

## LEEDS CITY COLLEGE GROUP

### MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON MONDAY 18 DECEMBER 2017

#### **Present**

Adam Beaumont	Governor
Colin Booth	CEO & Principal
Cherry Fricker	Governor
Gerald Jennings	Governor
Tim Lupton	Staff Governor
Shaid Mahmood (Chair)	Governor
Ken Morton	Governor
Christine Smith	Governor
John Toon	Governor
Tina Turnbull (Vice Chair)	Governor
David Yates	Governor

The quorum for the meeting was eight 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
Gemma Simmons	Vice Principal Curriculum

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

#### **MEETING ADMINISTRATION**

##### **1. Welcome and Introductions**

The Chair welcomed Tim Lupton to his first group board meeting and introductions were made.

##### **2. Apologies for Absence**

Apologies for absence were received from Hayvi Rahem (Student Governor), Libby Raper (Governor) and Andrew Whitaker (Executive Principal, White Rose Academies Trust).

##### **3. Determination of Observers/Attendees at the Meeting**

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

##### **4. Declaration of Interests in any Agenda Items**

Governors were reminded of the requirement to declare their interest in any agenda items. The CEO & Principal declared an interest in agenda item 24 (feedback and recommendations from the Remuneration Committee).

## 5. Minutes of the Meeting of the Board held on 30 October 2017 and Rolling List of Actions and Matters Arising

Governors considered the draft minutes of the previous board meeting and the rolling list of actions and matters arising from previous meetings.

The Chair advised that GatenbySanderson would be making contact with governors in the New Year with regard to his 360° feedback. It was also planned for GatenbySanderson to facilitate small focus groups with governors in January to discuss the content of the draft Group Strategic Plan in advance of the final draft being presented for discussion/approval at the strategic seminar in February.

It was agreed that the Keighley College Development Plan be presented to the Keighley College Board for review in March 2018 with any recommendations arising to be presented to the April or July 2018 Group Board meeting.

### RESOLVED:

That the minutes of the meeting of the board held on 30 October 2017 be approved as a true and accurate record and that these be signed by the Chair.

## COMMUNICATIONS

### 6. Update on Key Statutory Areas including Feedback from Link Governors

The board received a written update and verbal feedback from the nominated link governors, including:

#### Health & Safety

The link governor provided feedback from a meeting of the Health & Safety Committee held on 7 December. One RIDDOR reportable incident had been notified to the committee. The link governor advised that site inspections and the agreed escalation process seemed to be working well. The committee had identified and discussed priorities for expenditure.

#### Safeguarding & Prevent

Key issues discussed by the Safeguarding Strategy Group at the end of November included revision of the Safeguarding Policy for 2017/18, the Safeguarding Annual Report (presented separately on the agenda for this meeting) and the critical incident procedures now in place across all Leeds City College campuses. In relation to the latter, and in response to feedback from the link governor, the Deputy CEO Curriculum & Quality would be discussing a group approach with colleagues at LCoM and WRAT with a view to having arrangements in place for the start of the next academic year. The link governor also planned to link up with the safeguarding lead at WRAT in the New Year.

#### Special Educational Needs & Disabilities

The SEND link governor provided positive feedback from his recent visits to Beeston, The Vine and the 14+ Apprenticeship Academy, during which he had met with managers, staff and students. The link governor had highlighted the need to progress the necessary repairs and refurbishment of the hygiene suite at the Beeston Campus; the Deputy CEO Curriculum & Quality would follow this up. It was planned to produce a position statement on SEND in the New Year and this would be shared with governors. The SEN policy would also be reviewed and presented to the board in due course.

#### Equality & Diversity

The link governor had attended an introductory meeting with the Deputy CEO Curriculum & Quality and other relevant staff at which the following three priorities had been identified for the FE colleges:

- Identifying and closing equality gaps
- Fostering the right culture and ensuring staff skills are appropriate through CPD
- Celebrating and promoting equality, diversity and inclusion

Board members viewed the *'I'm In'* video – it was felt that this encapsulated precisely what the colleges were aiming to achieve in relation to equality, diversity and inclusion.

## 7. **Written Resolutions and/or Chair's Action**

It was confirmed that there had been no written resolutions circulated or specific Chair's Action taken since the previous board meeting.

## 8. **Other Communications**

There were no other general communications to share with governors at this meeting.

## 9. **CEO & Principal's Update**

The CEO & Principal delivered a presentation to the board and governors discussed the following highlighted topics:

- The Autumn Budget Statement - it was acknowledged that action on 16 to 18 funding would require sustained pressure over the next 12-18 months, leading up to the 2019 spending review. A discussion followed around engagement with local MPs and how some governors may be well placed to assist with this.
- Ofsted's Annual Report – it was felt that this portrayed a constructive and collaborative approach with views supported by evidence and research. In particular, governors discussed and welcomed the section of the annual report relating to SEND support – in response to a query from governors, the CEO & Principal advised that the poor practice identified in the report was not currently an issue in Leeds.
- The Industrial Strategy and subsequent discussions around HE funding.
- DfE Social Mobility Action Plan – the CEO & Principal advised that whilst containing lots of ambition, the action plan included little for the FE sector at this stage.

The CEO & Principal also presented a draft outline agenda for the board's strategic seminar in February 2018. Governors made the following suggestions:

- Proposed strategic plan to be discussed prior to the workshops in order that the agreed strategy could inform discussions in the workshops.
- Relevant market insights to be presented to inform the board's discussions, particularly around the proposed strategic plan.
- The strategic impact of T Levels in the context of apprenticeships to be added to the list of suggested workshop topics.
- Workshop on growth of the group to clarify what is meant by growth, whether this is of benefit to the group, and consideration of recent approaches.

## **PERFORMANCE MONITORING AND SCRUTINY – QUALITY AND STANDARDS**

### 10. **FE Self-Assessment Report (SAR) 2016/17**

Following detailed review by the Leeds City College, Keighley College and Leeds College of Music boards, governors were recommended to approve the 2016/17 FE Self-Assessment Report.

Governors considered the SAR within the context of whether they felt it was honest and accurate, ambitious and challenging, and conveyed a sense of urgency to address weaknesses, remove barriers and improve rapidly.

In 2015/16 all five of the common inspection framework grades were 'requires improvement' (grade 3). The 2016/17 SAR provided a judgement of 'outstanding' (grade 1) for the effectiveness of leadership and management and 'good' (grade 2) for the remaining areas. Local board members had challenged the executive on the outstanding grade for leadership and management, in response to which the Deputy CEO Curriculum & Quality had provided an illustration of how the outstanding judgement had been arrived at, citing the evidence to support the grade. The CEO & Principal commented that the impact of leadership and management on the exceptional improvement trajectory, evidenced through the 2016/17 data and three year trend data, also supported an outstanding judgement for leadership and management.

It was noted that local board members had made a number of suggestions as to how the SAR could be strengthened and these suggestions had been incorporated into the final draft now being presented for approval.

In terms of provision type grades, 14-16 provision had been graded as outstanding, whilst Study Programmes, Adult, Apprenticeships and High Needs had all been graded as good. The FE colleges had undergone a full Ofsted inspection in February 2016 with subsequent Ofsted support and challenge visits in May 2016 and June 2017. Governors therefore considered the progress made against each of the areas for improvement identified at the last inspection in order to inform their overall view on the self-assessed grades for 2016/17. It was acknowledged that whilst significant progress had been made in all 8 areas for improvement, there was further work to do in relation to English and maths and teaching and learning. However, governors recognised the overall SAR rating of 'good'.

The SAR identified four specific areas for further improvement and focus in 2017/18, with detailed actions articulated in the quality improvement plan (QIP). Governors sought and received assurance from the executive and local board members that the QIP was sufficiently robust, measurable and reliable. Improvement priorities focused on Teaching, Learning & Assessment, Attendance and Progress (TAP), the detail of which had been discussed at previous meetings. The QIP would be updated and monitored on a half termly basis.

RESOLVED:

To approve the FE Self-Assessment Report 2016/17.

## **11. Higher Education Annual Review 2016/17**

The board considered a summary of student outcomes, quality assurance and enhancement measures and external review for the group's higher education provision in 2016/17. The paper formed part of a range of reports presented during the year which were aimed at providing assurance to governors in line with the HEFCE Annual Quality Assessment Assurance Statements. In response to a query from governors, the Principal & MD (LCoM) explained the work being done to drive forward the research and scholarly activity across the HE provision. In considering the National Student Survey (NSS) results, governors suggested that an explanatory paragraph be included in future years' prospectuses.

RESOLVED:

To receive and note the Higher Education Annual Review 2016/17.

## **12. Organisational Development and Human Resources Annual Report 2016/17**

The Deputy CEO Services introduced the annual OD and HR reports for the group, covering Leeds City College, Keighley College and Leeds College of Music. It was noted that the equivalent report for White Rose Academies Trust was under development. Highlights for Leeds City and Keighley colleges included Investors in People reaccreditation, improving staff survey results, staff engagement activities and implementation of the group wide leadership development programme. For Leeds College of Music the report highlighted the low levels of employee relations casework, introduction of mandatory training modules for staff, management development, successful restructure of the OD & HR department and revision of the grading structure to create more flexibility.

### **RESOLVED:**

To receive and note the Organisational Development and Human Resources Annual Report 2016/17.

## **13. 2016/17 Stakeholder Survey Results**

The Deputy CEO Curriculum & Quality presented the results from stakeholder surveys conducted during 2016/17 for each group member.

For FE provision, results had improved both year on year and when compared against external benchmark. Governors were particularly pleased to note that satisfaction with progress made with English and maths had improved by 14 and 21 percentage points respectively, evidencing the positive change moving delivery into curriculum areas has had and the relentless focus on learners making progress from their starting points. Employer survey results had also improved year on year, with 83% of respondents agreeing that they would recommend the college as a training provider (compared with 61% in the previous year). Improving the engagement with employers was recognised as being an area for continued focus for Leeds City College in 2017/18. Keighley College had been nominated for a TES award for its employer engagement activity, providing an opportunity for sharing of best practice across the group.

The National Student Survey (NSS) results for Leeds City College and Leeds College of Music had been considered as part of the HE Annual Review earlier in the meeting. Leeds City College's own HE induction survey demonstrated a large increase in satisfaction compared with the previous year, albeit with very different questions to the NSS survey. Leeds College of Music's internal student survey results were consistent with the NSS with intellectual stimulation being the factor showing least satisfaction.

Parents and students of academies within the White Rose Academies Trust had been surveyed in March 2017, with wide variations in both response rates and satisfaction scores between the academies.

### **RESOLVED:**

To note the 2016/17 stakeholder survey results and to endorse the improvement actions planned for 2017/18.

## **14. In-Year Student Retention, Attendance and Progress**

The board was provided with an overview of in-year performance of students in each group member including retention, attendance and evidence of progress.

In-year retention of FE students at Leeds City College and Keighley College was almost 100%, providing a stable base from which to maintain the outstanding retention achieved in 2016/17. Governors noted that whilst attendance had improved, it remained below the target set. The Deputy CEO Curriculum & Quality confirmed that this remained a key focus and would be monitored regularly at local board level. In relation to student progress at

Leeds City College, governors queried what appeared to be a large number of A level learners being at risk of failing. The Vice Principal Curriculum advised that the data was skewed somewhat in that it included students studying FT GCSE programmes; the Vice Principal undertook to separate out this data for future reports.

HE retention (Leeds City College and Leeds College of Music) was reasonable at the start of the year and compared with the previous year. However, governors queried attendance in both providers as this appeared low. The Deputy CEO Curriculum & Quality advised that the relationship between attendance and the student experience/results was more tenuous at HE level, with HE students being more independent and autonomous learners.

It was reported that, following rapid improvements in most indicators in 2016/17, WRAT academies continued to improve in terms of their student levels of progress predicted by the end of the year.

In conclusion, board members suggested that persistent absence also be reviewed and reported on alongside attendance.

RESOLVED:

To note the in-year student retention, attendance and progress.

## **GOVERNANCE AND COMPLIANCE**

### **15. Feedback and Recommendations from Local/Subsidiary Boards**

#### Keighley College

Governors received a paper summarising the discussions and decisions from the inaugural meeting of the Keighley College board held in November 2017. The full minutes and related papers had been made available via the governor intranet. Governors were particularly pleased to note the positive recruitment of apprenticeships which contrasted with the situation elsewhere in the group.

#### Leeds City College

Governors received a report summarising the discussions and decisions from the Leeds City College (LCC) board held in November 2017. The full minutes and related papers were available via the governor intranet. The following points were highlighted by the Chair of the LCC Board:

- The board had recognised the current college branding as a work in progress and members had made some suggestions to inform the next review.
- Student attendance was considerably higher than at the same point last year but remained a key focus at present.
- Apprenticeship recruitment was of particular concern to the board and had been added to the college's risk register due to its likely impact on income. The LCC Board would monitor the position robustly during the year. It was noted that this particular risk also appeared on the group's strategic risk register and the Audit Committee had therefore suggested that the LCC Board request a 'deep dive' report and then feed back to the Audit Committee and Group Board. It was suggested that the commercial aspects of apprenticeship provision also be considered in the context of lost opportunity.

A discussion followed around the local level vision, mission and values and whether these should be consistent across the group. The CEO & Principal advised that the group vision, mission and values formed part of the group strategic plan to be debated at the seminar in February 2018.

#### White Rose Academies Trust

Governors noted the following key points from a meeting of the WRAT Board held on 30 November:

- A review of the support provided to WRAT by The Gorse Academies Trust; the existing contract would expire at the end of the year, at which point a more collaborative approach would be taken.
- Progress 8 scores at each academy
- Student attendance which was improving but remained an area of focus.
- Fixed term exclusions had reduced considerably but needed to reduce even further.
- Leeds West 6<sup>th</sup> Form results were reported to be satisfactory.
- Leeds East Academy and Leeds City Academy had seen a significant increase in the number of young people attending those schools compared to the budgeted numbers, resulting in c£1m additional income relating to additional admissions in 2017/18. Due to the lagged funding system only 50% of this income would be received in 2017/18 with the remainder being received in the following year. This would result in a higher deficit for the Trust in 2017/18 due to the higher teaching costs associated with the increase in student numbers in 2017/18. In response to a query, the CEO & Principal confirmed that the Trust had reserves of c£1.5m and that whilst some of the reserves would need to be spent in 2017/18 they would be replenished in 2018/19.
- A 'Trust Review Meeting' had taken place at the Regional Schools Commissioner's office; this had been a fairly positive meeting with a level of confidence around the actions in place to drive the necessary improvements.
- The WRAT Audit Committee had identified areas for improvement in the IT service provided by the college as sponsor. The lessons learned would be taken into account as part of any future financial transactions between the sponsor and the Trust.
- Work was taking place to identify the investment priorities which would bring about the improvements required at Leeds West Academy.

In light of discussion earlier in the meeting, governors queried the position of the Trust with regard to 'off-rolling'; the CEO & Principal confirmed that such practice did not take place within the Trust and added that the academies were utilising the college and other good quality alternative provision. The CEO & Principal undertook to provide the number of students not attending either the WRAT schools or the alternative provision.

#### Leeds College of Music

The Principal & MD (LCoM) reported that the strategic discussion piece at the LCoM Board meeting held the previous week had been around diversity and in particular BAME diversity, this being an area of concern for conservatoires. As a result of this discussion the board had agreed a number of actions which would be followed up at the LCoM Board away day in January. The board would also be considering the issue of Corporate Social Responsibility at its away day.

## **16. Feedback and Recommendations from Property Strategy Committee**

The Chair of the Property Strategy Committee (PSC) presented a paper providing an update on the property strategy and feedback from a meeting of the committee held on 30 November. Full minutes and related papers had been made available to board members via the governor intranet. The board went on to discuss the following key issues:

#### *Property Strategy*

Initial discussions took place around a revised property strategy to cover all parts of the group other than White Rose Academies Trust, the main driver for the refresh being the fact that Leeds City College student numbers had grown faster than anticipated. The CEO & Principal advised that the existing property strategy provided very little capacity for growth. A discussion followed around classroom utilisation and whether more could be done to 'squeeze' the current assets; the PSC would consider this further as part of the overall property strategy review, with a full range of options being identified for the board to debate.

### *Planned Disposals*

Governors were advised that the ESFA had now put on hold the negotiations relating to their proposed purchase of the Horsforth Campus, leaving sale of the campus at risk. Discussions were continuing with the ESFA regarding the Thomas Danby Sports Centre and governors were updated on the current proposal relating to ongoing community use of the site. A response from the West Yorkshire Combined Authority (WYCA) as to whether they agree with the offer from Metropolitan & District Securities for the Technology Campus was still awaited; the option to purchase had been extended until 31 January 2018 pending WYCA's response. It was reported that the growth in student numbers meant that Park Lane A Block could not be released for sale as currently planned within the property strategy.

The board went on to discuss the asset release and cash flow risks associated with the planned disposals. Governors emphasised the need for close connection between the financial strategy and the property strategy in terms of growth capacity. It was confirmed that discussions had commenced with the bank regarding a bridging loan to fund the Quarry Hill project in the event that the Horsforth sale does not proceed in the required timescale.

### *Purchase of Skyline Long Leasehold*

The CEO & Principal reported that it had been decided not to proceed with the planned purchase following legal due diligence.

### *Quarry Hill Project*

It was reported that the project remained on budget overall. A design issue had resulted in a further 2 week delay to the programme with a revised completion date of 12 July 2019.

### RESOLVED:

To note the property strategy update including planned disposals and the likely impact on asset release.

## **17. Feedback and Recommendations from Audit Committee**

The Chair of the Audit Committee presented a paper summarising the discussions, decisions and recommendations from a meeting of the committee held on 8 December 2017. Full minutes and related papers were available via the governor intranet. The board went on to consider the following matters:

### Audit Committee Annual Report

The committee's annual report to the Corporation and Accounting Officer confirmed its opinion that the college had adequate and effective assurance arrangements, framework of governance, risk management and control processes.

### Audit Highlights Memorandum and Management Letter for Year Ended 31 July 2017

KPMG anticipated issuing clean audit opinions on the financial statements and regularity audits.

### Draft Report and Financial Statements for Year Ended 31 July 2017

The board reviewed the draft report and financial statements, including the operating and financial review, statement of corporate governance and internal control, statement of regularity, propriety and compliance and the statement of responsibilities of the members of the Corporation. It was noted that the group had delivered an operating surplus in the year ended 31 July 2017 after accounting for the recognition of capital grants. The group's net assets had significantly improved from the previous year, reflecting the significant capital development growing the tangible fixed asset base, alongside a substantial improvement in the pension liability.

At its recent meeting the Audit Committee had discussed with the executive and KPMG the approach to the assessment of the group as a going concern for the financial years 2017/18 and 2018/19. Having considered the cash projections, the plans for growth, and the support available from Santander, the committee was satisfied that the preparation of accounts on a going concern basis was appropriate.

#### Internal Audit Visit Reports

The Audit Committee had reviewed the reports produced by RSM following their audits of Corporate Governance and Project Management. The Corporate Governance review had focused on the new group governance arrangements, with much positive feedback identified. The Project Management review had focused on the development and oversight of the Quarry Hill project; the report identified that the project was being robustly managed. Governors expressed their congratulations to the staff involved.

#### Strategic Risk Register

The group's strategic risk register as at December 2017 included two red risks relating to group finances (cash flow) and the group's ability to resource its property strategy, as discussed earlier in this meeting. An amber risk was highlighted in relation to apprenticeship growth, as per previous board discussions; the LCC Board would monitor this with rigour and report back to the Audit Committee and Group Board as appropriate.

#### RESOLVED:

That the following be approved following detailed review and recommendation by the Audit Committee:

- KPMG's Audit Highlights Memorandum and Management Letter for the financial year ended 31 July 2017
- Letter of Representation to the External Auditors for the year ended 31 July 2017
- Audit Committee Annual Report for year ended 31 July 2017
- Report and Consolidated Financial Statements for year ended 31 July 2017
- Group Strategic Risk Register 2017/18

### **18. Group Data Dashboard**

The Deputy CEO Services presented an updated data dashboard for the group. This included in-year performance data relating to student enrolment and retention, student voice, finance and people and had been revised to align with the targets set out in the annual development plan and to take account of feedback provided by Leeds City College and Keighley College board members. It was acknowledged that the dashboard continued to be a work in progress.

### **19. Annual Reports for 2016/17**

Governors considered the 2016/17 annual reports relating to Safeguarding (including Prevent), Health & Safety and Equality, Diversity & Inclusion. The reports served to provide an overview and assurance of how the statutory responsibilities had been met throughout the year. More detailed versions had been presented and discussed at the relevant local boards. Governors were pleased to note that much good practice was in place across the group.

#### RESOLVED:

To receive and note the 2016/17 annual reports relating to Safeguarding, Health & Safety and Equality, Diversity & Inclusion.

### **20. Modern Slavery and Human Trafficking Statement for year ended 31 July 2017**

The Deputy CEO Services briefed governors on the requirements of the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015. The board was asked to approve a Modern Slavery and Human Trafficking Statement for publication in accordance

with the regulations, including the actions taken during 2016/17 and proposed future actions.

RESOLVED:

To approve the Leeds City College Group Modern Slavery and Human Trafficking Statement for the year ended 31 July 2017.

## **21. Board Membership – Keighley College and Leeds City College**

The Clerk reported that following the recent nomination process, Robert Emmerson (Student Relationship Officer) and Danielle Choma (Deputy Head of School Liaison & Marketing) were recommended for appointment as staff members on the Keighley College and Leeds City College boards respectively.

RESOLVED:

- (a) That Robert Emmerson be appointed to serve as staff member on the Keighley College Board for a two year term of office effective from 1 January 2018.
- (b) That Danielle Choma be appointed to serve as staff member on the Leeds City College Board for a two year term of office effective from 1 January 2018.

## **PERFORMANCE MONITORING AND SCRUTINY - FINANCIAL**

### **22. Group Finances 2017/18**

#### Financial Position and Forecasts

The Deputy CEO Services presented a paper outlining the financial position for the period ending 30 November 2017. The year to date EBITDA position exceeded budget by £473k. It was reported that income was under budget for the year to date, compensated for by reductions in pay and non pay expenditure.

Governors discussed the identified risks around apprenticeships starts at Leeds City College, tuition fees at Leeds College of Music and project income which had not materialised in the manner anticipated. It was reported that savings had been identified to mitigate the income deficit and therefore these risks were felt to be tolerable in relation to the group EBITDA position. The overall forecast had been updated to reflect these risks and mitigations.

The board went on to consider cash flow, both the 30 November 2017 balance and 12 month forecast. With regard to the latter, it was noted that the anticipated cash inflows resulting from the sale of Horsforth were phased for March 2018; in the light of an anticipated delay in disposal and the discussion held earlier in the meeting, the Deputy CEO Services would keep this under close review. The cash flow continued to be updated on a weekly basis.

#### 2017/18 Income Forecast Summary

Governors received an update on the forecast against the main income budget lines. Overall the income forecast was £45k lower than the budget, with the greatest variances being in Apprenticeships, HE grants/loans/fees and Projects/Contracts.

RESOLVED:

To note the circulated reports and the current financial position of the group.

### **23. Pay Award 2017**

The Deputy CEO Services introduced a report recommending the adoption of the AoC (Association of Colleges) recommended pay award of 1% or £250, whichever is the greater, for Leeds City College and Keighley College staff members (including senior staff) from 1 December 2017. It was noted that the boards of Leeds College of Music and White

Rose Academies Trust had recently agreed awards for staff within those institutions. The Deputy CEO Services confirmed that the 2017/18 business plan incorporated a pay award, accommodating the current proposal.

In considering the proposal, governors were mindful that some staff had not received a pay award since 2014 and a discussion followed around the need to be able to attract and retain staff. In response to a query from governors, the Deputy CEO Services advised that the Living Wage would also be applied to relevant staff.

**RESOLVED:**

To approve the implementation of the AoC recommended pay award of 1% or £250, whichever is the greater, for Leeds City College and Keighley College staff members from 1 December 2017.

**CONFIDENTIAL BUSINESS**

**24. Feedback and Recommendations from Remuneration Committee**

Separate confidential minutes refer.

**ANY OTHER BUSINESS**

None.

The meeting closed at 8.30pm

Signed: ..... (Chair)

Date: .....