

LUMINATE EDUCATION GROUP

MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON MONDAY 18 OCTOBER 2021

Board Members Present

Colin Booth	Group CEO
Jenny Hoy	Governor
Shaid Mahmood (Chair)	Governor
Queenie Mark Hor Kit*	Student Governor
Helena Phillips	Governor
Jane Pither*	Governor
Richard Shaw	Governor
John Toon	Governor
Ian Watling	Governor
David Yates (Vice Chair)*	Governor

Other Attendees

Lydia Devenny	Deputy CEO Services
Melanie Halstead	Director of Governance
Bill Jones	Deputy CEO and Principal, Leeds City College
David Warren	Group Vice Principal, Development
Andrew Whitaker	Deputy CEO Teaching & Learning and CEO, WRAT
Joe Wilson	Principal, Leeds Conservatoire

* remote attendance via Microsoft Teams with other members attending in person at the Leeds City College Printworks Campus, starting at 5pm

The quorum for the meeting was seven board members

MEETING ADMINISTRATION

1. Welcome and Apologies for Absence

Queenie Mark Hor Kit was welcomed to her first meeting as student governor. Apologies for absence were received from Ken Morton (governor), Louise Rook (staff governor), Gemma Simmons-Blench (Deputy CEO Curriculum & Quality) and Ann-Marie Spry (Group Vice Principal, Adults).

2. Determination of Observers/Attendees at the Meeting

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

3. Declaration of Interests in any Agenda Items

Governors were reminded of the requirement to declare their interest in any agenda items. Standing declarations as per the register of board members' interests were noted. Shaid Mahmood declared an interest in agenda item 12 insofar as it related to his role on the board and Colin Booth declared an interest in agenda item 14 insofar as it related to him personally.

4. Minutes of the Meeting of the Board held on 26 July 2021 and consideration of any Actions or other Matters Arising

The board considered the draft minutes of its meeting held in July and reviewed the rolling list of actions and other matters arising from previous meetings. In relation to the latter, all identified actions appeared separately on the agenda for this meeting or were scheduled for a future meeting.

RESOLVED:

That the minutes of the meeting of the board held on 26 July 2021 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

It was noted that one written resolution had been circulated and approved since the previous board meeting – this was dated 13 August 2021 and related to board and committee membership. In addition, chair's action had been taken to approve the details of a lease for additional space at Eastgate to accommodate student growth and to approve a group statement relating to Covid-19 vaccination and entitlement to sick pay for Luminare staff. These decisions were endorsed by the board.

STRATEGY, POLICY AND RISK MANAGEMENT

6. Risk Management

Review of Group Strategic Risks

The significant risks identified on the group's strategic risk register remained unchanged, relating to group finances/cash flow and resourcing of the property strategy. Governors felt well sighted on these risks which resulted mainly from the delay in completing the sale of the Horsforth site. The Deputy CEO Services confirmed that it was still anticipated that the sale would be completed in November 2021. The deadline to secure a loan for the purchase of Mabgate was also a contributing factor; governors were assured that progress was being made to secure a Revolving Credit Facility to ensure the purchase could be completed before the contract completion date, details of which were presented separately on the agenda for this meeting.

In relation to IT and data related risks, the Audit Committee had questioned whether implementation of the ISO 27001 standard was sufficient or whether there was anything separate and distinct from that accreditation that the group should be considering. The Deputy CEO Services had been requested to consider this matter and report back to the committee in November.

A discussion followed in relation to the climate emergency and whether it should feature on the risk register. The Deputy CEO Services undertook to consider this and report back accordingly.

RESOLVED:

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

Risk Management Policy and Procedure

The Risk Management Policy and Procedure had undergone a full and thorough review to ensure it accurately reflects the group's approach to risk management and internal control. It had also been updated to include the new risk appetite categories and descriptions recently agreed by the board. Having reviewed this, the Audit Committee had agreed to recommend it for approval by the board subject to the inclusion of specific reference to

IT/Cyber under Safety & Security which had now been incorporated. It was recognised that the revised approach was one element of the work being done to embed risk into the group's governance arrangements and would enable governors to identify emerging risks in a timely manner. Board members sought clarification on the diagram illustrating the reporting lines between different parts of the group which the Deputy CEO Services undertook to review and, if necessary, update accordingly.

RESOLVED:

To approve the Group Risk Management Policy and Procedure for 2021/22 subject to the clarification requested by board members.

Covid-19 Response and Recovery Planning

The board welcomed a comprehensive update from the Deputy CEO & Principal of LCC and the Covid Lead Governor on how all group member organisations continued to respond to the ongoing challenges associated with the pandemic. Learning to live with the virus had become the main focus and governors were particularly interested in how students would continue to successfully study, pursue their qualifications and progress to the next level whatever the situation with Covid-19. The Deputy CEO & Principal of LCC also provided an update on the plans to address some of the curriculum content students might have missed and any damage to their mental health and wellbeing, as well as looking ahead to how the group could continue to contribute to growth and the development of future skills requirements as the economy recovers. The board also heard from the student governor on how safe students felt on their return to campus. In response to a specific question relating to apprenticeships, the Deputy CEO & Principal of LCC advised that the FE colleges were recruiting well, with targets for the year to date having been exceeded. There had been a phased return to arrangements such as assessing apprentices in the workplace.

Board members also explored the issue of staff morale, querying whether the continuing restrictions/protocols were causing tension amongst staff. The Deputy CEO advised that this had been minimal thus far but was being closely monitored along with additional staff voice/engagement activities planned for the new year.

In conclusion, the board agreed the group's ongoing approach to managing Covid-19, as detailed within the circulated report.

Health & Safety Statement of Intent and Policy

The Deputy CEO Services sought board approval of a revised Health & Safety Statement of Intent and Policy. Having reviewed the draft version presented, governors suggested a number of changes/additions relating to reasonable adjustments, declared additional needs, reference to visiting workshop leaders (and similar non-employees), and a clearer description of employees to reflect the group-wide nature of the policy.

RESOLVED:

To approve the revised Health & Safety Statement of Intent and Policy subject to the changes/additions requested by board members and summarised above.

7. Property Strategy

Updated Curriculum, Student Growth and Property Strategy

The Group CEO presented for approval an updated version of the Curriculum, Student Growth and Property Strategy. At a high level, the overall strategy remained similar to the version approved by the board in October 2020 but each section had been updated to reflect progress and updates to data such as student growth and income forecasts.

Governors discussed how the case for space was driven by forecast growth in 16-19 student demographics. In response to questions, the Group CEO confirmed that the strategy was designed to grow student numbers and space at exactly the same rate, as

illustrated in the student growth forecasts and student density tables contained within the strategy document. It was recognised that current grant funding opportunities focused on refurbishment rather than growth, and this was reflected in the projects planned over the next few years. The Group CEO advised that whilst this approach did not provide for significant additional space, it did enhance learning environments and learner experience. In addition, remodelled and improved spaces would in turn accommodate more students than at present. Governors went on to discuss whether all available cash was being spent on refurbishment and replacement rather than growing the estate to meet increasing demand. The Group CEO reported that whilst the large FECTF capital bids submitted by the group were all focused on refurbishment and replacement of space, the clearing of the warehouse space (now underway) at Mabgate would add space to the estate by summer 2022 and the additional classroom block at Printworks would add further space by December 2022.

The board reflected on the strategic decisions driving the property strategy which included taking measured and reasonable financial risks with capital investment in order to support demand from increasing student numbers with decisions about where and how to invest being influenced by local and regional economic drivers and the group's values around social inclusion and equal opportunity. Governors also reflected on the objective contained in the group's financial plan relating to levels of borrowing and the group's risk appetite in this respect. In considering the financial plan contained within the strategy, governors suggested removing the reference to long term loans in order to simplify the plan. In response to a query from governors, the Group CEO advised that the forecast income growth was a little higher than student growth because the growth in FTE student numbers included an increase in the proportion of Study Programme students and HE students. It was clarified that the financial plan provided as part of the property strategy was a scenario plan based on all of the projects identified in the property strategy. The financial plan approved by the board in July 2021 included those projects already approved but not others.

Whilst supporting the overall strategy in principle, governors emphasised the need for individual projects to be presented separately for board approval. Governors also wished to return to the issue of demographic growth and the group's role in meeting the resulting demand as part of future strategy discussions.

RESOLVED:

To approve the updated Curriculum, Student Growth and Property Strategy in principle, subject to individual projects being brought back to the board for approval at the appropriate time.

Update on Capital Grant Bids

At its meeting in July 2021 the board had been informed that all four of the group's FECTF (Further Education Capital Transformation Fund) bids had been successful at Stage 1 and governors had agreed the process and costs for taking the bids to Stage 2. The Group Vice Principal Development now presented a detailed update on the grant applications and the board was asked to consider the individual project costs and match funding in the Stage 2 bids.

In response to a question from governors, the Group CEO explained the rationale for the increase in match funding based on the grant funding criteria and affordability. With regard to the latter, he advised that if the group could not afford the level of match funding suggested there would be an opportunity to negotiate should the bids be successful at Stage 2.

At its meeting earlier in the month the Finance Committee had asked that the group's financial plan be updated to provide an overlay to reflect the FECTF bids in order to satisfy the committee that there would be no negative impact on the group's financial health at the

end of the project period (2025). This would be completed and presented to the committee's next meeting in December.

RESOLVED:

To approve the approach to project costs and match funding in the Stage 2 FECTF bids as detailed in the circulated report and as recommended by both the Property Strategy Committee and Finance Committee.

Feedback and Recommendations from Property Strategy Committee

The board received a paper summarising the discussions, decisions and recommendations arising from a recent meeting of the Property Strategy Committee (PSC). The substantive items considered by the committee had appeared separately on the agenda for this meeting. The Chair of the PSC advised that the committee intended to review the cost plan for the Pudsey Sixth Form project at its next meeting. Following annual review, minor changes to the committee's terms of reference were recommended.

RESOLVED:

To approve the Property Strategy Committee Terms of Reference for 2021/22.

PERFORMANCE MONITORING AND SCRUTINY

8. Student Recruitment 2021/22

The Group CEO provided an update on student recruitment across the group. Governors were particularly pleased to note the increase in Study Programmes at Harrogate College but were disappointed in the decline at Keighley College. An increase of around 9% was expected at Leeds City College. Governors went on to discuss the impact of lagged funding, as experienced in previous years.

It was reported that the group was unlikely to achieve 50% of its contract for the new Lifetime Skills Guarantee; the Group CEO advised that this was similar to the position at other colleges.

Apprenticeship recruitment was pleasing at all three of the FE colleges. However, HE growth had stalled at the FE colleges, with the decline most evident in Leadership & Management and Business Management. Leeds Conservatoire had been impacted by A Level results with students "trading up". However, international student numbers had increased.

With regard to White Rose Academies Trust, it was noted that all three secondary academies had exceeded their recruitment targets, reflecting the improved performance and reputation of the academies. Alder Tree Primary remained just under target.

9. Performance against Targets in the 2020/21 Strategic and Operational Development Plan

The board considered an analysis of performance against the high level targets set in the Luminate Group 2020/21 Strategic and Operational Development Plan (SODP). The CEO advised that the impact of Covid-19 made a number of the key performance indicators difficult to assess, however, the targets had been BRAG rated against national benchmarks where they exist. Overall, it was felt that all parts of the group were dealing with the impacts and challenges caused by Covid-19 at least as well as other educational organisations.

The board went on to consider the significant areas where targets had not been met and overall performance remained below national averages or internal expectations, with a particular focus on Keighley College. It was confirmed that action plans were in place to

secure improvements and proposed targets for each of the areas where overall performance was below expectations would be included in the 2021/22 Strategic and Operational Development Plan; this would be presented for discussion and approval at the next board meeting. The Chair of the Keighley College Board advised that the board would be considering the performance data and agreeing a rapid improvement plan at its meeting in November. Whilst Covid-19 was a contributing factor, the accuracy of predictions at Keighley College was also a factor and would form part of the rapid improvement plan. It was noted that the lessons learnt from the experience at Keighley College during 2020/21 would be shared with other parts of the group.

Governors were pleased to note that there were also a number of areas where targets had been significantly exceeded and overall performance was above national averages. It was suggested that additional EDI data (closing the gaps) be provided going forward, either as part of the SODP or as part of the EDI annual report.

10. Finance (including feedback and recommendations from the Group Finance Committee)

Forecast Financial Outturn 2020/21

The Deputy CEO Services presented the draft outturn position for the year ending 31 July 2021, with forecast EBITDA exceeding budget. The key financial risks remained unchanged, relating to group finances/cash flow and resourcing of the property strategy, as discussed earlier in the meeting. The board noted the positive result for the year overall, with good financial health.

Cash Flow Forecast

The board considered the group's cash flow forecast, updated to reflect actual cash flows to the end of August 2021. The Chair of the Finance Committee talked governors through the key assumptions for the coming 12 months, noting the impact of lagged funding resulting from growth in student numbers. It was noted that the cash flow did not yet include the FECTF bid projects discussed earlier in the meeting.

Loans and Financing Proposal

Separate confidential minutes refer.

Supply Chain Fees and Charges Policy

The Finance Committee had reviewed the group's Supply Chain Fees and Charges Policy, noting that no changes were required for 2021/22 other than an update to dates to refer to the current year. The policy was therefore recommended for approval by the board.

RESOLVED:

To approve the Supply Chain Fees and Charges Policy for 2021/22, as recommended by the Finance Committee.

Proposed New Subcontractor

The Deputy CEO Services presented a paper seeking board approval for an additional subcontractor in 2021/22 (Blue Apple). Governors were informed that due to the national lockdown and the lack of events over the last 14 months, many of the existing trained workforce had to seek alternative employment and now, due to the high demand for events to help revitalise the sporting, music, entertainment and event industry, this had resulted in a national shortage of trained and qualified event stewards. Blue Apple were currently working with five security companies in the West Yorkshire region, who had a need for new staff trained and qualified to level 2 Spectator Safety, a programme not offered within the Luminate Education Group. It was noted that there was also the potential for this programme to lead on to further commercial courses within the group's YCTD (Yorkshire Centre for Training and Development) department.

It was confirmed that provision delivered by Blue Apple would be carefully monitored to ensure compliance with the quality standards required by the Luminate Group, with the Head of Apprenticeships Quality and Performance undertaking contract management and assurance.

RESOLVED:

To approve the additional subcontractor (Blue Apple) with a maximum contract value of £50k, as detailed within the circulated report.

11. Audit (including feedback and recommendations from Group Audit Committee)

The Chair of the Audit Committee provided feedback from the committee's most recent meeting. Having reviewed the progress made in implementing prior audit recommendations, the committee had noted that a number of actions were overdue and had agreed a revised deadline of 31 January 2022 for these to be completed. Having discussed recruitment difficulties currently being experienced, both in HR and other professional service areas, the committee had identified an emerging risk around staff skills shortages post-pandemic which the Deputy CEO Services had been tasked with considering and reporting back on at the next meeting.

Following annual review, the committee agreed proposed changes to the Group's Financial Regulations, Fraud Policy and Treasury Management Policy and recommended these for approval by the board. In addition to changes to job titles and updated references to funding body regulations, there were some changes to delegated authority limits and procurement limits to reflect changes in organisational structure and to bring the procurement thresholds in line with organisations of a similar size to the Luminate Group.

Committee members were particularly pleased with the outcome of an internal audit review of health and safety which had focused on the arrangements for the safe re-opening of the FE colleges post-pandemic.

Minor changes to the committee's terms of reference to reflect the updated Post-16 Audit Code of Practice were recommended for approval by the board.

RESOLVED:

- (a) To approve the Audit Committee's Terms of Reference for 2021/22.
- (b) To approve the proposed changes to the Financial Regulations, Fraud Policy and Treasury Management Policy, as recommended by the Audit Committee.

12. Governance (including feedback and recommendations from Governance & Nominations Committee)

Revised Group Scheme of Delegation

The Director of Governance advised that the scheme of delegation had been rewritten for 2021/22 to provide more detail and clarity, the objectives being:

- 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.
- 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.

Following detailed review, the Governance & Nominations Committee had agreed to recommend the revised scheme of delegation for board approval, subject to any changes

suggested by the group's legal advisors, which were highlighted in the revised draft presented for board approval.

RESOLVED:

To approve the revised group scheme of delegation.

Proposed HE Governance Arrangements

At its most recent meeting the Governance & Nominations Committee had considered a proposal to change the way in which the Corporation provides governance oversight and scrutiny of its higher education (HE) provision. Three options had been discussed (maintain the status quo; enhanced reporting within the existing governance structure; establishment of a separate board). The preferred option was to establish a separate board within the group governance structure, its remit being to provide the necessary governance oversight and scrutiny on behalf of the Corporation (group board) to ensure compliance with all of the Office for Students (OfS) conditions of registration. Draft terms of reference for the new board were also presented for review and approval.

RESOLVED:

That a new University Centre Leeds Board be established as part of the Luminate Group governance structure and to approve the draft Terms of Reference for that board.

Link Governors for Statutory Duties

The role description had been revised for 2021/22 with the intention being that these arrangements be replicated at member board level as part of each board's own link governor/director arrangements, providing a clear line of sight across all parts of the group. It was also suggested that an annual network event for each statutory area be arranged for link governors/directors from across the group to share best practice, identify any areas for improvement and discuss key priorities for the year ahead. The following changes to link governors were recommended for 2021/22:

Equality, Diversity & Inclusion: Shaid Mahmood
Safeguarding & Prevent: Ken Morton
IAG, Progression & Destinations: David Yates

Other areas and their link governors at group level remained unchanged for 2021/22.

RESOLVED:

To approve the updated role description for link governors (for statutory duties) and the appointment of link governors as detailed above.

(Shaid Mahmood withdrew from the meeting at this point)

Board Membership

The Governance & Nominations Committee had reviewed board and committee membership across the group following which a number of reappointments were recommended. In considering whether a member should be recommended for reappointment, the following factors had been considered:

- Whether the skills and experience of the member are still required
- Whether it would be appropriate to take the opportunity to refresh the range of skills and experience available to the board/committee
- Their contribution and commitment to the board/committee's work and the group
- The length of their previous service on the board/committee
- Any views/feedback received from the Chair of the relevant board/committee

RESOLVED:

- (a) That Matt Findull, Ian Hargreaves and Naz Kazmi be reappointed as co-opted members of the Keighley College Board at the end of their current terms of office.
- (b) That Ben Saunders be reappointed to the Leeds Conservatoire Board of Directors at the end of his current term.
- (c) That Shaïd Mahmood be reappointed as a governor of Luminate Education Group for a final two-year period when his current term ends in November 2021.

Appointment of Chair and Vice Chair of the Board

The Director of Governance confirmed that Shaïd Mahmood and David Yates had been nominated for reappointment as Chair and Vice Chair respectively.

RESOLVED:

- (a) That Shaïd Mahmood be reappointed as Chair of the Board until the end of his term of office as a governor (31 October 2023).
- (b) That David Yates be reappointed as Vice Chair of the Board for 2021/22.

The Director of Governance advised that the Governance & Nominations Committee would now be focusing on succession planning, particularly in relation to the roles of Chair and Vice Chair of the Board, and board diversity.

(Shaïd Mahmood re-joined the meeting at this point)

13. Feedback and Recommendations from Group Member Boards

The respective chairs and members of the executive presented feedback from recent meetings of the Leeds City College (LCC) Board, the Leeds Conservatoire (LC) Board and the White Rose Academies Trust (WRAT) Board.

Of particular note from the LCC Board was a Quality Improvement Plan 'deep dive' relating to the School of Business in which board members had been assured on the actions being progressed to address the decline in departmental performance. The board had also considered the college's response to the Ofsted report on sexual harassment and abuse in schools and colleges and the college's contribution in relation to Children Looked After (CLA). With regard to the latter, board members discussed the model being used to narrow the achievement and performance gap between CLA and non CLA students. The LCC approach was recognised as a college strength and the Head of Safeguarding advised that additional resource to address CLA level 2 to level 3 transition would strengthen this work further. Minor changes to the board's terms of reference were proposed for 2021/22.

The LC Board had discussed key priorities for the Conservatoire which would form part of a new strategic plan. The Principal of LC advised that staff had been particularly disappointed with the 2021 national student survey (NSS) results, an analysis of which had been considered by the board.

The CEO of WRAT provided feedback from the WRAT Board's recent Away Day which had focused on the future strategy of the Trust. With regard to the University Technical College (UTC) Leeds, the CEO confirmed that there had been no material change since the group board's meeting in July; a meeting with the Regional School Commissioner and Education & Skills Funding Agency was planned for later in the week.

RESOLVED:

To approve the Leeds City College Board Terms of Reference for 2021/22.

CONFIDENTIAL BUSINESS

14. Feedback and Recommendations from Group Remuneration Committee

Separate confidential minutes refer.

The meeting closed at 8.45pm

Signed: (Chair)

Date: