

LUMINATE EDUCATION GROUP

MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON MONDAY 27 JULY 2026

Board Members Present

Bill Barton	Governor
Andrew Chang	Governor
June Dennis	Governor
Becky Hewitt (via MS Teams)	Governor
Julie Hyde	Governor and Chair Designate
Bill Jones	Group CEO
Cath Lennon (via MS Teams)	Governor
Carolyn Lord (via MS Teams)	Governor
Ken Morton	Governor
Jane Pither	Governor
John Toon	Chair of Governors

The quorum for the meeting was eight board members

Other Attendees

Diana Bird (up to item 17)	Executive Principal, Leeds City College
Caroline Firth (up to item 16)	Vice Chair, Keighley College Board
Melanie Halstead	Director of Governance
Stuart Jolley (up to item 17)	Chief Financial Officer (CFO)
Gemma Simmons-Blench (up to item 17)	Deputy CEO
Isabel Sutcliffe	Vice Chair, Harrogate College Board
David Warren (up to item 17)	Group Vice Principal Development
Joe Wilson (up to item 17)	Principal, Leeds Conservatoire

The meeting started at 9.30am and took place at the Leeds City College Printworks Campus

MEETING ADMINISTRATION

1. Welcome and Apologies for Absence

Apologies for absence were received from Matt Findull (Governor), Vwaire Ikwe (SU President and Student Governor), Richard Lee (Staff Governor), Mala Dhillon (Group Director of People, Development & Culture), Ann-Marie Spry (Group Vice Principal Adults) and Natalie Wilson (Group Vice Principal Skills).

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. In relation to agenda item 14(b), the Chair declared a remote interest pertinent to his former legal firm acting for the landlord which would only occur in extreme circumstances. This would also be applicable to the written resolution of the same subject matter.

Other standing declarations as per the register of board members' interests were also noted.

4. Minutes of the Meeting of the Board held on 27 April 2026 and Actions/Matters Arising from previous meetings

The board considered the draft minutes of its meeting held in April 2026 and the rolling list of actions and matters arising from previous meetings. There were no outstanding actions or matters arising from previous meetings that were not covered elsewhere on the agenda for this meeting.

RESOLVED:

That the minutes of the meeting of the board held on 27 April 2026 be approved as a true and accurate record and that these be signed by the Chair.

5. Communications

Chair's Communications

With regard to the White Rose Academies Trust (WRAT) litigation, members were informed that the appellant's application for permission to appeal had been dismissed by the Court of Appeal. Consequently, the litigation against Luminate Education Group (LEG) had concluded. For ongoing proceedings against WRAT, LEG would provide reasonable support where appropriate. Following the reappointment of the Chair of the WRAT Board, succession planning remained a priority ahead of his anticipated departure within approximately six months. Members can connect with the Director of Governance at LEG regarding candidates.

The Chair of the Harrogate College Board and the LEG Chair of Governors had attended the Harrogate College steel signing ceremony and reported positively on construction progress and the enthusiasm shown by students and staff. The new facility will become operational in January 2027.

The Chair had also attended group-wide student award ceremonies, for example Keighley College Study Programmes Student Awards and the 10th Star Awards, underscoring the importance of recognising student successes and ensuring strategic decisions remain focused on improving learner outcomes.

The Chair expressed his gratitude for the significant contribution of governors whose terms of office were about to conclude, namely Matt Findull, Vwaire Ikwe, Cath Lennon and Ken Morton. The Chair also confirmed that this would be his final scheduled group board meeting and was appreciative of the help, support and commitment from governors and executive colleagues throughout his tenure.

Written Resolutions and/or Chair's Action

The Chair chronicled three written resolutions had been approved since the last meeting. It was agreed that the written resolution process was effective for routine business, enabling detailed scrutiny and broader engagement outside formal meetings while preserving board time for strategic discussion.

Feedback from Link Governors

The lead governor for SEND and Safeguarding reported on developments across the national safeguarding landscape and the implications from the new Keeping Children Safe in Education (KCSIE) framework coming into force on 1 September 2026. It was recognised that safeguarding expectations were shifting beyond procedural compliance towards a more comprehensive whole-organisation safeguarding culture intertwined with oversight and statutory multi-agency work.

Feedback from Stakeholder Board

The Chair of the Stakeholder Board provided an update from a meeting held in June 2026, noting that the board continued to contribute to the strategic direction of regional skills policy and economic development through engagement and collaboration with local authorities, chamber of commerce, Department for Work and Pensions (DWP) representatives, employers and key stakeholders.

STRATEGIC ITEMS OF BUSINESS

6. CEO's Update including Strategic Landscape

The CEO expounded on the successful launch of the Leeds Beckett University (LBU) strategic alliance and the positive feedback from stakeholders. Immediate benefits were exemplified by the LBU Rose Bowl accommodation of 250 Quarry Hill Campus health students displaced by a delay at Livingstone House, ensuring zero disruption to the learning cycle.

In presenting the strategic overview of the macroenvironment and future direction for the organisation, the CEO elucidated that organisational stability is conducive to shaping civic leadership and influencing the regional skills ecosystem. Improvements were evident across financial performance, staff retention, quality outcomes and student satisfaction.

The board considered sector-wide developments including productivity, devolution, employer-led skills priorities, post-16 landscape, lifelong learning developments and regional growth priorities, noting the increasing convergence and interconnections of Further Education (FE) and Higher Education (HE) and the emergence of a more collaborative tertiary education system.

It was highlighted that the institution should move from being solely an education provider towards a stronger system leadership role, helping convene, connect and deliver local and regional collaborations. Apart from a refocusing on teaching, learning and assessment (TLA), the discussion revolved around a virtuous cycle of streamlined protocols, enhanced productivity, sustainable people investment, improved quality and performance.

With the overarching goal of rendering the organisation more stable, focused and ready to accelerate, the presentation concluded with five strategic choices, namely exceptional teaching over organisational complexity; system leadership over institutional isolation; productivity to create the capacity to pay people better; fewer priorities, delivered exceptionally well; and long-term stability over short-term comfort.

Members queried the barriers that prevented staff from achieving efficiencies.

The CEO and the Chief Financial Officer cited tradition and culture as some of the barriers but tools such as AI can help staff alleviate the administrative workload and free their time up for high quality work. There was a trade-off between slightly lower than sector average teaching hours and attaining a good cost to income ratio at departmental level in light of longstanding recruitment and retention challenges caused by pay differentials between colleges and schools. The essence of Etio performance benchmarking had been embedded in the business planning process to tackle inefficiencies.

The board endorsed the strategic direction outlined by the CEO and recognised the opportunity for the group to play a more influential role within the regional skills ecosystem.

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

In outlining the updated Group Risk Register, the Deputy CEO pointed out the removal of risk 'LEGS0017 – Poor reputation with the DfE Capital Team' since relationships had improved significantly and confidence levels had been restored through more effective programme management and reporting arrangements. A new risk 'LEGS0020 – Mabgate campus security' had been added following escalation from Leeds Conservatoire and University Centre Leeds risk registers.

Members reviewed the emerging risks of potential change in educational policies, capacity crunches at Leeds City College with anticipated waiting lists of 400-600 students, partnership and subcontracting due diligence arrangements, staff pay pressures, reductions in the Office for Students (OfS) Strategic Priorities Grant (SPG) and financial sustainability risks relating to HE provision.

In response to a query as to whether there was a need to keep risk 'LEGS0015 – Recruitment to the new Pudsey Sixth Form College is lower than anticipated in September 2026', the Deputy CEO commented that in view of the three-year recruitment plan, it was recommended to keep it on the risk register until the capacity is reached.

RESOLVED:

To approve the current iteration of the Group Risk Register and the mitigating actions in place and planned by management.

8. Group Strategic Priorities for 2026/27 and beyond

The CEO spelled out the proposed triennial strategic priorities, which had evolved from annual priorities to longer-term strategic priorities supported by annual action plans. They will constitute the bedrock of the launch of the new strategy in 2027 and beyond.

The board discussed the need for clear performance reporting and strong accountability arrangements at group member level. The Deputy CEO remarked that a more structured approach and a template will be developed to keep track of the progress against the strategic priorities.

RESOLVED:

To approve the triennial strategic priorities as presented.

9. Proposed Targets for 2026/27

The Deputy CEO stated that the approved targets will be incorporated in the Annual Operating Statement (AOS), formerly the Strategic and Operational Development Plan (SODP).

In respect of the HR staff proud to work metrics, members wondered about the practicality of deploying Likert scale measurements instead of just 'Agree' and 'Strongly Agree'. The Deputy CEO undertook to clarify with the HR team.

The board queried the lower than current apprenticeships achievement target. The Deputy CEO pointed out that it is a prediction which encapsulates the risk of the End Point Assessment (EPA) timescale but undertook to double check the calculation methodologies.

In response to a question about national benchmarking, the CEO confirmed that the targets are all benchmarked against the national averages, with an aim to be two to three percentage points above.

RESOLVED:

To approve the proposed targets for 2026/27 in principle, subject to the clarification concerning the HR staff proud to work metrics and apprenticeships achievement target.

10. Luminate Accountability Statement 2026/27

The board reviewed the draft accountability statement which was due to be submitted to the Department for Education (DfE). For the Inclusion Mainstream Fund (IMF) worth over £1m, one of the conditions was how to use the funding to transition towards the reform system and the board asked about whether the condition was met. The Deputy CEO replied that the accountability statement is structured around the priority sector areas and it is likely that a separate document will be produced as a response to how best to prepare the group for the reforms in the annual strategic conversation with the DfE.

Given the looming deadline for submission, the board contemplated the variance within two months of data not yet available. The Deputy CEO advised that the chance of recruiting a high percentage of learners between the most recent update in May and now was slim.

RESOLVED:
To approve the Accountability Statement 2026/27.

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

The respective Chairs provided feedback from recent meetings of the FE and HE boards, with a particular emphasis on any key risks identified.

University Centre Leeds demonstrated remarkable National Student Survey (NSS) results as the highest ranked HE provider within the city for student satisfaction and positive Ofsted ITE Inspection outcomes.

Leeds Conservatoire showcased continued positive student recruitment trends with growth in international student numbers stronger than other institutions and significant financial improvement made between two rounds of business planning. In spite of a challenging year with strikes and infrastructure issues, music courses remained the highest rated among all UK conservatoires. Members discussed challenges associated with degree awarding powers (DAPs), grant funding cuts, initiative funding coming to an end in 2026/27, financial risk assessment framework and financial sustainability requirements in view of the concern that one in five of all higher education institutions (HEIs) has less than 30 days cash.

Having run through a number of iterations with the OfS, the group had commissioned Stone King to conduct an options appraisal in relation to degree awarding powers for the conservatoire. On account of the FE reclassification, the DfE capped the level of support that the group could provide to the conservatoire, vis-à-vis a previous unlimited level of support. Governors asked that the options appraisal be presented to the conservatoire board and this board for discussion in October 2026.

RECURRING BUSINESS

12. Quality of Education

Career Guidance and Destination Policy/Procedure for 2026/27

The Deputy CEO delineated changes outlined in section 3, highlighting the key risks around compliance including expectation of reporting mechanisms, contributing to the skills network and the requirements of funding bodies. As the policy applies to FE colleges only, the board regarded an HE version as instrumental to addressing the condition B3 metric of the OfS regulatory framework. The Principal of Leeds Conservatoire cited an existing version to be aligned with the longitudinal data and undertook to review the HE version.

RESOLVED:
To approve the Career Guidance and Destination Policy/Procedure for 2026/27.

13. Financial Performance

Feedback from Finance Committee

The Chair of the Finance Committee presented the report and recommendations, noting continued improvement in financial resilience. The board considered a proposed extension to the committee's Terms of Reference (ToR).

RESOLVED:
To approve the extension of the ToR of the Finance & Resources Committee.

Financial Position and Forecast (including cashflow forecast)

In presenting the management accounts ending in June 2026, the Chief Financial Officer analysed that the group stayed on course to outperform the budget in year-end outturn. Higher cash balances were partly attributable to an improved operating position and funding slippage.

2026/27 Operating Budget and Three Year Financial Plan

The Chief Financial Officer gave an overview of the proposed operating budget for 2026/27 and three-year financial plan with the second year and the third year as indicative planning assumptions. In terms of overall financial health, it was emphasised that the group is operating within a set of financial objectives, some of which are geared towards actualisation when progressing through the period of the financial plan.

The group showcased a positive financial trajectory, shifting from 'requires improvement' to 'good' financial health starting from 2026/27. The robust growth was predominantly driven by study programme funding and an improved EBITDA as a result of divisional performance improvements. The £1.1m boost in EBITDA was attributable to an IFRS 16 --- accounting shift in terms of Right-of-Use (ROU) assets, which converts £1.3m short-term lease rental costs into balance sheet repayments. That would improve the financial health score in terms of the EBITDA percentage, but would deteriorate financial health in terms of the borrowing percentage so the overall financial score would remain unchanged. Crucially, the group will continue to meet the expectations of its bank covenants.

As far as divisional performance was concerned, EBITDA had notably improved in the last two years. Significant work pertinent to achieving financial sustainability was undertaken within HE, such that University Centre Leeds was forecast to operate at a slight surplus and the conservatoire would get quite close to a break-even position, albeit prudent growth assumptions in relation to international recruitment. Considerable contingencies were in place for HE international recruitment to buffer against sector-wide policy uncertainties. The operating efficiencies of the new build would be contributory to Harrogate College's shift from a fairly substantial to a near break-even EBITDA deficit.

Income streams showed a mixed but generally stable picture with heavy reliance on growing FE study programmes, while adult education income remained static and posed an increasing challenge for the group.

In connection with expenditure, employer contributions for both West Yorkshire Pension Fund (WYPF) and the Teachers' Pension Scheme (TPS) were falling, and the latter would be offset by the reductions in the specific TPS grant from the DfE. Payroll costs were rising, primarily driven by organisational growth and increased activity across the group.

In respect of non-pay costs, operational expenses were stabilised, partly aided by reduced utility costs and the interim favourable VAT reduction from 5% to 0% for the charitable sector. The savings would be conducive to accommodating further resources input into the estates function to address cost pressures stemming from the cleaning contract and a plethora of non-capitalisable revenue-related maintenance items.

The balance sheet based on the College Financial Forecasting Return (CFFR) was relatively stable closer to the end of the extensive capital works period. Some of the capital grants to be released partly this year and partly next year would have an impact on current liabilities and operating surplus. With regard to loans, the Santander revolving credit facility (RCF) had been refinanced with a DfE loan.

In the analysis of cash reserves, it was pointed out that the group currently holds a proportion of unrestricted cash balances (partly bolstered by the DfE and local council grants), sparking debate at the Finance Committee as to whether the group should proactively invest rather than comfortably hold these funds. Maintaining an appropriate balance between financial prudence and strategic ambition would be an important consideration. The group's capacity to invest would be more evident when it can allocate capital cashes built into the forecast in about two years' time.

In response to a query about the College House sale, the Group Vice Principal Development indicated that the original deal had stalled. In view of the sluggish Purpose-Built Student Accommodation (PBSA) market sentiment, alternative development options such as Built-to-Rent (BTR), existing use or hotels, were being explored. The Chief Financial Officer added that a new agency exercise would likely help gauge market

interest. The sale of the high-maintenance asset would help replenish the group's cash balance.

The board sought further assurance regarding the cost and effectiveness of Group Services, noting that this will be incorporated in future budget reviews.

RESOLVED:

To approve the 2026/27 Operating Budget and Three Year Financial Plan.

Capital Expenditure and Funding Monitoring Statement

The Chief Financial Officer indicated that the Capital Expenditure and Funding Monitoring Statement is updated to the end of May 2026 with no major changes since the last update.

Extension of Cleaning Contract

In outlining the proposed 12-month extension to the cleaning contract, the Group Vice Principal Development noted that the cleaning contract was awarded in August 2023 with the option for a 12-month extension. The driving forces behind the extension included five new sites becoming operational at different times next year which complicates the pricing of a new tender, management efficiencies stemming from the transitioning of the Harrogate College and Leeds Conservatoire in-house cleaning teams and continuity and operational benefits from retaining the incumbent service provider.

RESOLVED:

To approve the 12-month extension of the Cleaning Contract.

14. Property, Estates and Health & Safety

Feedback from Property Strategy Committee (PSC)

The Group Vice Principal Development provided updates regarding major capital programmes. It was reported that negotiations were underway concerning the contractor claims due to a 12-week prolongation delay and additional costs linked to asbestos discovery at Enfield Centre Mabgate. Members welcomed progress with structural works and ongoing programme delivery. In answer to the inquiry about the anticipated completion date, it was expected to be around summer 2027.

North Street – Lease Renewal

In considering the 7-year lease renewal at North Street, the board was informed that there would not be any significant financial change.

RESOLVED:

To approve entry into the North Street lease renewal agreement.

Multi Trade Construction Skills Facility – Lease Proposal

The board reviewed a proposed lease for construction skills provision at Providence Park which was backed by Keighley Towns Fund. The 100m² facility opposite Keighley College would support construction curriculum growth and national skills demand over a three-year period. The heads of terms (HOT) document was almost complete and would be shared with members of the Property Strategy Committee.

RESOLVED:

To approve the Keighley multi trade construction skills facility lease.

15. Audit and Assurance

Feedback from Audit Committee

The Chair of the Audit Committee provided feedback from the committee's recent meeting. Substantial progress in Business Continuity and Health & Safety Management was noted, with collective oversight from the board, the Property Strategy Committee and the Audit Committee.

Internal Audit Strategy and Plan 2026/27

In sketching out the proposed internal audit programme, the Deputy CEO explained that the plan and areas for review had been discussed by the executive team and Audit Committee Chairs prior to being presented to the Audit Committees. The plan had been refined to provide deeper assurance reviews.

RESOLVED:

To approve the Internal Audit Strategy and Plan 2026/27.

Annual Reviews – Financial Regulations, Fraud Policy, Treasury Management Policy and Conflicts of Interest/Related Party Transactions Policy

The Chief Financial Officer indicated that at the present juncture no material amendment is required with reference to the recently published DfE College Financial Handbook.

RESOLVED:

To approve the Financial Regulations, Fraud Policy, Treasury Management Policy and Conflicts of Interest/Related Party Transactions Policy.

Board Assurance Framework

Following on from the discussion at the Group Board Strategic Seminar, the feedback was incorporated into the paper presented by the Deputy CEO. The framework will be integrated into the Risk Management Policy for 2026/27 and the risk assurance processes.

RESOLVED:

To approve the Board Assurance Framework.

16. Governance

Proposed Appointments to Governance Roles

The CEO heartily thanked governors whose terms of office are coming to an end, namely Matt Findull, Cath Lennon, Ken Morton and John Toon. Their tremendous contribution, expertise and commitment over many years of service helped the executive think more carefully and make best decisions for the benefit of the organisation, staff and thousands of students. The Director of Governance spelled out the recommendations from the Governance & Nominations Committee regarding governor appointments.

RESOLVED:

To approve the proposed appointments to governance roles as detailed within the circulated report.

CONFIDENTIAL BUSINESS

17. Feedback and Recommendations from Remuneration Committee

The Chair of the Remuneration Committee accentuated the criticality of succession planning and deputy arrangements for key executive roles. In the amended ToR, the remit of the committee had been expanded to include strategic oversight of the people strategy.

RESOLVED:

To approve the People & Remuneration Committee's ToR for 2026/27.

The meeting closed at 12.22pm

Signed: (Chair)

Date: