pursue this aim. Each member organisation has a governing body responsible for overseeing the successful implementation of strategic priorities and operations. Luminate Education Group also has a board (the group board) that oversees the overall group strategy and provides governance oversight across the group. Our purpose is to collectively transform lives through inspirational education, training and support.

LEGAL STATUS

The Corporation was established under the terms of The Further and Higher Education Act 1992 and is governed by Instrument & Articles of Government, setting out its powers and responsibilities. It is an exempt charity.

Leeds Conservatoire is a company limited by guarantee, formed under the Companies Act 2006, and is an exempt charity. Its powers are set out within the company’s Articles of Association. Leeds Conservatoire is a wholly-owned subsidiary of Luminate Education Group and therefore the Corporation is the sole company member (akin to shareholder).

Terms of Reference set out the responsibilities of the Harrogate College Board, Keighley College Board, Leeds City College Board and University Centre Leeds Board respectively. For the avoidance of doubt, these boards are not separate legal entities, instead forming part of the Corporation described above.

The group members are closely associated organisations, with complementary public benefit objects and a common purpose. The member boards have each determined that, for the benefit of learners and by extension for the public benefit, it is desirable to maximise the strategic and operational integration of the member boards and for this purpose to maximise the alignment of their respective decision making processes, in pursuit of the charitable objects of each member organisation (subject to their non-delegable primary governance responsibilities and authority, their regulator obligations, and management of any potential conflict of interest/loyalty). This scheme of delegation aims to support this approach.

DISPUTE RESOLUTION

It is not the intention for the group board to usurp the non-delegable functions of the member boards and it is incumbent on all parties to maintain vigilance in the application of this scheme of delegation. If the group board makes any decision that any party considers was a non-delegable decision of any member board, the group board shall urgently consider the matter and if considered appropriate the matter shall be remitted to the relevant member board indicating the desirability, or requirement, for the issues relating to the group board decision to be duly and fully considered by the relevant member board and either (a) ratified by the relevant board; or (b) reversed by the relevant board, allowing for a replacement decision by the relevant board.

Any disagreement between a member board and the group board in relation to any proposal/recommendation put forward for approval to be referred to a dispute resolution process whereby three members of the relevant boards will meet as soon as practicably possible to discuss and use their respective best endeavours to resolve the dispute.

Any board member who is concerned about any aspect of the operation of the group board or a member board may raise it directly with the chair of the group board. The chair of the group board shall be responsible for any such concern being addressed in an appropriate manner. In an extreme case appropriate action may include referral to the dispute resolution process.

REVIEW AND APPROVAL

The group board will have the absolute discretion to review this Memorandum of Understanding & Scheme of Delegation at least annually and in doing so will have regard to and give due consideration to any views of the member boards. It may be varied by agreement of the group board and the Leeds Conservatoire (LC) board.

SCHEME OF DELEGATION

		Governance & Decision Making Process¹	Notes & Related Documents
1	Strategy and Policy		
1.1	Strategic Direction (including vision, mission, values)	<p>Overall group strategy approved by group board and LC board with group board scrutiny and oversight of the performance of the group in delivering the agreed strategy.</p> <p>Strategies and policies of individual group member organisations approved by the respective group member board (albeit within the parameters of the agreed group strategy) and shared with the group board. Member board scrutiny and oversight of the delivery of agreed strategy.</p>	<p>Group strategy to be considered (usually annually) at group-wide world café (or similar) event.</p> <p>Opportunity to be provided (usually annually) at group world café (or similar) events for each group member organisation to provide updates and report on progress against their organisational strategies.</p> <p>A summary report providing feedback from each member board is</p>

			also presented (via the respective chair and senior leader) at quarterly group board meetings.
1.2	Strategic & Operational Plan	<p>Group Strategic & Operational Development Plan to be approved on an annual basis by the group board, following recommendation of organisational quality and financial targets by the respective member boards. Detailed scrutiny, challenge and monitoring of all aspects of the quality of education and other organisational targets is the responsibility of individual member boards, with the group board retaining group-wide oversight of the performance of the group.</p> <p>The Group Strategic & Operational Development Plan also includes annual group-wide strategic priorities, derived from the group strategy.</p> <p>Any strategic/operational plans of individual group member organisations approved by the respective group member board (albeit within the parameters of the group plan).</p>	Group members will be provided with an update on progress against the group-wide strategic priorities (as part of a world café or similar event) and will be consulted on strategic priorities for the following year, prior to these being included in the Group Strategic & Operational Development Plan.
1.3	Business Planning	Each member of Luminate Education Group plans and manages their annual income and expenditure budgets, and three year plans, with their own boards of governors and directors. We have a consistent business planning system across the group, where our people are involved in planning our future, are engaged with decisions and help ensure resources we need to deliver on our purpose and values are in place.	Also see section 3 (Finance).
1.4	Growth Strategy	<p>Both the group board and the relevant member board to approve the opening or acquisition of any type of new education provision having considered the outcomes of due diligence and recommendation of the executive.</p> <p>Once approved, governance oversight will rest with the relevant group member board.</p>	The senior leaders of member organisations should work together to ensure that their respective board(s) are kept well informed to enable timely decision making.
1.5	Curriculum Strategy	Member boards are responsible for the setting and review of the curriculum and in doing so shall have regard to any views of the	

		group board and the group strategy.	
1.6	Property Strategy	<p>The group board will approve the overall group Property Strategy, identifying the suitability of buildings and facilities in light of long term curriculum needs, and the need for and availability of capital investment. Each member board will approve aspects of the overall strategy/projects relating to their organisation.</p> <p>The Group Property Strategy Committee (PSC) and Group Finance Committee (in relation to financial aspects) maintains strategic oversight of the agreed property strategy and the individual projects within it, monitoring the delivery of the overall objectives of the strategy.</p>	<p>Group committees operate in accordance with terms of reference determined by the group board and within the parameters of the financial regulations – see terms of reference and financial regulations.</p> <p>Each member board will be kept informed of aspects of the overall strategy/projects relating to their own organisation.</p>
1.7	Policies	<p>Group board to approve any group-wide policies (applying to all or multiple group member organisations) requiring board approval, following which they will be made available to all relevant boards via the governance portal (virtual boardroom - VBR). Group-wide policies applying to LC will also require LC board approval.</p> <p>Individual group member boards to approve any local policies requiring board approval, albeit within the parameters of the group strategy/policy.</p>	
2	Leadership and Management		
2.1	Appointment of Senior Staff	<p>Group CEO, Group Deputy CEOs and Group Vice Principals to be appointed by the group board. Line management of the Group CEO will be via the chair of the group to the group board.</p> <p>Line management of the Group Deputy CEOs and Group Vice Principals will be via the Group CEO, in conjunction with the relevant member board chair (if applicable).</p> <p>FE College Principals to be appointed jointly by the relevant member board chair (or nominee) and the Group CEO (or nominee). Line management of FE College Principals will be via a member of the group executive</p>	<p>All appointments to comply with the relevant Instrument & Articles of Government / company Articles of Association and any other regulatory requirements imposed on individual group member organisations.</p> <p>Also refer to terms of reference of Group Remuneration Committee.</p>

		<p>leadership team (ELT), in conjunction with the relevant member board chair.</p> <p>Principal of Leeds Conservatoire (LC) appointed by the LC board and the Group CEO. Line management by the Group CEO, in conjunction with the chair of the LC board.</p>	
2.2	Senior Staff Remuneration and Conditions of Service	<p>Member boards, in conjunction with the Group CEO, to review and make recommendations annually to the Group Remuneration Committee, the committee's role being one of moderation for the group.</p> <p>Following consideration and recommendation by the committee, the final decision rests with the group board with the exception of recommendations relating to the Principal of LC which require the approval of both the group board and the LC board.</p>	The Group Remuneration Committee advises on the remuneration and conditions of service of those senior staff within its remit. See committee terms of reference and Senior Staff Pay Policy for further details.
2.3	Senior Staff Target Setting and Performance Appraisals	<p>The Group CEO, in conjunction with the respective chair(s) will present annual performance targets for senior staff to the Group Remuneration Committee. Having considered proposals put forward by the Group CEO, the committee will recommend targets for those senior staff within its remit to the group board and LC board (as applicable) for approval.</p> <p>The chair of the group will carry out the performance appraisal of the Group CEO. Members of the group executive leadership team to be appraised by the Group CEO, in conjunction with the relevant member board chair (if applicable). FE College Principals to be appraised by their designated line manager (a member of the group executive leadership team), in conjunction with the relevant member board chair. The outcomes of senior staff performance appraisals will be reported to the Group Remuneration Committee.</p>	
3	Finance		
3.1	Annual Operating Budget and Financial Plan	Consolidated annual operating budget and financial plan to be approved by the group board (via the Group Finance Committee) following approval and recommendation of	All Luminate Education Group member organisations are financially stronger together. This includes significant savings achievable through

		<p>individual budgets by group member boards.</p> <p>Financial targets for all parts of the group will also be included in the Group Strategic & Operational Development Plan each year, as described at section 1.2 above.</p>	<p>‘purchasing power’, better access to specialists and benefits from pooling high level financial risk management. Our collective size means that we are able to more easily plan and efficiently deliver significant capital projects that support the growth, resources and sustainability for all our current and future group members.</p> <p>Following approval of the budgets and financial plans, each member board is required to monitor the budget for their organisation and to inform the group board without delay of any likely deficit in the accounts or any need for significant unplanned expenditure and will discuss with the group board options for remedial funding.</p> <p>Also refer to the Group Financial Regulations and the Finance Committee terms of reference.</p>
3.2	Year End Financial Statements (Statutory Annual Accounts)	<p>Leeds Conservatoire (LC) financial statements (statutory annual accounts) to be approved by the LC board (via the LC Audit Committee).</p> <p>Consolidated financial statements and accounts for Luminate Education Group to be approved by the group board (via the Group Audit Committee).</p>	
3.3	Financial Regulations (including levels of authority for expenditure etc.)	<p>Following review and recommendation by the respective Audit Committee, financial regulations will be approved by the group board and the LC board. Following approval, the financial regulations will be made available to all member boards via VBR.</p>	<p>The levels of financial delegation and financial responsibilities are detailed within financial regulations. Member boards shall ensure that these regulations are observed at all times.</p>
4	Audit, Assurance and Risk		
4.1	Audit and Assurance	<p>The relevant boards will establish an Audit Committee to advise on the systems of internal control, risk management and corporate governance arrangements. The committee(s) will operate in accordance with terms of</p>	<p>At present there are two separate Audit Committees in place for each legal entity within the group (LEG and LC) – it is intended to explore the possibility and potential advantages of</p>

		reference agreed by the respective board and in accordance with the requirements of each entity's funding body.	establishing a single Group Audit Committee for 2023/24.
4.2	System of Internal Control	<p>The group board is ultimately responsible for the FE Corporation's system of internal control and for reviewing its effectiveness. The same applies to the LC board in relation to Leeds Conservatoire, with group-wide oversight by the group board.</p> <p>Day to day responsibility is delegated to the respective Accountable Officer for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and assets for which s/he is personally responsible, in accordance with the responsibilities assigned to him/her in the funding agreements in place with the funding bodies. They are also responsible for reporting to the board(s) any material weaknesses or breakdowns in internal control.</p>	
4.3	Risk Management	<p>As with all group-wide policies, the Group Risk Management Policy & Procedure (including Risk Appetite) will be approved by the group board and the LC board (on the recommendation of the respective Audit Committee) and made available to all member boards via VBR.</p> <p>Risk registers for each part of the group are owned by the relevant senior staff member and are monitored by the relevant member board. A group risk register summarises key risks at group level and is monitored by the group board.</p>	Refer to Group Risk Management Policy & Procedure and Group Risk Appetite Statement for further details.
5	Governance		
5.1	Establishment of committees (including committee membership and terms of reference)	<p>Group-wide committees to be approved by group board.</p> <p>Local committees and task & finish groups (or similar) to be approved by member boards.</p>	Any such approval to be in accordance with the Luminare Education Group Instrument & Articles of Government or, in the case of Leeds Conservatoire, the company's Articles of Association, and/or any other regulatory requirements imposed on

			individual group member organisations.
5.2	Schemes of Delegation	<p>Group Scheme of Delegation (this document) to be approved by the group board and the LC board and, following approval, will be made available to all member boards via VBR. To be reviewed annually (via the Group Governance & Nominations Committee).</p> <p>Any local scheme(s) of delegation to be approved by the relevant member board.</p>	
5.3	Appointment of Board Members	<p>Group and FE College board members to be appointed by the group board (via the Group Governance & Nominations Committee).</p> <p>Leeds Conservatoire board members (company directors & charity trustees) to be appointed by the group board, as stipulated in the company's Articles of Association. The Conservatoire board retains the right to appoint up to 2 co-opted board members, as stipulated in the Articles of Association.</p>	Also see the group's policy on the selection, appointment and reappointment of governors and co-opted board and committee members and the Governance & Nominations Committee terms of reference.
5.4	Appointment of Chairs and Vice Chairs	<p>Luminate Education Group Chair and Vice Chair(s) and the Chairs of each member board (other than the LC board) to be appointed by group board.</p> <p>Chair and Vice Chair(s) of Leeds Conservatoire to be appointed by the LC board.</p>	<p>In accordance with the group's governance structure, the Chair of each group member board will also be appointed to serve as a governor on the Luminate Education Group board.</p> <p>All members of the group board, when acting as group board members, shall act in the best interests of the group as a whole and not as representatives, or advocates, of the distinct position, or a potentially distinct interest, of any of the group members. However, a group board member may and naturally will bring the informative perspective of a group member organisation with which s/he is connected.</p> <p>The group board shall ensure members of the group board from the member boards are fully consulted on regulatory, strategic and operational</p>

			matters that are distinctive to the separate group member organisations.
5.5	Removal of Board Members	To be carried out strictly in accordance with the provisions of the relevant Instrument & Articles of Government / Articles of Association.	
5.6	Compliance with Charity Law, Company Law, Instrument & Articles of Government, Articles of Association and other statutory and regulatory requirements	<p>Statutory duties are imposed on each legal entity within the group; the relevant boards are therefore responsible for the oversight and monitoring of compliance in these areas with the group board retaining group-wide oversight.</p> <p>The Luminate Education Group Board of Governors has ultimate responsibility in relation to the FE Corporation (and retains strategic oversight of compliance within Leeds Conservatoire as sole company member).</p> <p>The LC Board of Directors has ultimate responsibility for the Conservatoire's compliance.</p>	<p>This includes statutory duties relating to Safeguarding & Prevent, Equality, Diversity & Inclusion, Health & Safety and Special Educational Needs & Disabilities.</p> <p>Each member board to report to the group board at least annually on how these statutory duties have been met.</p>
5.7	Attendance at Meetings	<p>The group board may from time to time invite members of the member boards who are not group board members to attend, observe and speak at group board meetings.</p> <p>The chair of the group shall be permitted to attend, observe and speak at member board meetings, having discussed and agreed this with the member board chair in advance.</p>	
6	Shared Services		
6.1	Group Shared Services	The overarching principle of the Group Shared Services offer is that we can achieve more for all by working together.	<p>A strategic priority of the group during 2022/23 is to develop first-rate shared services across the group which:</p> <ul style="list-style-type: none"> a) are recognised as delivering value for money by staff, managers and all group member boards; b) underpin Luminate's strategic influence and capacity to support the long term success of all group members;

			c) are branded and recognised as 'Luminate Group Services'.
7	General		
7.1	Data	Each member board shall provide such data and information as the group board may require from time to time.	Subject to appropriate data sharing agreements to ensure compliance with data protection legislation.

¹ For the avoidance of doubt, matters identified for approval by the group board and the LC board require both boards to approve. In the event of a failure to agree, the matter will be referred for dispute resolution as described above.