

## LTE Group Board

Minutes of the meeting of the LTE Group Board held on Tuesday 18 December 2018, in Room OP118 at 9:00am

Present: Kimoni Bell, Amina Bhodania, Jenifer Burden, John Hacking, Philip Johnson, Phil Lanigan, Barry Lynch, Kate Macdonald, Adrian Mills, Sue Murphy CBE (Chair), Paul Pritchard, Malcolm Sugden, John Thornhill, Pauline Waterhouse OBE and Adam White.

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), Kile Moyana (Assistant Company Secretary & Legal Officer) and Paul Taylor (Chief Operating Officer).

John Evans (Vice Principal, Quality) for Minute No. 78/18

### Part A

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| 73/18 | <p><b>Part A Minutes of the Meeting held on 10 October 2018</b></p> <p>The part A minutes of the meeting held on 10 October 2018 were approved as an accurate record and signed by the Chair.</p>   |
| 74/18 | <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 29 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. 29/18 refers)</p>   |
| 76/18 | <p><b>Financial Statements 2017/18</b></p> <p>With reference to the recommendation contained in Audit &amp; Risk Committee Minute No. 27/18, the Board received the Financial Statements for the year 2017/18, 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 sixth consecutive year. Group surplus had seen an increase of 7.3% on prior year and total net assets were up by 22%. Consolidated results included Total People as a wholly owned subsidiary and Novus Cambria. In respect of the financial health grade members asked for further details of the impact on this of any additional borrowing as part of the estates strategy in the future. The methodology was explained and it was confirmed that the Group would strive to continue to maintain a 'good' financial health grading.</p> |

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|                     | <p>Governors were asked to note that a change in financial reporting procedures meant that recognition timings for donations from charitable subsidiaries and gift aid from wholly owned for profit subsidiaries had now changed (as the companies had the power to donate in their articles but were not mandated with the obligation to donate).</p> <p>In respect of the reduction in infrastructure costs it was explained that investment in IT had returned to a lower level following the higher degree of investment needed for the implementation of OS27001. Further higher levels of investment were however planned post year three of the ten year plan. Governors recognised the need for a planned investment in the learning environment in order to ensure the continuity of a quality learning experience.</p> <p>A prudent assumption had been made in respect of the FRS17 pension liability and the Board was informed that a wider review of pensions would be undertaken in 2019.</p> <p>Having received the information pertinent to the performance of the statutory corporation for the year, the Board declared itself satisfied that the institution 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>77/18</b></p> | <p><b>TMC/UCEN Manchester Divisional Board Updates and Part A Minutes</b></p> <p>Part A minutes of the following Divisional Boards and Committees were presented for consideration:</p> <p>TMC Divisional Board held on 9 November 2018<br/>UCEN Manchester Divisional Board 30 November 2018</p> <p>The Board welcomed the continuing strong performance against key performance measures. It was confirmed that both The Manchester College Board and the UCEN Manchester Board had undertaken a deep level of due diligence on performance figures to date on behalf of the group board and were able to give assurance that enrolment, quality metrics and financial performance were on plan.</p> <p>Details of preparation for the expected Ofsted inspection were shared in addition to key themes identified at the last Ofsted support and challenge visit in October 2018. Governors welcomed the leadership provided by The Manchester College Board in championing the development of an English and maths strategy for the college.</p> <p><b>RESOLVED</b> that the TMC English and maths strategy (TMC Minute No. 34/18 refers) be approved.</p> <p>The Board also discussed the proposal from the office of the Greater Manchester Mayor in respect of proposals for the establishment of an 'opportunities pass' for all 16-18 year olds in the form of a concessionary bus pass from September 2019. Colleges in GM were asked to commit to purchasing bus passes based on needs</p>  |

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|                     | <p>assessment using bursary funding for the two years of the project pilot (this was as per current standard practice). The pilot would incur no additional cost.</p> <p><b>RESOLVED</b> that the participation of The Manchester College in the pilot as proposed be approved subject to ESFA agreement.</p>   |
| <p><b>78/18</b></p> | <p><b>Group SAR 2017/18</b></p> <p><i>John Evans joined the meeting for this item.</i></p> <p>The Board received the consolidated summary self-assessment report for 2017/18 for LTE Group. Reference was made to the HE evaluation within the report and how the self-assessed grades had been tailored to reflect a HE environment rather than adopting the Ofsted standard of grades 1-4. The SAR process for Total People was now also undertaken in line with the group timeline and had benefitted from being part of the formal process.</p> <p>The Board was asked to note that the SAR validation process had been accelerated to allow for its completion by December rather than March. This was an ambitious timescale given the number of different business units involved in the SAR process. The outcome of the review as a solidly 'good' profile with some 'outstanding' areas was welcomed by the Board.</p> <p>Detailed analysis of the SAR by unit had been undertaken at divisional and subsidiary board level. However, reference was made to animal care/management in the TMC SAR which had graded at 4. It was explained that a remedial action plan, that demonstrated a strong management response (which involved the performance management of individuals) was now in place. This timely intervention by management had already delivered improvement which would be consolidated during 2018/19.</p> <p>The strength of the quality of provision across both its teaching provision and professional services was commended by the Board as a robust foundation for the strategic plan and the move towards implementation of a number of key group strategies.</p> <p>Governors further considered that it was timely for a discussion at a strategic level in respect of the appetite of the group to move towards 'outstanding'. It was agreed that this should be discussed at the strategic forum in May 2019.</p> <p><b>RESOLVED</b> that the LTE Group consolidated SAR for 2017/18 be approved.</p> |

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| <p><b>79/18</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 2018 the gender pay differential for LTE Group was 7.3%; as at 5 April 2017 the same was 8.2% for Total People Ltd. This compared favorably to the national benchmark of 9.1%.</p> <p>The full report would be circulated to members for information prior to its signing by the Chair.</p> <p><b>RESOLVED</b> that the report be approved for publication and signed by the Chair.</p> |
|                     | <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 3:15pm