

LEEDS CITY COLLEGE GROUP

MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON MONDAY 17 JULY 2017

Present

Adam Beaumont (up to item 6)	Governor
Colin Booth	Chief Executive & Principal
Robert Clunas	Staff Elected Governor
Cherry Fricker (Vice Chair)	Governor
Becky Hewitt	Governor
Gerald Jennings (up to item 6)	Governor
Shaid Mahmood (Chair)	Governor
Libby Raper	Governor
Christine Smith	Governor
Tina Turnbull (Vice Chair)	Governor
David Yates	Governor

The quorum for the meeting was seven Board members

In Attendance

Lydia Devenny	Deputy CEO, Services
Gerry Godley	Principal & MD, Leeds College of Music
Melanie Halstead	Clerk to the Board
Bill Jones	Deputy CEO, Curriculum & Quality
Charlene Lyons (item 5 only)	GatenbySanderson
Kate Pearlman-Shaw (item 5 only)	GatenbySanderson
Jane Pither	Deputy Principal Corporate Services
Palvinder Singh (item 5 only)	Vice Principal, Growth & External Relations

The meeting was held at the Printworks Campus and started at 5pm.

MEETING ADMINISTRATION

The Chair welcomed David Yates to his first Board meeting and introductions were made.

1. Apologies for Absence

Apologies for absence were received from Emily Chapman (student governor), Gemma Simmons (Vice Principal, Curriculum) and Andrew Whitaker (Executive Principal, White Rose Academies Trust).

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 were noted.

4. Minutes of the Meeting of the Board (Parts I and II) held on 19 June 2017

RESOLVED (B 41/17):

That the minutes of the meeting of the Board (Parts I and II) held on 19 June 2017 be approved as a true and accurate record and that these be signed by the Chair.

GROUP STRATEGY

5. Development of Group Strategy

GatenbySanderson facilitated a workshop on the development of strategy for the Leeds City College Group. A follow up workshop with members of the executive was planned for the following day. The next step would be the presentation of a proposed group vision, purpose and strategy to the Board, supported by options based upon the research carried out.

COMMUNICATIONS

6a. Key Statutory Areas

Health & Safety and RIDDOR

The link governor advised that there had been no RIDDOR reportable incidents since the last meeting. The link governor also advised that surveys had been carried out on the cladding on college buildings - no issues were identified. This was confirmed by the Deputy Principal Corporate Services, albeit some additional testing was yet to be completed.

Safeguarding and Prevent

The link governor advised that just over 600 safeguarding concerns had been reported during the year to date. This figure included all parts of the group other than White Rose Academies Trust; it was agreed that going forward figures relating to the Trust should be included. Key areas of concern included peer on peer abuse, domestic violence and forced marriage. A number of safeguarding/prevent training events had taken place during staff development week earlier in the month, including mandatory training modules. The procedure around staff DBS checks was currently under review with consideration being given to renewing checks on, for example, a three yearly cycle. Arising from discussion it was suggested that the college consider signing up to Karma Nirvana, an award winning British human rights charity supporting victims of honour based abuse and forced marriage – the Deputy CEO Curriculum & Quality undertook to consider this.

SEND

The link governor confirmed that there were no issues to bring to the attention of governors. The Deputy CEO Curriculum & Quality reported that a new Director of 14-19 and High Needs had been appointed following the previous postholder's recent departure from the college.

Equality & Diversity

The link governor reported that a consultant from the National Centre for Diversity was scheduled to deliver a workshop to staff later in the week as part of Investors in Diversity. The Principal & MD of Leeds College of Music (LCoM) advised that LCoM would host the Conservatoires UK (CUK) Conference in October 2017, which would focus on diversity in the sector.

It was suggested that short summary papers be produced to provide updates on the above statutory areas at quarterly Group Board meetings.

6b. Group Committees

Audit Committee

The Chair of the Audit Committee provided feedback from a meeting of the committee held on 5 July 2017. The committee had considered progress made against the action plans arising from the 2015/16 funding assurance review and the 2015/16 internal audit review of student finance bursaries; members were satisfied with the progress made against both action plans. The committee had agreed the external audit plan and strategy for the year ending 31 July 2017 and had considered a first draft of the internal audit plan for 2017/18; a revised version of the latter would be presented to the next meeting for approval. A total of nine internal audit reports had been presented by RSM, completing the internal audit plan for 2016/17; there were no areas of concern to bring to the Board's attention. The committee had also received a deep dive report on Information Security, presented by the Director of IT and Estates – following on from this, consideration was being given to achieving the ISO 27001 information security management standard. Full minutes of the meeting would be made available via the governor intranet.

It was noted that the Audit Committee's remit covered all parts of the group other than White Rose Academies Trust (WRAT). It was therefore suggested that the regular report to this Board from the WRAT Board include any relevant issues/feedback from the WRAT Audit Committee.

Property Strategy Committee

The Chief Executive & Principal provided the following feedback from a meeting of the committee held earlier that day:

Disposal of Horsforth Campus – governors were updated on the current status of negotiations with the ESFA relating to the purchase price. It was noted that the final terms would require Board approval if different to the terms previously agreed. It was also noted that other options were available to the college should the proposed sale to ESFA not progress. In the meantime, the Chief Executive & Principal undertook to circulate a copy of recent correspondence with the ESFA.

Lease of Butterley Street – it was reported that the college now proposed to agree a lease for the whole unit rather than part of it. As this represented a change from the previous decision of the Board, it was agreed to circulate the revised proposal for approval via written resolution if a decision was required prior to the next meeting. The Chief Executive & Principal confirmed that the Property Strategy Committee was in support of the revised proposal.

Disposal of Thomas Danby Sports Centre – discussions were ongoing relating to the proposed sale to the ESFA – a formal proposal would be presented to the Board for approval in due course.

LCoM Skyline Library – governors were informed that LCoM had an option to acquire a 250 year long leasehold on the Skyline library, within 18 months of taking on the 24 year lease. There was a strong business case for purchase, which would result in a significant financial saving compared with the short term lease. The LCoM Board had confirmed its long term commitment to occupy the building, given the desirable location and the significant investment in the fit out of the library, and recommended proceeding with the purchase of the long leasehold. A full proposal/business case would be presented to the Property Strategy Committee in September with a view to any recommendation being put to the Group Board in October. Governors emphasised the need for cash flow implications to be carefully considered as part of this proposal.

Enfield Centre Lease – at its meeting held in May 2017 the Board had approved an extension of the lease on the Enfield Centre for a further fifteen years from October 2017, subject to the Property Strategy Committee being assured in relation to the proposed rent

level. The Deputy Principal Corporate Services advised that the Property Strategy Committee had considered an independent report on the proposed rent level at its meeting earlier that day and had confirmed its approval to proceed with the proposed lease.

GROUP BUSINESS

7. Group Governance

The Board had approved the proposed group and governance structure in April for implementation from September 2017. The Clerk now presented a paper providing feedback and final recommendations from what was expected to be the last meeting of the Group Structure Task & Finish Group.

LCC Commercial Board

It was recommended that the LCC Commercial Board be merged with the new Leeds City College Board from September 2017. Having discussed the rationale for this proposal, governors emphasised the need to ensure a continued focus on the growth potential in this area in addition to key risks and that the effectiveness of the revised structure be kept under review. It was noted that discussions were taking place with the co-opted members of the LCC Commercial Board regarding their potential membership of the new Leeds City College Board.

Scheme of Delegation

A scheme of delegation had been produced to ensure clear dissemination between the work of the Group Board, the local/subsidiary boards and committees and how each fulfils its responsibilities and their commitment to each other to ensure the success of the Group. Having reviewed the draft document presented, the following suggestions were made by governors:

- Senior Independent Director role to be considered for the future.
- Section 5.5 relating to group membership fee to be expanded to make clear that local/subsidiary boards will review and approve the membership fee annually.
- Section 9.3 relating to risk management to be updated to reflect any agreed changes to the Group Risk Management Policy for 2017/18, particularly in relation to risk appetite.
- A cross reference to be made to the new Group Governance & Nominations Committee.
- Section 11.1 (Delegation to Chair of Governors) to be made more explicit in relation to the role of Vice Chair(s).
- Section 12 (Delegation to Group CEO/Principal) to be expanded to include risk management and regulatory matters. Final bullet point of section 12 to be replaced with a cross reference to the CEO/Principal's job description.

Instrument and Articles of Government

The Instrument and Articles of Government of the FE Corporation (Leeds City College) had been reviewed and a number of changes were proposed to reflect the revised group governance structure and general updating of terminology. Due to the nature of the proposed changes, it was not considered necessary to consult on the changes.

The Articles of Association of Leeds College of Music (a company limited by guarantee) had also been reviewed; the only change proposed was to update clause 13.1 relating to the composition of the Board of Directors to reflect the appointment of staff and student members to the Board.

Link Governors

It was recommended that the existing link governor system supporting statutory areas of responsibility be retained and a proposed role description was presented for approval. It was suggested that at the start of each academic year the Governance & Nominations

Committee be tasked with recommending to the Board the appointment of link governors for that year, taking account of the overall mix of governors' skills and experience.

A further email communication seeking feedback on the link governor system to support the monitoring of strategic priorities had been circulated to governors; responses by the end of the week were requested.

Arising from discussion, it was agreed that the Clerk and the Chair of White Rose Academies Trust (WRAT) discuss the reporting framework for WRAT outside of the meeting.

RESOLVED (B 42/17):

- (a) To agree that the LCC Commercial Board be merged with the new Leeds City College Board from September 2017.
- (b) To approve the Leeds City College Group Scheme of Delegation for 2017/18, subject to the additions/amendments requested by governors and listed above.
- (c) To approve the proposed changes to the FE Corporation Instrument and Articles of Government, as detailed within the circulated report.
- (d) To agree that the Leeds College of Music Articles of Association be amended to provide for the appointment of staff and student members of the Board of Directors, to be effected via a special resolution of the Leeds City College FE Corporation, as sole members of the company.
- (e) To approve the link governor role description.

8. Finance

(a) Financial Position and Forecast

The Deputy CEO Services presented a paper outlining the group's financial position for the period ending 30 June 2017.

The year to date EBITDA position remained higher than budget, resulting from a modest shortfall against budgeted income combined with significant savings on pay and non-pay. The forecast remained unchanged from that presented to the Board in June 2017. Board members asked the Deputy CEO to articulate her level of confidence in the forecast being achieved - the Deputy CEO expressed this as 100% confidence.

As previously requested by governors, the Deputy Principal Corporate Services had circulated a briefing note clarifying the terminology around levels of risk. Governors queried whether this was consistent with the terminology used in the financial position and forecast paper; this was confirmed by the Deputy CEO.

Arising from discussion, the Deputy CEO undertook to check/correct typographical errors in the statement of comprehensive income (income from capital grants) and the balance sheet (movement on creditors).

In considering cash flow, governors queried the significant variance on secondary providers. The Deputy CEO advised that most of this related to the VINE payment to Leeds City Council, which remained subject to negotiation.

RESOLVED (B 43/17):

To note the current financial position of the group and the updated forecast outturn for 2016/17.

(b) Budget 2017-18 and Three Year Financial Plan 2017-2020

The Board had considered draft versions of the 2017-18 budget and three year financial plan at its meetings in March, April and June 2017. The Deputy CEO Services now

presented the final version for approval. A reconciliation of the movements between the various versions had also been provided to governors. The Deputy CEO reported that two events had resulted in changes to the financial plan between the June and July meetings – these related to the termination of a sub-contractor contract and a late change by the ESFA in the funding rules for Adult Learner Loans prohibiting the use of ‘brokers’ to engage learners.

The paper now presented by the Deputy CEO summarised the main assumptions for the ‘base case’ of the financial strategy and an analysis of the main sensitivities, creating a high and low case for consideration. The financial plan recommended for approval met the financial objectives set by the Board in 2015.

As part of the assurance process, governors also received the financial plan checklist published by the ESFA; this had been cross-referenced to the college’s financial plan, evidencing that all areas of the checklist had been adequately addressed.

The LCC Commercial Board had considered the proposed targets for apprenticeships at its meeting on 4 July and governors therefore asked whether members of that Board were satisfied with the targets put forward for approval. The Chair of the LCC Commercial Board advised that whilst the targets had been agreed, the sales and marketing plan to support the projected growth was yet to be finalised – this was in draft form and had been presented to the LCC Commercial Board for an initial discussion and feedback – further work needed to be undertaken to refine the document, in particular prioritising those elements with strategic impact. A final version would therefore be presented to the new Leeds City College Board for review/approval. Governors therefore went on to discuss whether the proposed targets should be revised downwards. The Chief Executive & Principal advised against that, advising that costs would be reduced if necessary to meet any shortfall in income. The Chief Executive & Principal advised that the overall EBITDA target would be achieved regardless of the apprenticeship target being achieved or not. On that basis, governors were mindful to approve the plan put forward, subject to the Leeds City College and Keighley College Boards reviewing the plans for delivering the projected growth.

In discussing other growth targets, governors acknowledged that the projected growth in international income represented an ambitious target. This related primarily to Leeds College of Music.

In response to a question from governors, the Deputy CEO confirmed that the future staffing plans detailed within the financial plan had been discussed and agreed at local/member level. Arising from this discussion, governors asked that future papers clearly identify when points relate to the group or individual members of the group.

RESOLVED (B 44/17):

To approve the three year financial plan and adopt Year 1 of the plan as the governors’ budget for 2017/18.

(c) Approval of Delivery Partnerships

The Deputy CEO Services presented a report seeking Board approval of proposed delivery partnerships for 2017/18. Six existing partnerships were proposed for re-approval; no new partnerships were proposed. In response to a query from governors, the Deputy CEO advised that the proposed contract values were similar to the previous year and undertook to share the details with the Chair of Audit.

RESOLVED (B 45/16):

To approve the proposed delivery partnerships for 2017/18 up to the maximum amounts detailed in the circulated report.

9. Feedback from Local/Subsidiary Boards

(a) Leeds College of Music (LCoM) Board

Governors received the draft minutes of a meeting of the LCoM Board held on 29 June. Governors were pleased to note the positive position relating to applications for 2017/18 entry.

(b) LCC Commercial Board

The Board received a paper updating governors on the discussions, decisions and recommendations from the LCC Commercial Board meeting held on 4 July 2017. The main item of discussion had been around the draft sales and marketing strategy and associated action plan, as referenced earlier in this meeting. There were no items for decision of this Board.

(c) White Rose Academies Trust (WRAT) Board

The Chief Executive & Principal provided an update from the most recent meeting of the Trust Board of Directors (13 July). The main items of discussion had been the 2016/17 financial outturn and the budget for 2017/18. He advised that a lot of work remained to be done on business planning and budget monitoring, highlighted by the fact that the outturn for 2016/17 had changed late and repeatedly. Further work was also required on the longer term staffing structure throughout the Trust. However, it was emphasised that a great deal of progress had been made this year on school improvement.

The Chair of the Trust Board reported a level of concern in relation to the Trust's financial position in that the budget for 2017/18 had two of the three academies in deficit. The Executive Principal, working with the Group Chief Executive & Principal and Deputy CEO Services, had been tasked with delivering a plan to strengthen financial controls, processes and procedures. The Chair of the Trust supported the view of the Chief Executive & Principal that significant progress had been made in school improvement, particularly around attendance and exclusion data. The overall impact of these improvements would be better understood following publication of the 2016/17 exam results.

It was reported that the DfE had appointed Mike Ion as Education Adviser to Leeds East Academy following the recent Ofsted inspection. He would work with the senior team in order to help facilitate improvements in progress and attainment at the academy. This support had been welcomed by the Trust Board, particularly as Mike had already carried out visits to each of the academies and provided advice to the Trust Board.

10. Preparing for the General Data Protection Regulation (GDPR)

The Deputy Principal Corporate Services introduced a comprehensive paper on the Group's preparation for the GDPR coming into force in May 2018. The executive were confident that work, led by the Director of IT and Estates, was on track for the Group to be fully compliant by May 2018. In considering the detailed paper presented, governors suggested that employers be added to the list of stakeholders for the purposes of the planned information audit. In response to a question from governors, the Deputy Principal confirmed that the necessary privacy notices would be finalised by August 2017 and would take into account current as well as new students. In response to a further query, it was confirmed that the Director of IT and Estates was the Data Protection Officer and that he would report to the Deputy CEO Services from September 2017.

The Board was pleased to note the progress made in reviewing the GDPR requirements so far, the actions completed to date and the implementation plans to ensure full compliance by May 2018.

FOR INFORMATION

The following papers were presented to governors for information:

- Group Strategic Risk Dashboard as at July 2017
- Rolling list of Group Board actions and matters arising as at July 2017

There were no questions/concerns arising from these information papers.

ANY OTHER BUSINESS

Leeds City College STAR Awards 2017

The Chair provided positive feedback from the student awards ceremony held on 28 June 2017 and commended all those involved in organising such a successful event.

Thanks

Governors conveyed their thanks and best wishes to Robert Clunas, Becky Hewitt and Jane Pither as this was their final Group Board meeting.

The meeting closed at 9pm.

Signed: (Chair)

Date: