

LEEDS CITY COLLEGE GROUP

MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON MONDAY 22 OCTOBER 2018

Present

Adam Beaumont	Governor
Colin Booth	CEO & Principal
Salman Daji	Student Governor
Cherry Fricker	Governor
Inder Hunjan	Governor
Tim Lupton	Staff Governor
Shaid Mahmood (Chair)	Governor
Ken Morton	Governor
Libby Raper	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
Richard Field (item 14 only)	Rollits LLP
Gerry Godley	Principal & MD, Leeds College of Music
Melanie Halstead	Clerk to the Board
Bill Jones	Deputy CEO Curriculum & Quality
Richard Lewis (item 8 only)	Director of Student Recruitment & Marketing
Tom Morrison (item 14 only)	Rollits LLP
Jane Pither	Chair, White Rose Academies Trust
Gerard Savva (item 8 only)	Director, Magpie
Gemma Simmons-Blench	Vice Principal Curriculum

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

MEETING ADMINISTRATION

1. Welcome, Introductions and Apologies for Absence

The Chair welcomed Salman Daji, Inder Hunjan and Jane Pither to the meeting and introductions were made. It was noted that Salman had been appointed by the Students' Union as Acting President and in that capacity would serve as Student Governor.

Apologies for absence were received from Gerald Jennings (Governor), Christine Smith (Governor) 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. C Booth declared an interest in relation to agenda item 20 (feedback and recommendations from the Remuneration Committee) insofar as this related to him personally.

4. Minutes of the Meeting of the Board held on 16 July 2018 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. With regard to the latter, it was noted that all identified items had been or were on schedule to be completed and/or appeared on the agenda for this meeting.

RESOLVED:

That the minutes and confidential minutes of the meeting of the board held on 16 July 2018 be approved as a true and accurate record and that these be signed by the Chair.

COMMUNICATIONS

5. Update on Key Statutory Areas

The board received a written update on Health & Safety, Safeguarding/Prevent, Special Education Needs & Disabilities (SEND) and Equality, Diversity & Inclusion together with verbal feedback from the nominated link governors. The update covered all parts of the group; no issues of concern were reported, with positive progress evident in all areas. It was reported that all key policies and procedures had been updated to reflect the changes to 'Keeping Children Safe in Education' (September 2018). As with other key statutory areas, a cross group SEND strategic group was being convened to meet termly; feedback from these meetings would be provided to the board on a regular basis.

6. Written Resolutions and/or Chair's Action

The board received a summary of the written resolutions circulated and approved since the previous board meeting. These related to board and committee memberships and financing of the Quarry Hill project and associated arrangements with Santander and the West Yorkshire Combined Authority (WYCA). A further paper on the latter appeared separately on the agenda for this meeting (item 14). There had been no specific Chair's Action since the previous meeting.

7. CEO & Principal's Update

Group Wide Board Engagement Event / 'World Café'

Very positive feedback had been received from the event held on 1 October and governors were supportive of future similar events being arranged. In terms of next steps, a final version of the new group strategy would be presented to the board in December 2018, followed by internal and external launch and stakeholder engagement from January 2019.

Harrogate College

The Leeds City College (LCC) Group's expression of interest in relation to the disaggregation of Harrogate College from the Hull College Group had been submitted and a provisional application submitted to the ESFA Transaction Unit. A more detailed application was due to be submitted on 29 October followed by a presentation on 7 November 2018.

National Financial Position and Pay Negotiations

In discussing the national financial position of colleges, it was noted that the national average Operating Surplus was around zero. Governors also discussed the pressure on pay because of funded pay rises for teachers in schools but not in colleges; the CEO & Principal advised that talks at national level had stalled, with national/local disputes a possibility.

Student Recruitment

Governors were pleased to note that Adult FE recruitment was all positive against profiles and HE recruitment was above target. The Leeds City College & Keighley College ESFA contract for young people was a headcount of 5,800 against enrolment of 6,300.

New Apprenticeship Contract with Leeds Teaching Hospitals

The CEO & Principal updated governors on a proposed new apprenticeship contract between Leeds City College and Leeds Teaching Hospitals. It was agreed that board approval be sought via written resolution once final details had been confirmed.

8. Other Communications

Group Name

Board members were presented with proposals for a new group name, identified following a robust process. Over 60 ideas had been scrutinised and evaluated against the agreed naming criteria, with those scoring most highly being shortlisted. Governors debated the three highest scoring names, their rationales, and the due diligence carried out on each option. Following discussion, the majority of governors and executive team members were in favour of Luminare as the new group name, the general feeling being that this resonated with the wording in the new group strategy. It was confirmed that there was no intention to change the individual names or brands of group member organisations.

RESOLVED:

That Luminare be adopted as the new group name and that associated branding proposals be presented for review/approval at the December 2018 board meeting.

RISK, GOVERNANCE AND COMPLIANCE

9. Review of Group Strategic Risks

The board considered the group strategic risk register consisting of nine amber rated risks and one green rated. None of the identified risks was new, having been discussed by the board previously. Two of these (relating to cash flow and resourcing of the property strategy) had previously been rated as red (significant) risks but had now been reduced to amber to reflect the positive progress made towards mitigating the risks.

RESOLVED:

To note the group strategic risk register and to endorse the mitigations in place/planned by management.

10. Feedback and Recommendations from Member Boards

Papers detailing the discussions and decisions from recent meetings of the following member boards were presented by the respective chairs and executive members:

- Leeds City College
- White Rose Academies Trust
- Leeds College of Music

Each board had considered 2017/18 organisational performance and strategic priorities and targets for 2018/19. The agreed targets had been incorporated into the group strategic and operational development plan, presented separately on the agenda for this meeting (item 19).

The Leeds City College (LCC) Board had agreed the establishment of a governor-led Task & Finish Group to oversee the college's A Level recovery plan following the summer's disappointing A Level results. Other areas of risk to be closely scrutinised by the LCC Board throughout 2018/19 were highlighted, those being student attendance and adult maths provision, the latter being identified by Ofsted as an area for improvement.

The White Rose Academies Trust (WRAT) Board had agreed the recruitment of a Chief Financial Officer (CFO) for the Trust with the aim of the new post holder being in post by the beginning of January 2019. It was noted that the CFO would report to the Trust's Executive Principal and the Trust Board, working closely with group colleagues.

Leeds College of Music (LCoM) board members had highlighted the need for early and detailed formulation of the proposed group membership fee for future years so that this could be factored into the budget for 2019/20. The CEO & Principal undertook to present a proposal to this board in the first instance.

Prior to the start of this meeting, the Principal & MD of LCoM had presented to governors on the strategic context, challenges and opportunities facing the conservatoire in 2018/19 and beyond. Current priorities were identified as HEI status, TEF Gold, Taught Degree Awarding Powers and Investors in People. A discussion followed around access and participation and the expectation of the Office for Students (OfS) in this respect.

11. Feedback and Recommendations from Group Committees

Audit Committee

The Chair of the Audit Committee presented a paper summarising the discussions, decisions and recommendations from a meeting of the Audit Committee held in September 2018.

The group risk management policy and procedure for 2018/19 had been reviewed and reporting lines updated to reflect LCoM's HEI designation.

The group financial regulations had undergone a full and thorough review with changes proposed for 2018/19 to reflect revised levels of authority for expenditure, LCoM's HEI designation, nomenclature and changes to job titles, roles and responsibilities. The policy and procedure for fraud prevention, detection and investigation and the treasury policy had also been reviewed and updated to ensure consistency with the financial regulations.

The committee had also reviewed and updated its terms of reference to reflect the revised Post-16 Audit Code of Practice.

RESOLVED:

To approve the Risk Management Policy/Procedure, Financial Regulations, Fraud Policy/Procedure, Treasury Policy and Audit Committee Terms of Reference for 2018/19, as recommended by the Audit Committee.

Governance and Nominations Committee

The committee had reviewed board/committee attendance data for 2017/18 which ranged from 74% to 89% against a target of 85%. The contribution made by governors over and above attendance at formal meetings was also acknowledged.

The committee had also reviewed board and committee membership across the group and had made a number of recommendations for appointments and reappointments to reflect the mix of skills and experience required.

Annual review of the Group Scheme of Delegation had been carried out and a number of changes were recommended for board approval. The role description for link governors had also been updated, the main change being to confirm that the link governor scheme would extend to all parts of the group in 2018/19. The committee also recommended the appointment of link governors for 2018/19, taking account of the overall mix of governors' skills and experience.

As part of an overall governance effectiveness review, it was planned for the Chair of the Board and the Clerk to meet with individual board/committee members. A proposed framework for these meetings was shared with governors.

In considering governor training priorities, the Governance and Nominations Committee had agreed that refresher training on the statutory areas of Safeguarding/Prevent, H&S, EDI and SEND form part of the training plan for 2018/19. Other training and development needs would be discussed at governors' individual review meetings with the Chair and Clerk.

RESOLVED:

- (a) To note the level of board/committee member attendance during 2017/18 and endorse an overall target of 85% for 2018/19.
- (b) That Gerald Jennings be reappointed as a governor for a further 12 month period, that being to 31 October 2019.
- (c) That Shaid Mahmood be reappointed as a governor for a further three year term, that being to 31 October 2021.
- (d) That Jane Pither be appointed as a governor for a two year term of office effective from 1 November 2018.
- (e) That the terms of reference of the Leeds City College Board and Keighley College Board be amended to provide for the appointment of an additional co-opted member to both boards.
- (f) To approve the Scheme of Delegation for 2018/19.
- (g) To approve the Link Governor Role Description and the appointment of link governors for 2018/19 as follows:
 - Safeguarding/Prevent: Tina Turnbull
 - H&S: John Toon
 - SEND: Ken Morton
 - EDI: Inder Hunjan
- (h) To note the planned arrangements for governor review meetings with the Chair/Clerk.
- (i) To note and endorse the governor training priorities for 2018/19.

Property Strategy Committee

The board received a paper summarising the discussions, decisions and recommendations from a meeting of the Property Strategy Committee held in September 2018. Governors were pleased to note that the programme for completion of the Quarry Hill project remained unchanged (12 July 2019) and the project remained on budget overall. It was reported that following the board's decision to approve the sale of the Horsforth Campus to Stonewater/STG, a joint planning application between the college and Stonewater was being developed and would be submitted in January 2019.

12. Appointment of Chair and Vice Chair for 2018/19

RESOLVED:

That Shaid Mahmood and Tina Turnbull continue to serve as Chair and Vice Chair of the board respectively for 2018/19.

It was noted that the Instrument & Articles of Government provided for the appointment of up to two Vice Chairs; therefore, any other governors interested in serving as Vice Chair were encouraged to contact the Chair or the Clerk. This was highlighted particularly in the context of succession planning as the current Chair and Vice Chair had both served on the board since 2011. The issue of succession planning would also be considered by the Governance and Nominations Committee.

13. Annual Reporting Schedule 2018/19

The Clerk presented the annual reporting schedule for the board. This served to ensure that the board fulfilled its duties and responsibilities and was in line with the agreed Scheme of Delegation.

PERFORMANCE MONITORING AND SCRUTINY – FINANCIAL

14. Financing of the Quarry Hill Project

Separate confidential minutes refer.

(Adam Beaumont, Cherry Fricker and Libby Raper left the meeting at this point)

15. Financial Position and Forecasts

Year ending 31 July 2018

The Deputy CEO Services introduced a report outlining the draft yearend financial position for 2017/18. The EBITDA position showed a positive variance against budget and forecast, being the net result of a negative variance on income and positive variance on expenditure. In considering the closing cash position at 31 July 2018, governors noted that the positive variance between the actual and forecast cash balance was due to the variance on cash flows associated with the Quarry Hill project.

Year ending 31 July 2019

The year to date EBITDA position showed a positive variance against budget and forecast as at the end of September 2018. The Deputy CEO Services highlighted a potential risk around employer contributions to the teachers' pension scheme. The liability could increase to approximately 23% of pensionable salary and the college had budgeted for contribution rates of 19%. It was reported that the final contribution rate had not yet been determined and a provision for the potential increase would be reflected in the period three forecasts. The 12 month cash flow forecast highlighted short term pressures associated with the financing of the Quarry Hill project, as discussed at length under agenda item 14.

RESOLVED:

To note the draft yearend financial position for 2017/18 and the current financial position of the group.

PERFORMANCE MONITORING AND SCRUTINY – QUALITY AND STANDARDS

16. Results and Achievement Rates 2017/18

The board reviewed the year 11 and year 13 outcomes for each of the schools within the White Rose Academies Trust, achievement rates of learners on education and training programmes and apprenticeships within Leeds City College and Keighley College and predicted achievement rates for HE provision within Leeds City College and Leeds College of Music. In particular, governors noted the areas where performance needs to improve, those being A Level results and 16 to 18 performance measures. FE achievement rates were particularly pleasing, especially at Keighley College, as were the improvements in

apprenticeship achievement rates and English and maths progress measures. The data had also been scrutinised by the respective member boards.

17. Staff Surveys 2018 and Investors in People

The Deputy CEO Services presented the findings from the 2018 staff surveys for each group member organisation and the recommendations arising from the Investors in People annual review (applicable to Leeds City College and Keighley College only). The data provided for group level comparisons against specific engagement questions and governors were pleased to note the improvements in staff engagement. The board went on to consider the proposed actions to further increase staff engagement and satisfaction levels, as outlined in the circulated report.

18. Performance against Targets in 2017/18 Strategic and Operational Development Plan

The CEO & Principal presented a paper analysing the performance against the high level targets set in the group's 2017/18 Development Plan. The targets were BRAG rated, indicating performance against target and performance against overall expectations and national benchmarks. Across the group, performance in most areas was good or outstanding, representing the significant improvements achieved in 2017/18.

Governors considered the significant areas where targets had not been met and overall performance remained below national averages or internal expectations. Proposed targets for each of these areas were included in the draft 2018/19 Development Plan, presented separately on the agenda for this meeting.

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.

19. Strategic and Operational Development Plan and Targets 2018/19

The board went on to consider the draft development plan and targets for 2018/19. For the benefit of new board members, the CEO & Principal explained that the annual development plan is the highest level document across the group, detailing the group's strategic aims and priorities and high level operational targets. The action plans and targets included were carefully chosen to ensure that all parts of the group move quickly towards outstanding quality and strong financial performance.

Arising from discussion, it was identified that the more significant and challenging parts of the plan which required close focus and monitoring to achieve targets were:

- Achievement rates and Value Added scores for A Levels at Leeds City College
- Applied General Qualifications Value Added scores at Leeds City College and Keighley College
- Student progression from year 1 to year 2 on HE courses at Leeds City College
- Sickness absence recording and rates at Leeds City College and Keighley College
- Hitting income targets for Apprenticeships and project income for Leeds City College and Keighley College and achieving the overall income target and EBITDA target for Leeds College of Music
- Maintaining and building on improvements in undergraduate achievement rates and NSS scores at both Leeds City College and Leeds College of Music
- Hitting short term financial targets for the White Rose Academies Trust and making progress towards a positive EBITDA within the next 3 years

Regular updates on progress against the above priorities would be presented to the relevant boards throughout the year.

RESOLVED:

To approve the Strategic and Operational Development Plan and Targets for 2018/19.

CONFIDENTIAL BUSINESS

20. Feedback and Recommendations from the Group Remuneration Committee

Separate confidential minutes refer.

THANKS

Governors expressed thanks to Christine Smith and Tim Lupton, both of whom would stand down as governors at the end of October 2018.

The Chair thanked governor colleagues for participating in his 360° feedback.

The meeting closed at 8.45pm

Signed: (Chair)

Date: