

**LUMINATE EDUCATION GROUP
LEEDS CITY COLLEGE CORPORATION**

**MINUTES OF THE MEETING OF THE
BOARD OF GOVERNORS
HELD ON MONDAY 19 OCTOBER 2020**

Present

Colin Booth	Group CEO
Inder Hunjan	Governor
Shaid Mahmood (Chair)	Governor
Ken Morton (Vice Chair)	Governor
Helena Phillips	Governor
Jane Pither	Governor
Richard Shaw	Governor
John Toon	Governor
Ian Watling	Governor
David Yates (Vice Chair)	Governor

The quorum for the meeting was seven board members

In Attendance

Lydia Devenny	Deputy CEO Services
Melanie Halstead	Director of Governance
Bill Jones	Deputy CEO & Principal, Leeds City College (LCC)
Gemma Simmons-Blench	Deputy CEO Curriculum & Quality
Ann-Marie Spry	Group Vice Principal (Adults)
David Warren	Group Vice Principal (Development)
Andrew Whitaker	CEO, White Rose Academies Trust (WRAT)
Joe Wilson	Interim Principal, Leeds Conservatoire

The meeting took place via Google Meet and started at 5pm

MEETING ADMINISTRATION

1. Welcome and any Apologies for Absence

Joe Wilson was welcomed to his first meeting as Interim Principal of Leeds Conservatoire. Apologies for absence were received from Jenef Ngombo (Student 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. There were none specific to the agenda for this meeting but standing declarations as per the register of board members' interests were noted.

4. Minutes of the Meeting of the Board held on 27 July 2020 and any Actions or other Matters Arising

Governors considered the draft minutes of the previous board meeting and a rolling list of actions and other matters arising from previous meetings. The latter included actions relating to (1) the White Rose Academies Trust growth strategy and (2) staff reward and

remuneration linked to the group people strategy; it was noted that the former appeared separately on the agenda for this meeting and the latter was scheduled for the next meeting of the Finance Committee.

RESOLVED:

That the minutes of the meeting of the board held on 27 July 2020 be approved as a true and accurate record and that these be signed by the Chair.

5. Communications

Written Resolutions and/or Chair's Action

The board noted the details of two written resolutions circulated and approved since its previous meeting, both relating to board/committee membership, and endorsed action taken by the Chair in September 2020 to approve a single source tender relating to the procurement of a secure network to help restore the group's IT systems.

Other Communications

Governors were pleased to hear that the former Student Governor had been invited to join a panel established by the DfE to gather evidence of student voice to inform the FE White Paper.

STRATEGY AND POLICY

6. Risk Management

Review of Group Strategic Risks

In considering the group's strategic risk register, governors focused in particular on the significant risks identified relating to (1) the sale of the Horsforth site and (2) the cyberattack, reviewing the identified risk control measures and further actions required to reduce the probability or impact of these risks.

In advance of this meeting the CEO had communicated to governors the outcome of the recent Plans Panel meeting relating to the Horsforth site and the board went on to discuss the next steps and likely timescale involved. Governors asked questions about the pressure on cash resulting from the delayed sale and were updated on the renegotiated short-term borrowing with the Corporation's two lenders, with details being presented in a separate paper on the agenda.

It was noted that a report commissioned in relation to the cyberattack would be presented to the board in December 2020.

A quality related risk on the register focused on the group's response to the long term impact on teaching, learning and assessment of the Covid-19 pandemic. Governors asked about the key changes made, particularly in the group's FE colleges, to the sequencing and structure of the curriculum and whether there was a tipping point where the theoretical / practical balance could not be achieved on some courses, possibly resulting in qualifications not being awarded. It was suggested that the FE college boards explore this in more detail at their forthcoming meetings, seeking assurances around the blended learning offer. Linked to this risk, it was not envisaged that any local or national lockdown would require the closure of colleges or schools; however, it was confirmed that all departments were ready and prepared for a range of scenarios, with actions in place to ensure that no learner is disadvantaged. It was reported that the quality assurance processes would start in earnest after the October half term break with year to date performance and predictions to be considered at performance review meetings after half term. The Interim Principal of Leeds Conservatoire advised that higher education was being delivered as much as possible online, with practical elements on campus; the focus for the conservatoire was now on the Christmas holiday period and students returning. The CEO of White Rose Academies Trust (WRAT) advised that the overall strategy for WRAT

schools was to reduce the size of individual bubbles; leaders of the Trust continued to work closely with the Local Authority and Regional School Commissioner to feed into local and regional issues.

RESOLVED:

To approve the strategic risk register as presented.

Covid-19 Response and Recovery Planning

Governors had previously endorsed the response to Covid-19 across all parts of the group, welcoming the extensive preparations, risk assessments and interventions successfully implemented for the initial period of lockdown, the extended period of remote working, the partial reopening in June and wider reopening in September.

They went on to discuss the ongoing recovery plans and took confidence from the systems and processes in place across the group. A summary of Covid-19 cases amongst students and staff in each organisation was presented and governors were assured that cases continued to be managed, with no significant outbreaks reported. It continued to be the case that where students/staff had tested positive, it was as a result of transmission occurring in the community rather than within the schools/campuses, providing continued assurance around the Covid-secure environments being provided for learners and employees.

The board went on to consider the associated risks which included possible loss of income, any reputational damage arising from a poor student experience, and teaching and learning being affected due to established 'bubbles' being collapsed. Overall, governors were satisfied that all possible actions were being taken/planned to mitigate these risks. In response to a question around cover arrangements in the event that the numbers of staff being required to self isolate increased significantly, the Deputy CEO Curriculum & Quality advised that many staff had continued to work remotely during periods of self isolation and confirmed that contingencies were also in place at departmental level. Governors were pleased to note that thus far all staff testing positive for Covid-19 had recovered and returned to work.

Update on Cyberattack

The Deputy CEO Services briefed governors on the progress made to rebuild the network and restore core systems. Board members were particularly pleased that teaching and learning in the classroom was now more seamless.

Risk Management Policy and Procedure

The Deputy CEO Services presented the updated policy and procedure, advising that there were no real significant changes that were being proposed as the policy and procedure had undergone a thorough review within the last 3 years. The Audit Committee had considered the proposed changes at its meeting in September and recommended for approval by the board.

RESOLVED:

To approve the Risk Management Policy and Procedure for 2020/21.

7. CEO's Report

The CEO reported on 2020/21 student recruitment, with comparisons to the numbers contained in the agreed three year plan. In terms of FE Study Programmes, all but Harrogate College were expected to exceed target. Research suggested that the lower than expected level of recruitment at Harrogate College was in part due to students opting to stay in school in response to the pandemic. It was reported that adult recruitment had been delayed by approximately three weeks due to the cyberattack; however, it was anticipated that DWP would begin to refer potential students to the colleges once the furlough scheme ends.

The CEO advised that apprenticeship recruitment was unpredictable at present given the current climate. However, the group's FE colleges had secured some interesting contracts for apprenticeships recently, including a highly specialist pharmaceutical services contract at Harrogate College. Keighley College was continuing to diversify its apprenticeship offer and was close to concluding several new contracts. The Deputy CEO & Principal of Leeds City College advised that the college's reputation was continuing to improve and it was starting to be viewed as the first choice by employers.

Recruitment at Leeds Conservatoire had been strong to date; whilst there remained a residual risk around retaining students, the Interim Principal expressed a level of confidence at this stage. The CEO advised that the University Centre had been impacted by the cyberattack and was therefore forecasting a lower level of growth this year, however, the 2020/21 target would still be achieved.

It was acknowledged that all three schools within the White Rose Academies Trust were now popular schools in their local area and governors congratulated staff on the rate of improvement achieved across the Trust.

The CEO also provided the board with an update on the development of Luminare Professional Services and the Deputy CEO Services advised that consultation was taking place with relevant staff at Leeds Conservatoire relating to a TUPE transfer into the Corporation. A discussion followed on the group's current place-based governance arrangements and whether any changes would be required to reflect Luminare Professional Services. It was noted that options for the establishment of a services company were being explored but that this was not a requirement for the successful delivery of shared services. There was a question around how value for money would be assessed which the CEO undertook to pick up in more detail outside of the meeting. The importance of communications with local/member boards was highlighted and it was reported that whilst the White Rose Academies Trust Board was in support of the shared services proposals, this was dependent on ESFA approval being granted; the CEO advised that he was currently in discussion with ESFA officers on the matter.

8. Finance

Cash Flow Forecast and Commentary

The Deputy CEO Services introduced the circulated report, providing an update on the cash flow forecast and detailing the changes made since the cash flow was last presented to governors.

Whilst the financial position and forecast for the year ending 31 July 2020 had not yet been finalised due to the lack of system availability, governors were advised that the outturn position was expected to exceed the forecast outturn position reported in July 2020.

The Finance Committee had carefully considered the key assumptions in the cash flow forecast to 31 July 2022. It was noted that the receipt from the planned sale of Horsforth which had previously been included in the cash flow from October 2020 had now been removed from the forecast, reflecting the ongoing delays in achieving planning permission and the uncertain timescale for resolving the issue. A net shortfall in cash inflows was partially offset by a capital grant of £3m. A new long term loan to replace the existing revolving credit facility and overdraft was included in the cash flow forecast from November 2020, details of which were presented in a separate paper on the agenda.

The current cash flow forecast had a lower year end position in July 2021 and July 2022 such that additional borrowing would be required to support working capital in 2022 and the Finance Committee highlighted a £2.5m shortfall in the absence of the Horsforth receipts. The Deputy CEO Services advised that the cash flow forecast would be updated throughout the year in line with performance reviews.

9. White Rose Academies Trust (WRAT) – Vision 2025

The CEO of WRAT presented an update on the Trust's growth strategy ('Vision 2025'). Of particular note was Mill Field Primary School officially joining the Trust on 1 December 2020. Governors also talked through the reasons why recent Free School and Special School bids submitted by the Trust had been unsuccessful and what might be done differently going forward.

10. Curriculum, Student Growth and Property Strategy

The CEO presented an updated strategy for the board's consideration, highlighting the strategic decisions that drove the property strategy and the curriculum and student growth strategy. Whilst supporting the overall curriculum strategy, student growth forecasts and the proposed list of potential capital projects, governors were mindful that whether bids and securing funds and grants were successful would determine the projects the group could undertake and priorities. As part of this discussion, governors also reflected on the objective contained in the financial plan relating to levels of borrowing and the group's risk appetite in this respect, following which it was agreed that a facilitated risk and risk appetite workshop be arranged for the board.

Having discussed the potential long term use of the Park Lane buildings and recommendations from both the Property Strategy and Finance committees, the board supported a proposal to spend up to £100k on consultancy and design work to create a detailed and costed proposal. It was agreed to await the outcome of this feasibility work before committing to any costs for design work for the Mabgate site. However, whilst not at this stage committing to support any acquisition, the board had no objection to negotiations taking place regarding the potential acquisition of the Regam Electrical site at Mabgate.

During September and October the Finance Committee, Property Strategy Committee and Leeds City College (LCC) Board had reviewed a proposal for creating a new Pudsey Sixth Form College. It was acknowledged that increasing the proportion of level 3 provision, improving the post 16 offer in Leeds and increasing capacity were integral to the strategic plan for LCC. The strategic, educational and commercial arguments for the project were strongly supported by LCC board members, having spent some time considering the estimated numbers and satisfying themselves that they were reasonable estimates. However, there was also an understanding that the group would need to consider the financial implications and risks alongside the prioritisation of individual projects. Having considered the feedback and recommendations presented, the board was supportive of the inclusion of the project in the overall Property Strategy but agreed that the proposed expenditure for design work be postponed for a couple of months, pending the outcome of the feasibility work on Park Lane.

RESOLVED:

To approve the proposal to spend up to £100k on consultancy and design work to create a detailed and costed proposal for the potential long term use of the Park Lane buildings, as outlined at section 4.9 of the draft Curriculum, Student Growth and Property Strategy.

11. Proposed Change of the Corporation Name

The Vice Principal (Development) introduced a paper updating governors on the formal process, including the consultation requirements, for changing the name of the statutory FE Corporation and obtaining Secretary of State approval.

A proposal to establish a new trading name and brand for the group had been endorsed by the board in 2018 and, following an extensive process, the board had agreed in January 2019 to adopt 'Luminate Education Group' as the new trading name and brand. It was now proposed to seek Secretary of State approval to also change the name of the statutory FE Corporation from Leeds City College to Luminate Education Group.

RESOLVED:

That an application to change the name of the statutory FE Corporation to Luminate Education Group with effect from 1 January 2021 be submitted, subject to satisfactory conclusion of the stakeholder consultation process, the outcomes of which to be shared with the board in advance of the application being submitted.

PERFORMANCE MONITORING AND SCRUTINY

12. Update on Key Statutory Areas

The board received its quarterly update report on Health & Safety (H&S), Safeguarding & Prevent, Special Education Needs & Disabilities (SEND) and Equality, Diversity & Inclusion (EDI), including feedback from the nominated link governors.

The H&S update confirmed that there had been no RIDDOR reportable incidents since the previous board meeting.

Governors were alerted to a potential risk relating to the CPOMS systems used for recording safeguarding concerns and associated actions due to the impact of the cyberattack. The Deputy CEO & Principal (LCC) advised that mitigations were in place but undertook to liaise with the Head of Safeguarding to ensure that they were sufficiently robust.

Governors were pleased to note that SEND students had continued to be supported during the pandemic via a blended learning model, consisting of face-to-face delivery as well as remote learning. The Deputy CEO Curriculum & Quality advised that students had actively engaged and the colleges had been able to enhance digital literacy skills in this area, including the effective use of assistive technology to support learners to overcome barriers and enabling achievement of their challenging learning goals. Board members also welcomed the destinations data of SEND students across the White Rose Academies Trust, as detailed in the circulated report.

13. Performance against Targets in the 2019/20 Strategic and Operational Development Plan

The board considered an analysis of performance against each of the quality and financial targets set in the group's 2019/20 Strategic and Operational Development Plan and the progress made against each of the strategic priorities identified by the board for that period. The CEO advised that the impact of Covid-19 made a number of the key performance indicators difficult to assess, however, the targets had been BRAG rated against national benchmarks where they exist. Overall, it was felt that all parts of the group were dealing with the impacts and challenges caused by Covid-19 at least as well as other educational organisations.

The board went on to consider the significant areas where targets had not been met and overall performance remained below national averages or internal expectations. The adult achievement rate had fallen at both Leeds City College and Keighley College and governors asked what could reasonably be done to address the issues experienced by adult learners. The Vice Principal (Adults) advised that the reduction in achievement rates was mainly attributable to the challenges posed by Covid-19 and some of the arrangements put in place by awarding bodies. Additionally, adult learners had faced a range of different circumstances, including difficulty in accessing IT equipment; it would therefore be a priority going forward to ensure that adult learners are IT literate and have the necessary resources. Governors were also particularly interested in the Level 6 achievement rates as these too had fallen at the University Centre/FE Colleges and at Leeds Conservatoire. With regard to the latter, the Interim Principal advised that this related to only a small number of students (13 in total) so he was not overly concerned. With regard to the University Centre/FE Colleges, the Deputy CEO Curriculum & Quality advised that the severe restrictions resulting from Covid-19 had impacted on students' ability to complete their placements, hence some delays in achieving. 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 2020/21 Strategic and Operational Development Plan; this would be presented for discussion and approval at the next board meeting.

Governors were pleased to note that there were also a number of areas where 2019/20 targets had been significantly exceeded and overall performance was above national averages.

14. Group Member Reports

The respective chairs and members of the executive presented feedback from recent meetings of the Leeds City College (LCC) Board, the Leeds Conservatoire Board and the White Rose Academies Trust Board. Following annual review, the LCC Board recommended some minor changes to its terms of reference for 2020/21 including a proposal to increase its membership to broaden the range of skills and experience on the board.

RESOLVED:

To approve the proposed revisions to the LCC Board terms of reference for 2020/21.

15. Group Committee Reports

The board received papers summarising the discussions, decisions and recommendations arising from recent meetings of the Audit Committee, Finance Committee and Property Strategy Committee and, following annual review, minor changes were proposed to the terms of reference of each committee.

The Audit Committee had carried out its annual review of the financial regulations, fraud policy and treasury management policy and recommended these for approval by the board; the main changes proposed related to role references, the move to shared services and OfS reporting requirements. The committee had also considered the internal audit annual report for 2019/20 which provided an overall audit opinion that the group had an adequate and effective framework in place for risk management, governance, internal control and economy, efficiency and effectiveness. However, it was recognised that a large proportion of the internal audit work for 2019/20 had been completed prior to the Covid-19 pandemic and as such an element of the audit work did not reflect the situation which had arisen in the latter part of the financial year. Furthermore, the annual report did not reference the cyberattack as that had occurred after the financial year end.

Following a further review of the group's financial objectives, the Finance Committee recommended the removal of objective 2 relating to lagged funding as it was felt that the reference to lagged funding in the context of EBITDA could cause unnecessary confusion.

The Property Strategy Committee had suggested that planning for 2021 summer works commence earlier than in previous years.

It was noted that all other recommendations from the committees had been addressed earlier in the meeting.

RESOLVED:

- (1) To approve the proposed revisions to committee terms of reference for 2020/21.
- (2) To approve the proposed changes to the financial regulations, fraud policy/procedure and treasury management policy/procedure for 2020/21, as recommended by the Audit Committee.
- (3) To approve the proposed change to the group's financial objectives, as recommended by the Finance Committee.

CONFIDENTIAL BUSINESS

16. Confidential Minutes of the Meeting of the Board held on 27 July 2020

RESOLVED:

That the confidential minutes of the meeting of the board held on 27 July 2020 be approved as a true and accurate record and that these be signed by the Chair.

17. Remuneration Committee Feedback and Recommendations

Separate confidential minutes refer.

The meeting closed at 8.40pm

Signed: (Chair)

Date: