

## Governance Committee

Minutes of the meeting held on Friday 9<sup>th</sup> September 2022 at 2.30pm via Microsoft Teams

Present: Barry Lynch, Philip Johnson and Lorna Lloyd- Williams (Company Secretary & General Counsel

Apologies: Jenifer Burden (Chair)

In Attendance: Melisha Ebanks ( Assistant Company Secretary & Legal Officer ), Kate MacKenzie (Deputy Company Secretary & Solicitor) and John Thornhill CEO.

*No declarations of interest were received.*

*In the absence of Jenifer Burden Barry Lynch took the chair.*

### Part A

09/22	<p><b>Minutes of a meeting held on 10 February 2022</b></p> <p>The minutes of the meeting held on 10 February 2022 were approved as an accurate record to be signed by the Chair in electronic form.</p>
10/22	<p><b>Membership of Boards and Committees</b></p> <p>The Committee was presented with an update on current membership and recruitment by way of follow up to actions agreed at the succession planning workshop held in February 2022 and the Group Board in March ( Minute Number 19/22 refers). To further assist on both forward planning and the monitoring of succession planning a heatmap of terms of office expiry was presented for information.</p> <p>Focus was given to areas for immediate consideration:</p> <p><b>Recruitment of The Manchester College Chair</b></p> <p>The Committee noted that since its last meeting the resignation of Pauline Waterhouse (Governor and Chair of The Manchester College Divisional Board ) had been received with her tenure now due to end (earlier than planned) on 31<sup>st</sup> December 2022. The Committee gave consideration to how best to progress with the search for the successor to this dual and ambassadorial role. In accordance with the Group's process on selection and recruitment it was proposed to instruct an external recruitment firm. In accordance with LTE Group Financial regulations 3 quotes had been received and these together with a comparator table were presented and given detailed consideration. In giving scrutiny to the proposals the Committee was cognisant that the test of value for money was wider than just price and an understanding of the current board dynamics, including those aligned to the <del>the</del> simultaneous recruitment to the role of Principal was of fundamental importance at this juncture.</p> <p><b>RESOLVED</b> that LTE Group Board be recommended to approve the appointment of Dodd Partners as recruitment agents to undertake the recruitment of the Chair of The Manchester College Divisional Board.</p>

### **Term of Office of Governors**

The Committee was informed that the fourth and extraordinary term of John Hacking (Governor and Chair of UCEN Manchester , Chair of RemCo and member of The Manchester College Divisional Board) would end in September 2022. Under the Groups Constitution (Standing Order 5) and in accordance with good governance practice, ordinarily a maximum of three terms should be served. In order to allow for transition and handover (item discussed later in the agenda under appointments) the Committee gave consideration to an extension of John Hacking's term until 31st December 2022.

The Committee was also advised that Jenifer Burden (Governor and Vice Chair ) was unable to undertake her Governor role until the end of January 2023 and therefore the Committee gave consideration to granting a leave of absence for this period.

**RESOLVED** that LTE Group Board be recommended to approve:

1. An extension of the term of office for John Hacking to 31<sup>st</sup> December 2022 to allow for transition.
2. A leave of absence for Jennifer Burden until the end of January 2023.

### **Appointments**

**UCEN Manchester-** The Committee was informed that interviews had taken place and detailed feedback was provided. The Committee noted that Malcolm Todd was proposed to be appointed as a member of UCEN Manchester. For the period that John Hacking remained in office (September to 31<sup>st</sup> December 2022) it was recommended that Malcolm be appointed as a co-optee and Chair Designate of UCEN Manchester and be appointed as a Governor and Chair of UCEN Manchester from 1<sup>st</sup> January 2023. It was also proposed that from 1<sup>st</sup> January 2023 Malcolm become a member of The Manchester College Divisional Board.

**Remuneration Committee-** The Committee considered the proposal that Paula Cole (Governor) be appointed as Chair of the Remuneration Committee and Chair Designate until John Hacking's end of term of office. The Committee noted that Paula had indicated her willingness to undertake this role. The Committee reflected that this would be the first Chair appointment for Paula and would be a positive step in terms of succession planning. It was noted that Paula had just commenced her second term of office as a Governor with the Group.

**Group Operations Board** – Detailed feedback was received following conclusion of the interviews for the position of co-opted member to the Group Operations Divisional Board. The Committee noted that the appointment of Jilly Atherton was recommended due to the breadth of her HR expertise which was strategically important for the Group Operations Board at this time .

**Total People** – The Committee understood that Barry Lynch ( Governor and Chair of Total People ) would come to the end of his fourth extraordinary term of office in December 2023 . As part of succession planning a recruitment exercise had been undertaken by an external recruitment agent for a Chair Designate. The Committee was informed that interviews would take place in the middle of August following which a recommendation would be made to recommend that one of the candidates be appointed join the Total People Board as a Non-Executive Director and Chair Designate during the currency of Barry Lynch's remaining tenure. It would also be

proposed that the candidate then also become a Governor on the Group Board once Barry Lynch's term of office comes to an end.

**RESOLVED** that LTE Group Board be recommended to approve:

1. The appointment of Malcolm Todd as a Governor and Chair of the UCEN Manchester Divisional Board with effect from 1<sup>st</sup> January 2023 and in the intervening period as a co-opted member and Chair designate of the UCEN Manchester Divisional Board .
2. The appointment of Paula Cole as Chair of the Remuneration committee with effect from 1<sup>st</sup> January 2023 and in the intervening period appointment to the Remuneration Committee as Chair designate.
3. The appointment of Jilly Atherton as a co-opted member of the Group Operations Board.

### **Constitutional changes**

**Vice Chair Role-** The Committee was conscious that should a leave of absence be granted to Jenifer Burden this would leave the Board without an active Vice-Chair. To provide for such eventualities going forward it was therefore proposed that the Constitution be amended to allow for the appointment of a second Vice-Chair and subsequent to that expressions of interest be sought from current members. The Committee considered that this presented an apposite way forward to ensure effective governance of the Group. Consideration was given to the process to be used for appointment and the Committee reflected on the procedure that had been adopted when recruiting to the position prior – Minute Number 25/20 refers.

**RESOLVED** that LTE Group Board be recommended to approve the amendment to the constitution to allow for the appointment of two Vice- Chairs and thereafter the invitation of expressions of interest for the post of Co- Vice Chair.

### **Remuneration of Governors , Co-optees and Directors**

The Committee was reminded that currently the Charity Commission order of 2016 allowed for the remuneration of up to 12 trustees. Currently the remuneration mechanism allowed individual trustees to determine whether they wished to receive or waive their remuneration on an annual basis. Historically each year some Governors chose to waive remuneration. This had allowed for budget flexibility in the recruitment of additional co-optees to divisional boards. However, it did present the potential for budget uncertainty year- on- year.

The Committee deliberated the merits of amending the current system in so far as the waiver of remuneration be fixed for the member's term of office unless exceptional circumstances occurred. If this transpired an application could be made to the Company Secretary and General Counsel who would determine the course of action to seek resolution. It was also flagged to the Committee that under the requirement of the order from the Charity Commission dated 9 September 2016 in respect of the permission to remunerate trustees (Governors) of the statutory corporation LTE Group, in each academic year the Governance Performance review panel( independent of the Corporation) should meet to review the maximum amounts payable to members and committee papers. The Company Secretary was currently making arrangements for a meeting of the panel to review remuneration. The Committee was reminded of the current rates of remuneration.

	<p><b>RESOLVED</b> that LTE Group Board be recommended to amend the remuneration mechanism in so far as Governors waive remuneration for their <i>term of office</i> save for exceptional circumstances.</p>
11/22	<p><b>Link Governors -ED&amp;I</b></p> <p>Further to LTE Group Board Minute Number 04/22 the Committee agreed that considerations for the appointment to the role of ED&amp;I Governor be tested via the appraisal process and the same be revisited at the end of the academic year.</p>
12/22	<p><b>External Board Review – timeline</b></p> <p>Further to previous discussion pertaining to the above (Minute Number 04/22 refers) the Co Sec &amp; GC provided a verbal update to the Committee on the updated DfE guidance. It was noted that the review should not be a peer or auditor review. The Committee reaffirmed its view that the external review should be progressed in a timely manner. Aligned to this consideration it was noted that the self- assessment process for 2021-22 was underway which included individual governor/ co-optee appraisals. The output would be brought back to the next meeting for consideration. In light of this it was therefore considered appropriate for the substantive paper, to inform the discussion around the scoping of the review and recruiter selection, be presented to the Committee meeting in February with a view to the review being commissioned to take place in the Summer term. The Committee once again gave a firm steer that the engagement of a reviewer with the right credentials to ensure objectivity of assessment and in order that the best qualitative value of the review could be delivered for the organisation was of key importance. The indicative costs and anticipated timescale for the review were shared.</p>
13/22	<p><b>Governor Training</b></p> <p>A verbal update was provided to the Committee on the development of the governor/ co-optee training plan ahead of being pre- agreed for 2022-23. It was anticipated that the plan would cover three broad areas; 1) mandatory training, 2) individualised programmes which mapped to governor need as identified through the appraisal process and 3) softer aspects ie link visits/ opportunities to engage with learners/ wider organisation- to provide the opportunity to triangulate information received during meetings. It was agreed that a detailed plan be brought to the November Committee meeting for recommendation.</p> <p>In endorsing the above the approach the Committee gave a steer that in order to ensure maximum engagement the training needed to be easily accessible for members. The Committee mooted the idea of holding prescriptive training sessions for mandatory aspects at the end of Board meetings to ensure maximum compliance.</p>
14/22	<p><b>Novus Gower Board of Directors</b></p> <p>The Committee noted that Novus Gower had been formally incorporated as a company limited by shares following the success of the recent Novus bid. The Articles provided for seven directors (three from Coleg Gower and four from LTE Group). As John Thornhill, CEO had already been appointed, it was agreed that ( and in line with the model adopted for Novus Cambria) the remaining appointments be the MD of Novus, another executive director and a non – executive director(Governor).</p>

	<p>A discussion ensued and in response to a query it was confirmed that Paula Cole had been approached and confirmed her firm interest in undertaking a director role and to being put forward as Chair of the entity.</p> <p><b>RESOLVED</b> that Peter Cox ( MD Novus), Annick Platt ( Novus Ops Director ) and Paula Cole ( Governor) be recommended to LTE Group Board for appointment to the Novus Gower Board of Directors and further that Paula Cole be nominated as Chair. The appointment of John Thornhill also be ratified.</p>
<p><b>15/22</b></p>	<p><b>Review of Procedure for the Removal of a Governor from Office</b></p> <p>The Committee considered the updated Procedure for the Removal of a Governor from Office which had been amended to allow for a discretionary period of suspension pending the outcome of the matter at hand to mitigate against disruption to LTE Group business.</p> <p><b>RESOLVED</b> that LTE Group Board be recommended to approve the amended Procedure for the Removal of a Governor from Office.</p>
	<p><b>RESOLVED</b> that as the items to be considered are deemed commercially sensitive, the Board moved to confidential session.</p>
	<p>----- <b>Chair</b></p> <p>----- <b>Date</b></p>