

LUMINATE EDUCATION GROUP

<p style="text-align: center;">MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON MONDAY 17 OCTOBER 2022</p>

Board Members Present

Colin Booth	Group CEO
Cath Lennon	Governor
Carolyn Lord	Governor
Shaid Mahmood (from item 7)	Governor and Chair of the Board
Ken Morton	Governor
John Toon	Governor
Ian Watling	Governor
David Yates	Governor and Vice Chair of the Board

The quorum for the meeting was seven board members

Other Attendees

Mala Dhillon (item 7 only)	Director of People, Development & Culture
Melanie Halstead	Director of Governance
Stuart Jolley (up to item 20)	Chief Financial Officer
Bill Jones (up to item 20)	Deputy CEO & Executive Principal
Gemma Simmons-Blench (up to item 20)	Deputy CEO Curriculum & Quality
Ann-Marie Spry (up to item 20)	Group Vice Principal, Adults
Tonya Thompson (item 7 only)	Head of Resourcing
David Warren (up to item 20)	Group Vice Principal, Development
Joe Wilson (up to item 20)	Principal, Leeds Conservatoire

The meeting took place at the Leeds City College Printworks Campus and started at 5pm

MEETING ADMINISTRATION

1. Welcome and Apologies for Absence

As the Chair would be late joining this meeting, the Vice Chair opened the meeting and welcomed Cath Lennon to her first meeting as a governor of Luminate Education Group.

Apologies for absence were received from Mark Garratt (Governor), Billiejean Goodyer (Student Governor), Jane Pither (Governor) and Richard Shaw (Governor).

2. Determination of Observers/Attendees at the Meeting

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

3. Declaration of Interests in any Agenda Items

Governors were reminded of the requirement to declare their interest in any agenda items. Standing declarations as per the register of board members' interests were noted.

4. Minutes of the Meetings of the Board held on 18 July and 16 August 2022 and consideration of any Actions or other Matters Arising

The board considered the draft minutes of its meetings held in July and August 2022 and reviewed the rolling list of actions and other matters arising from previous meetings. With regard to the latter, the Deputy CEO & Executive Principal reported that the action relating to IT accounts for new staff had been resolved; HR capacity remained an issue but would be addressed by the end of November.

RESOLVED:

That the minutes of the meetings of the board held on 18 July and 16 August 2022 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 informed that the FE Commissioner would be visiting Luminate on 8 December. The visit would include a meeting with a selection of governors and staff as well as tours of the Mabgate and Quarry Hill campuses; feedback from the visit would be shared at the board meeting on 12 December.

Written Resolutions and/or Chair's Action

The Director of Governance confirmed the written resolutions receiving approval since the previous board meeting. These related to the procurement of welding equipment via a sole source tender, the appointment of White Rose Academies Trust (WRAT) Company Members and Trustees, and the procurement of a new HE student information system (Tribal SITS). It was noted that separate papers relating to WRAT and Tribal SITS were included on the agenda for this meeting.

Feedback from Link Governors

The SEND Link Governor provided feedback from his initial meeting with the new Director of Inclusive Provision & SEND during which they had discussed staffing and quality related matters. He added that performance indicators around SEND were being explored; these would be reported to the FE college boards and would form part of self-assessment reports for each of the FE colleges.

The IAG Link Governor confirmed his intention to meet with the IAG teams at each of the FE colleges and would report back at a future board meeting.

STRATEGY, POLICY AND RISK

6. Review of Group Risk Register

In reviewing the group risk register, the board focused its discussion on a new strategic risk around potential industrial unrest as a result of the cost of living crisis and the group's ability to respond sufficiently. It was highlighted that this new risk, combined with almost no increase in core funding, would continue to be a major focus for the group in forthcoming months. The CEO advised that industrial relations was a sector-wide risk at present and felt that Luminate was managing this well compared to some others. The Deputy CEO & Executive Principal updated the board on recent communications from the trade unions relating to potential strike action and governors went on to discuss the likely impact of the non-consolidated payments and pay award agreed by the board in July.

Another significant risk related to staff recruitment and retention and, as previously requested by governors, was the subject of a deep dive later in the meeting.

Following a discussion around student mental health, the Chair of the Finance Committee advised that the committee had requested information on costings which would be presented at its next meeting. In response to a follow-up question, the Deputy CEO Curriculum & Quality confirmed that the costings had been budgeted and included attendance related costings.

RESOLVED:

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

7. Staff Recruitment and Retention – Deep Dive

As previously requested by governors, the Director of People, Development & Culture and the Head of Resourcing joined the meeting for a deep dive discussion around how the group was responding to the challenges relating to staff recruitment and retention. Governors were particularly interested to explore whether these challenges may restrict the group's plans for growth, highlighting that high quality staff were needed to drive quality improvement. The CEO advised that whilst the group was successful in providing a pipeline of teachers through its teacher training programme, many of the teachers were then lost to other providers; the group's retention of staff therefore needed to improve but salary levels made this difficult. It was noted that the group was close to the sector benchmark of 65% pay to income ratio and going significantly above this would not be affordable and therefore the group needed to make good use of available resources through targeted incentives such as attraction payments.

It was noted that the recruitment challenge was being experienced across service areas as well as in the traditionally hard to recruit curriculum areas but board members were reassured to hear of the wide range of initiatives in place and planned in order to mitigate the risks to the group. Governors were pleased to note that the initiatives described were aligned with the group's strategic priorities but were also mindful that the impact of these initiatives was yet to be seen.

At the board's request, the Director of People, Development & Culture went on to explain the many ways in which the group was supporting staff through the cost of living challenge.

8. Future Relationship between Luminate Education Group (LEG) and White Rose Academies Trust (WRAT)

At a special meeting held in August the board had discussed a number of options regarding LEG's future relationship with WRAT and had agreed to return to the discussion with a view to taking a decision at this meeting. The CEO therefore introduced a paper in which he updated the board on recent meetings with the DfE Regional Director and the ESFA. The paper proposed that LEG withdraw from sponsoring the WRAT soon after all of the newly appointed trustees had been fully engaged in a strengthened and refreshed WRAT Board. Governor support of LEG following up its complaints to the ESFA was also sought.

Whilst supporting the recommendation to withdraw as sponsor, governors felt strongly that this should not take effect until the board was satisfied that it had secured a smooth transition which was in the best interests of WRAT. Governors also reflected on how proud Luminate Education Group should be of the role it had played in transforming the academies within WRAT and the life chances provided to its students.

RESOLVED:

- (a) To agree that Luminate Education Group withdraws from sponsoring the White Rose Academies Trust soon after all of the newly appointed trustees are fully engaged in a strengthened and refreshed WRAT Board.
- (b) To agree that Luminate Education Group commits to following up to the full extent possible the complaints made regarding the ESFA investigations, as detailed within the circulated report.

9. Group HE Student Information System

The Chief Financial Officer introduced a paper providing an update on the procurement of Tribal SITS as the group's new HE Student Information System and governors focused in particular on the project implementation plan. It was confirmed that the current systems would continue to be used in parallel with the SITS development until management was confident that the risk of data loss or corruption had been fully mitigated.

Board members questioned why, when the plan to replace the current systems had been in progress for a number of years, there had been a very short timescale in which to decide whether to proceed with the procurement of Tribal SITS. It was explained that a procurement exercise had been carried out a number of years ago and the decision taken that a more detailed investigation into the viability of the current systems and possibility of using cheaper alternatives should be carried out before proceeding further.

Governors went on to consider the high level risks identified relating to the implementation plan and were satisfied with the mitigating actions planned by management.

10+11. Skills Boards and the LMI Function at LEG / Governors' Role in Curriculum Reviews and Local Skills Improvement Plans (LSIPs)

The board debated the new requirement on governing bodies arising from the Skills for Jobs White Paper and subsequent Skills and Post-16 Education Act 2022 around reviewing how well the education/training provided by the institution meets local needs. The Deputy CEO & Executive Principal introduced a paper in which he proposed an approach to prepare the Luminate Education Group (LEG) Board to have an Accountability Agreement in place with the Department for Education for the academic year 2023/24. He also presented a paper on re-establishing and strengthening employer representative bodies for each relevant subject sector area (or sub area).

It was noted that the two Chambers of Commerce in West & North Yorkshire would lead the development and delivery of two Local Skills Improvement Plans (LSIPs) for the sub-region and governors went on to discuss the importance of LEG being central to these developments from the outset. In order to facilitate this, governors supported the creation of a Luminate Employer Board, the creation of subject sector area employer scrutiny groups and the enhancement of the group's LMI function.

With regard to the necessary 'Section 52B Review', it was agreed that board members from each of the group's FE college boards be allocated for each main FE campus or provision type to take an overview of the curriculum and the extent to which it meets regional skills requirements. The LEG Board would then consider the overarching curriculum review ('Section 52B Review') produced, approve a judgement on the extent to which the curriculum meets the criteria, and an action plan to secure improvements where gaps are identified. Governors also supported a recommendation to carry out a pilot review during 2022/23, as detailed in the circulated report, and suggested that additional pilots be carried out, subject to capacity.

12. Updated Policies for 2022/23

Safeguarding Children and Adults Policy

The policy continued to be based on the Local Authority model child protection policy, issued by the Education Safeguarding Team at Leeds City Council and had been updated to reflect changes to the statutory guidance (Keeping Children Safe in Education - September 2022). In considering the updated policy, governors highlighted that some of the appendices required additional contact details to be added.

RESOLVED:

To approve the updated Safeguarding Children and Adults Policy subject to additional contact details being added to the relevant appendices.

Further Education (FE) Fees Policy

The main change to the policy for 2022/23 was in relation to school collaborative provision - the 2021/22 policy had specific hourly and group rates split by Keighley, Leeds and Alternative Provision whereas for 2022/23 fees for school partnerships were set at departmental level and at a rate which ensures the provision is viable and sustainable to the college.

RESOLVED:

To approve the Further Education (FE) Fees Policy subject to correction of a typographical error in paragraph 2.

PERFORMANCE MONITORING AND SCRUTINY

13. Performance against Targets in 2021/22 Strategic and Operational Development Plan

The board considered an analysis of performance against the high level targets set in the 2021/22 Strategic and Operational Development Plan (SODP). It was reported 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.

The board talked through the significant areas where targets had not been met, noting that it was difficult to identify where targets were not met due to performance being lower than expected separate from the impact of Covid-19. 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 2022/23 SODP for discussion and approval at the next board meeting. Regular monitoring of progress would be carried out by the respective group member boards, supplemented with 'deep dives' where necessary. Governors asked that an in-year monitoring report covering all parts of the group also be presented to this board.

The board also reviewed the areas of performance which had been identified as presenting the highest levels of challenge or risk for the group at the beginning of 2021/22. These included:

- recovery of Keighley College to a 'Good' self-assessment grade;
- recovering timely apprenticeship achievement rates at all 3 FE colleges;
- level 6 achievement rates for both the University Centre Leeds/FE colleges and Leeds Conservatoire.

Whilst some progress had been made during 2021/22, further improvement was required and appropriate targets would therefore be included in the SODP for 2022/23.

Governors were pleased to note that there were also a number of areas where targets had been significantly exceeded and where there was ongoing outstanding performance. Of particular note was the achievement in English, although maths remained a challenge. Governors encouraged the sharing of good practice from English to maths.

14. 2022/23 Student Recruitment

The Deputy CEO Curriculum & Quality provided an update on student recruitment across the group and the board focused its discussion on the decline in HE student numbers, both at Leeds Conservatoire and other parts of the group. Progression from the group's FE colleges was highlighted as an area for improvement.

15. Feedback and Recommendations from Group Member Boards

Leeds Conservatoire

The Principal and the Chair of Leeds Conservatoire (LC) provided feedback from a meeting of the LC Board held earlier in October which had included a deep dive into Freedom of Speech and discussions around group shared services and LC space at Mabgate. The latter had subsequently been discussed at the Group Property Strategy Committee and a follow-up report was planned for a future LC Board meeting. Shared services would remain a focus as part of the group's 2022/23 strategic priorities.

16. Finance

Feedback and Recommendations from Finance Committee

The Finance Committee had identified a number of emerging financial risks at its meeting in October which included the impact of cost inflation on the affordability of capital projects; the impact of rising interest rates on loan repayments; and the risk associated with implementing a large-scale new IT system (the Tribal SITS system discussed earlier in this meeting). The committee would continue to monitor these risks throughout the year. The committee had also made a number of recommendations which were set out in the circulated report and, following discussion, these were agreed by the board.

RESOLVED:

- (a) To agree procurement of early works packages on the Mabgate schemes.
- (b) To approve additional spend of £72k on professional fees to allow further site investigations to be undertaken on the Mabgate site.
- (c) To approve increasing the Pudsey Sixth Form design fee expenditure by £46k from the currently approved £490k to allow completion of the RIBA stage 3 design development.

With regard to the latter, governors noted that the final decision to approve investment in the Pudsey Sixth Form project would be later in the autumn term when there was more cost certainty of the RIBA design stages.

In response to a question from governors, the Group Vice Principal Development confirmed that there were no additional costs associated with the enabling works at Mabgate at this stage, other than the £72k requested for site investigations.

Financial Position and Forecast 2021/22

In reviewing the draft outturn position for 2021/22, governors noted that the position was slightly behind target, due mainly to additional pay expenditure which included the non-consolidated payments approved in July. The Chief Financial Officer drew governors' attention to the provision made for any additional costs that may arise as a result of claims made following the recent Harper Trust v Brazel supreme court ruling regarding holiday pay for staff on term time only contracts. He advised that due to the nature of some staff contracts, any claims made as a result of this ruling would disproportionately impact Leeds Conservatoire.

It was reported that the balance sheet was fairly stable, with the biggest change relating to the pension liability, which had significantly decreased due to the actuarial valuation carried out in August. As this figure was likely to continue to fluctuate, advice had been taken from the group's external auditors and a note would be included against this figure in the balance sheet rather than attempting to get this revalued.

Cashflow Forecast and Commentary

The board discussed the 2021/22 actual cashflow position and projection for the coming year, noting that the overall cash balance was £0.5m behind forecast. This was explained as being a result of the delayed receipt of the final tranche of Element 3 High Needs funding from Leeds City Council and higher than anticipated operating expenditure due to early payment of the Leeds Conservatoire degree accreditation fee in July rather than August. At its meeting in October the Finance Committee had agreed that future cashflow forecasts should use the group's internal template in order to give a 12-month rolling view of the cashflow position.

17. Property Strategy

Feedback and Recommendations from Property Strategy Committee

Governors received feedback from the most recent meeting of the Property Strategy Committee. The recommendations made by the committee mirrored those of the Finance Committee, as outlined above. The Chair of Leeds Conservatoire explained the issues with the temporary space at Mabgate and the Group Vice Principal Development outlined the options being explored to address the issues and the short term fix in place in the form of leased space. Management were mindful of the need to balance any future investment, recognising the temporary nature of the space.

18. Audit

Feedback and Recommendations from Audit Committee

The Chair of the Audit Committee presented feedback from a meeting of the committee held in September. The board also received and noted the annual internal audit report for the year ending 31 July 2022 in which RSM had provided the following overall opinion:

“The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.”

Review of Financial Regulations, Fraud Policy and Treasury Management Policy

Following annual review, the Audit Committee had agreed minor changes to the group's Financial Regulations, Fraud Policy and Treasury Management Policy and recommended these for approval by the board. The changes included updating of job titles, updated references to funding body regulations and some changes to procurement limits to bring these in line with organisations of a similar size to the group.

RESOLVED:

To approve the proposed changes to the Financial Regulations, Fraud Policy & Procedure and Treasury Management Policy, as recommended by the Audit Committee.

19. Governance

Appointment of Vice Chair(s) of Luminate Education Group for 2022/23

The Director of Governance reported that two nominations for Vice Chair had been received and, as the Luminate Education Group Instrument & Articles of Government provided for the appointment of up to two Vice Chairs, both were recommended for appointment.

RESOLVED:

That David Yates and John Toon be appointed as Vice Chairs of the Luminate Education Group until the first meeting of 2023/24.

University Centre Leeds (UCL) Board – Appointment of Co-opted Member

Following consideration by the Governance & Nominations Committee and interview carried out by the Chair of the UCL Board and the Deputy CEO & Executive Principal, Katie Miller was recommended for appointment as a co-opted member of the UCL Board. Having previously worked at the University of Bradford, Katie was currently working with the Crown Commercial Service, and had a real passion for education, access and participation.

RESOLVED:

That Kate Miller be appointed as a co-opted member of the University Centre Leeds Board with effect from 1 November 2022.

20. Feedback and Recommendations from Remuneration Committee

The board received a paper summarising the discussions, decisions and recommendations arising from a meeting of the Remuneration Committee held in October 2022.

The board was recommended to approve proposed revisions to the committee's terms of reference; these had been updated to remove references to White Rose Academies Trust, to add the Chief Financial Officer and Director of People, Development & Culture to the list of senior staff within the remit of the committee, and to remove the Deputy CEO Services from that list.

The committee had previously requested a more formalised overview of senior leadership succession planning and had therefore received a presentation from the CEO on that topic. Having discussed the information presented, committee members asked that this be captured in a succession plan document covering short term contingency arrangements, longer term development needs, any gaps identified, potential risks to the organisation and diversity considerations. This formalised plan would be presented at the committee's next meeting in November.

Draft appraisal targets for the CEO and other senior staff within the committee's remit had been considered and were recommended for board approval, subject to any feedback from member board chairs where applicable. Members had particularly welcomed the strengthening of the target setting process with the targets now more clearly showing the 'golden thread' between the group's strategic priorities, key risks and ownership of these through the individual objectives of senior staff.

RESOLVED:

- (a) To approve the Remuneration Committee Terms of Reference for 2022/23.
- (b) To approve senior staff appraisal targets for 2022/23, as presented.

The meeting closed at 8.39pm

Signed: (Chair)

Date: