

LTE Group Board

DATE: 15th December 2022 9.15-17.45

VENUE: City Campus

Present: Phil Lanigan, Paula Cole, Rhona Bradley, Tim Sargeant, Malcolm Sugden, Barry Lynch, Adam White, John Thornhill (CEO), Philip Johnson (Chair), Pauline Waterhouse OBE, Nicholas Garbett, Anika Ephraim, Ambereen Ahmed

Apologies: None

In Attendance: Peter Cox (MD Novus), Alison Close (Chief Finance Officer), Lorna Lloyd-Williams (Company Secretary & General Counsel), Lisa O' Loughlin (Principal, The Manchester College), Kate MacKenzie (Deputy Company Secretary & Solicitor) and Melanie Nicholson (MD Total People), Angela Hunter (MD Group Operations) Rachel Curry (Principal) Christopher Paisley (KPMG), Richard Lee (KPMG)

DRAFT PART A MINUTES

	The meeting opened at 9.25 and was quorate with at least 7 governors present.
35/22	<p>APPOINTMENT OF STUDENT GOVERNOR – AMBEREEN AHMED</p> <p>The Chair introduced Ambereen Ahmed and advised that she was in the 2nd year of a make-up artistry foundation degree at UCEN and had previously been a student at TMC.</p> <p>It was</p> <p>Resolved to appoint Ambereen Ahmed to the position of student governor (including membership of the UCEN Manchester Divisional Board) for the remainder of the academic year.</p>
36/22	<p>APOLOGIES</p> <p>It was noted that Jenifer Burden was on a leave of absence.</p>
37/22	<p>DECLARATIONS OF INTEREST</p> <p>John Hacking's position as a member of the council was noted. Declarations of interest were made by all members of the Executive in respect of the restricted part of the meeting.</p>

<p>38/22</p>	<p>MINUTES OF THE MEETING 18 10 2022 (Part A) and noting of Written resolutions – TP and appointments</p> <p>The part A minutes of the meeting held on 18th October 2022 were approved as an accurate record to be signed by the Chair. The Board noted the following written resolutions:</p> <ol style="list-style-type: none"> 1. Dame Ann Limb to be appointed to the LTE Group Board as a Governor and to be appointed as the Chair of the Manchester College divisional board effective from the 1st January 2023 and for a term of office of three years. 2. Mark Dewhurst to be appointed as a co-opted member of the Investment and Estates Strategy committee for a term of office of three years. 3. The existing Parent Company Guarantee for Total People Ltd be extended for a period of 7 months to 31st January 2024. 4. Malcolm Sugden to be appointed as co Vice-Chair <p>Action: The Company Secretary to let the board have a copy of the signed written resolution for the first resolution</p>
<p>39/22</p>	<p>MATTERS ARISING</p> <p>Of the three actions the Board noted that the report on Total People (TP) and the safeguarding review were on the agenda. In relation to the further enquiry to be made by the CFO as to whether there were any capping clauses in the DB pension scheme, Governors noted that this had been completed with members being advised by email after the meeting.</p>
<p>40/22</p>	<p>ANNUAL REPORT OF THE AUDIT & RISK COMMITTEE(ARC)</p> <p>The Chair of ARC advised that the report was in accordance with the post 16 Audit Code of Practice and took the Board through the report. The Board were advised that a new member was needed on the committee. The Board noted the progress made in relation to risk management and the work undertaken by internal auditors in the previous academic year. Governors were also advised that Health & Safety was presented and considered at each meeting and there was a general improvement trend in this area. The Board were informed that there was nothing of significance regarding public interest disclosure in the financial year. It was</p> <p>Resolved to accept the annual report of the Audit & Risk committee and to agree the changes to the terms of the reference.</p>
<p>41/22</p>	<p>AUDIT & RISK COMMITTEE MINUTES</p> <p>In terms of the minutes, the Chair of ARC highlighted to the Board the presentation on cybersecurity to the committee. Governors were advised that there was an increasing risk of a cyber-attack and that the committee had asked for further feedback from Information Services to ensure that the Group could be protected within the resources available. Other committee members gave assurance but advised there would be a challenge to retain the level of resilience with the resources and number of vacancies in the team.</p> <p>Governors asked about the safeguarding concerns and were advised that there had been a deep dive which would be covered in further detail later in the meeting. Governors also asked about the discussion with Tameside and whether the committee was satisfied with the outcome. The chair of ARC gave</p>

	<p>further particulars of what was discussed and gave assurance that the committee were happy with the outcome and advised that it believed that the employer contribution rate should not increase. The CFO added that the outcome of the triennial evaluation was expected in January and gave further assurance.</p>
<p>42/22</p>	<p>RECLASSIFICATION OF ENGLISH COLLEGE SECTOR - ONS ANNOUNCEMENT</p> <p>The CFO spoke to her report and advised that following a review by the ONS into the classification of the English college sector for the purpose of national accounts, colleges (including subsidiaries) were reclassified, with immediate effect, on the 29th November 2022 into the central government sector. The Chair highlighted to the Board that this was extremely important regarding the strategy of the Group. It was noted that the change took place immediately. Whilst continuing to be self-governing charities regulated by the Secretary of State for Education, colleges were now part of central government. All college subsidiaries would also be covered by this change in arrangements.</p> <p>The CFO took the Board through what the Group could continue to do as follows:</p> <ul style="list-style-type: none"> • Carry forward surpluses • Manage assets and retain disposal proceeds which must be ring fenced • Continue with finance leases until end of current term • Operate subsidiaries which must comply with Managing Public Money (MPM) • No vat changes <p>Governors were advised that there were new requirements regarding financial and governance matters that would need DfE consent specifically the following:</p> <ul style="list-style-type: none"> • New loan and drawdowns on existing facilities and commercial loans • Senior pay – new and amended over £150K and £17.5K bonus which would come into effect from May but must comply now with the principles • Special severance payments non contractual and non-statutory • Ex gratia and write offs • Indemnities, guarantees and letters of comfort <p>The Board were also informed that DfE would be investing £300 million into the sector to eliminate deficits and would be moving to a profile of funding that better matches colleges needs. Additionally, there would be £150 million capital grant funding for investment in estates. Governors were taken through the specific current implications for the Group e.g. phase 2 and matched funding and advised that the requirement for consent regarding guarantees would impact upon Total People and Novus although it was noted that rules apply in England only.</p> <p>In relation to pensions and the LGPS it was noted that the DfE guarantee this for academies but had not yet advised whether this would be extended to colleges. The Board discussed the implications and the intent of the reform in line with other ongoing reforms in the sector and it was mooted that the Group</p>

	<p>might need to revisit its legal structure and the benefits of it or not under the new classification.</p> <p>The Board broke at 11.25</p>
<p>43/22</p>	<p>Total People AEB bid</p> <p>The Board noted the TP AEB bid and that TP was in the process of rebidding for this. The Board were advised that TP currently deliver an AEB contract of approximately £800K and were bidding for a higher allocation of £850K and would therefore need to bid for £1.4 million as the bid would need to incorporate the supply chain within the bid. Governors were advised that it was a 1-year contract with 1 plus 1 plus 1 year and a break clause after each year for the provider. The Board confirmed they were happy to note the submission of the bid.</p>
<p>44/22</p>	<p>ESTATES UPDATE</p> <p>The Board were provided with an update of the estate's strategy. The Principal highlighted to the Board that regarding the green strip at city campus, there was now a new purchaser which would mean the Group would need to enter into a negotiation with them. It was noted this would be brought to Board via IESG. Regarding net zero carbon, the Boards attention was brought to the fact that there was a requirement for this in phase 2 and this had been included within the cost plan. The Chair of IESG emphasised that the Group was not signing any build contract soon.</p> <p>Governors were provided with an update on the capacity funding bid and informed that 3 applications had been submitted, the outcome of which was awaited. Governors noted that the implications of these in terms of how the applications would be considered in light of the OnS reclassification was not known.</p> <p>Governors asked about hybrid working for group ops and were advised that space had been freed for this and was being redeveloped.</p>
<p>45/22</p>	<p>GOVERNANCE</p> <p>1. <u>Training plan 22/23</u></p> <p>On the recommendation of the governance committee, it was</p> <p>Resolved to approve the training plan for 22/23</p> <p>2. <u>Terms of Office and appointment of Company secretary and appointment of ED&I link Governor</u></p> <p>It was</p> <p>Resolved:</p> <p>1. That regarding Novus Gower and Novus Cambria's Board of Directors:</p> <ul style="list-style-type: none"> • The application of a three-year term of office for Directors with a maximum of three terms in ordinary circumstances should apply. • Further that all those who were Directors by virtue of their employment with LTE/Gower College Swansea/College Cambria should be appointed on an ex officio basis.

	<ol style="list-style-type: none"> 2. Regarding Total People, the appointment of the Company Secretary & General Counsel as the Company Secretary. 3. Regarding LTE Professional Services, the recommendation to the Directors that the Company Secretary & General Counsel be appointed as the Company Secretary. 4. To appoint Anika Ephraim as ED&I Link Governor <p>The Chair formally acknowledged the extensive contribution made by John Hacking, Lisa O’Loughlin and Pauline Waterhouse.</p>
	<p>RESOLVED that as the items to be considered are deemed commercially sensitive, the Board move into confidential session.</p>
	<p>Chair</p> <p>Date</p>