

## LTE Group Board

*Minutes of the meeting of the LTE Group Board held on Tuesday 12 December 2017, in Room OP118 at 9:00am*

Present: Kimoni Bell, Jenifer Burden, Christine Carroll, Kenneth Clark, John Hacking, Philip Johnson, Phil Lanigan, Barry Lynch, Kate Macdonald, Sue Murphy CBE (Chair), Andrew Simpkin, Malcolm Sugden, John Thornhill and Pauline Waterhouse OBE.

Apology: Adrian Mills

In Attendance: Peter Cox (MD Novus), Rob Cressey (Group Finance Director), Linda Dean (MD Total People Ltd), Jennifer Foote MBE (Company Secretary & General Counsel), Gary Hughes (Group Marketing and External Relations Director), Lisa O' Loughlin (Principal, The Manchester College), Kate MacKenzie (Assistant Company Secretary & Solicitor), Jennifer McKenna (Assistant Company Secretary) and Paul Taylor (Chief Operating Officer).

*On behalf of the Board, the Chair welcomed Kimoni Bell to her first meeting as a member of the LTE Group Board.*

*The Chair informed the Board that this was Andrew Simpkin's last meeting as a governor, following the completion of his third term of office. The Board acknowledged Andrew's many years of loyal and committed service to LTE Group, The Manchester College and before that to City College Manchester. In turn Andrew wished the group and all its constituent parts the best for the future and the exciting times ahead as it continued to deliver quality education and training in challenging, complex circumstances.*

### Part A

<b>79/17</b>	<p><b>Part A Minutes of the Meeting held on 19 September 2017</b></p> <p>The part A minutes of the meeting held on 19 September 2017 were approved as an accurate record and signed by the Chair.</p>
<b>80/17</b>	<p><b>Minutes of the Meeting of the Audit &amp; Risk Committee</b></p> <p>The minutes of the meeting of the Audit &amp; Risk Committee held on 22 November were presented and considered.</p> <p><b>RESOLVED</b> that the Annual Report of the Audit &amp; Risk Committee be approved (A&amp;R Minute No. 34/17 refers)</p>

<p><b>81/17</b></p>	<p><b>Financial Statements 2016/17</b></p> <p>With reference to the recommendation contained in Audit &amp; Risk Committee Minute No. 26/17, the Board received the Financial Statements for the year 2016/17, the Regularity Audit and the External Auditors report. The Regularity report provided an unqualified opinion that in all material aspects the statutory corporation had complied with regularity audit requirements.</p> <p>The Group Director of Finance confirmed that the outturn for the year was as forecast and that financial health remained 'good' for the fifth consecutive year. Consolidated results included Total People as a wholly owned subsidiary and, for the first time, the joint venture Novus Cambria.</p> <p>The Board was asked to note that the strong operating cashflow evidence the capability of the organisation to finance future investments. Reference was made to the direction given by the Board at the May Strategy Day in respect of the moving forward of efficiencies within the three year plan. It was confirmed that plans for 2017/18 had been reshaped to demonstrate savings and efficiencies in year one. The ability to achieve funding targets at this time was highlighted as essential to the plan.</p> <p>The unmodified audit report was welcomed and discussion took place on the judgments in respect of gift aid, valuations of intangibles, prepayments, income recognition and property impairments. In respect of the FRS17 assumption risk, governors sought further assurance that these were sufficiently prudent. A further report on assumptions in respect of pension deficit liability was requested as part of the finance update to the next Board meeting.</p> <p>A clean regularity audit opinion had also been received.</p> <p>Having received the information pertinent to the performance of the statutory corporation for the year, the Board declared itself satisfied that the college was a going concern.</p> <p><b>RESOLVED</b> that, having confirmed that so far as each individual member is or is able to be aware, all the steps that he or she ought to have taken to know of any relevant audit information and to inform the college auditors of such have been taken and that accordingly the Chair be authorised to sign the financial statements on behalf of the Board.</p>
<p><b>82/17</b></p>	<p><b>Gender Pay Gap</b></p> <p>As required under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, the Board received the report on pay gap differentials for LTE Group (and for Total People Ltd for information). As at 31 March 2017 the gender pay differential for LTE Group was 6.3%; as at 5 April 2017 the same was 14.7% for Total People Ltd. This compared favorable to the national benchmark of 18.1%.</p> <p><b>RESOLVED</b> that the report be approved for publication and signed by the Chair.</p>

<p><b>83/17</b></p>	<p><b>Part A Minutes of Divisional Meetings</b></p> <p>Part A minutes of the following Divisional Boards were presented for consideration:</p> <p>Novus Divisional Board held on 24 November 2017  FE Divisional Board held on 10 November 2017  HE Divisional Board 17 November 2017  Group Operations Divisional Board held on 15 November 2017</p>
<p><b>84/17</b></p>	<p><b>Governance Update</b></p> <p>With reference to Minute No 67/17, the Board received an update on current governance related issues:</p> <p><b>s.28 Designation</b>  No further information had been received to date in respect of the progress of this submission.</p> <p><b>Governor Remuneration</b>  The Board was informed that the independent panel had met and the minutes of that meeting were submitted for information. It was confirmed that the amounts payable were £7.5k for Group Chair, £5k for other Chairs and £3k for governors. Further work would now need to be undertaken to scope and map the implementation process. This would be undertaken by the Governance Committee.</p> <p><b>Skills Need Analysis</b>  Governors were informed of the need to undertake an in depth review of skills, attendance and membership governor commitments at a time of implementation of new structures. This in turn would inform/be informed by the remuneration implementation process. The Board recognised that this would have an impact on resource, particularly governor time. There was also a need to evidence a sufficient independence/separation of responsibilities between the various entities of the group (whether real or trading as). It was timely therefore to recruit to the two vacancies now being held by the Board, with a skills profile to be drafted by the Governance Committee.</p> <p><b>Appointments</b>  The following appointments required Board approval:</p> <ol style="list-style-type: none"> <li>1. Andrew Simpkin as a co-optee of IESG for three years;</li> <li>2. Pauline Waterhouse and Barry Lynch as governors of LTE Group for a further term of office of three years;</li> <li>3. Kimoni Bell and Hassan Mohammed as student Governor, co-optee to the FE Board respectively for a term of one academic year.</li> </ol> <p><b>Health &amp; Safety</b>  The Board considered the importance of health and safety from a governance perspective and, in order to receive the necessary assurance, the Company Secretary &amp; General Counsel, was directed to undertake a piece of work to map the flow of risk and liability, both corporate and individual, in respect of health &amp; safety legislation across the whole group.</p>

	<p><b>RESOLVED</b> that:</p> <ol style="list-style-type: none"> <li>1. The appointments as set out above be approved;</li> <li>2. The Governance Committee undertake a review of skills and membership of all group entities, with a view to ensuring the most efficient use of governor time, skills and expertise, such work to inform the process and methodology for the implementation of a scheme for the remuneration of governors;</li> <li>3. Any decisions in connection with 2 above be determined by the Committee under delegated powers now given to it on this occasion for this purpose.</li> </ol>
	<p><b>RESOLVED</b> that as the items to be considered are deemed commercially sensitive, the Board move into confidential session.</p>
	<p><b>Chair</b> .....</p> <p><b>Date</b> .....</p>

The meeting closed at 4:30pm