



Meeting of the Foundation Board

Date: Wednesday 8 July 2015

Time: 1.30-4pm

Venue: 110 Rochester Row, London SW1P 1JP

Present

Steve Freer
Don Hayes
Lynsi Hayward Smith
Chris Jeffery
Dame Asha Khemka
Peter McCann
Shakira Martin
Ken Merry
Paul Mullins (Chair)

Apologies

John Hyde
Mark White

In attendance

Olivia Dorricott, Director of Leadership, Management & Governance
Laurence Gates, Director of Skills Competitions
Gina Hobson, Head of CEO's Office and Company Secretary
Nick Lewis, Interim Director of Finance
Helen Pettifor, Director of Professional Standards & Workforce Development
David Russell, CEO
Tim Weiss, Director of Strategy, Quality & Research
Jenny Williams, Director of VET

Minutes

1. Apologies

The Chair welcomed Shakira Martin, NUS VP for FE, to her first meeting (by conference call), along with Laurence Gates, Director of Skills Competitions. Apologies were noted from John Hyde and Mark White.

2. Conflicts of interest

Standing conflicts of interest were noted. Ken Merry reminded the Board of his position on an advisory group at the University of Hull, which was undertaking research into leadership funded by FETL.

3. Minutes

The minutes of the Board meeting held on 11 March 2015 were approved as a correct record.

4. CEO scorecard

The CEO reminded the Board of the challenges outlined at the last Board meeting and confirmed that the Foundation had been successful in negotiating these during the period (e.g. ensuring 2014-15 spend to budget profile, launch of the Society for Education and Training). He outlined the content of the scorecard and highlighted that the overall rating had been amended to amber green to reflect the financial uncertainty being faced at a time when significant savings are being made within BIS and with the findings from the Spending Review yet to be announced.

The Board asked if it could have sight of the findings from the staff survey. The Executive confirmed that this would be included in the Self-Assessment Report which would be considered by both the Committees and the Board. Suggestions were also made regarding additional data to evidence 'financial health' on the KPI dashboard. **The Executive confirmed the template would be updated.**

The Board discussed whether any correlation could be claimed between the provision of Foundation support (including Maths and English Pipelines) and Ofsted findings in these areas. The Executive confirmed that these data are being collected and the medium to long term goal is to be able to demonstrate that providers benefiting from various Foundation initiatives subsequently achieve positive Ofsted judgements. Caution was urged regarding causality, but the Board acknowledged that the Foundation should pursue and present such evidence.

5. Budget

The CEO presented the updated 2015-16 budget to the Board, which reflected the £2m cut in funding sought by BIS. The Board commended the Executive on its clear presentation of the material, which showed how the profile of spend had changed since the Board last considered the budget.

The Board noted that a broadly balanced budget had been presented which makes no use of non-strategic reserves. The CEO confirmed that the projections indicate a small surplus as a result of investment in, and development of, commercial activities, but he sought the Board's agreement to make use of the non-strategic reserves should income generation opportunities make doing so attractive.

The Board approved the updated 2015-16 budget and the use of non-strategic reserves to invest in commercialisation activity should income generation opportunities make it advisable.

The Board asked that the Executive develop its scenario planning to show the impact of SET and commercial activity on the non-strategic reserves.

The CEO advised the Board that the process of negotiating the reduction of grant to Find a Future was ongoing. He sought the Board's approval to adjust the profile of expenditure should Find a Future not be able to identify the necessary savings. He confirmed that he was not expecting the amount to be balanced to be more than £50k. **This was agreed by the Board.**

6. Investing in the Foundation's future

The Board received an update from the Director of Strategy, Quality and Research (SQR) on the progress made with the investment models (first presented at the Board residential). He confirmed that attention had been focused on model 1 (charging for core programmes) and the development of a booking system and pricing model to support the launch of charged for programmes in September 2015.

The Board confirmed it considered this to be the logical evolutionary next step to secure the long term future of the Foundation. It sought further information regarding the sector's willingness to pay for programmes and how the Foundation would ensure the quality of provision. The Executive confirmed that some suppliers already applied a charge to select programmes (for example, the Maths and English Enhancement Programmes), which had been accepted by the market. However, it was acknowledged that we will not know the full extent of the reaction to the charges until they are applied and that the messaging linked to this change would be critical. The Executive confirmed that a Quality Framework had been put in place and that this would be applied to the charged for programmes to test and ensure the provision quality.

The Board asked that the Executive track income generation and demonstrate where a surplus will be generated across the investment models and charged for programmes.

The Board discussed model 2 (working with LEPs) and highlighted the amount of mapping which would need to be completed to develop a convincing offer. Board members acknowledged that the Foundation was in a good position to provide support to LEPs, particularly around the future shape of FE, assuming it was able to provide evidence based examples.

[Confidential Minute]

7. Project Beta

[Confidential Minute]

8. Expert Panels

The Board received a summary of the discussions from the morning's meetings regarding the future shape of the Expert Panels. Expert Panel Chairs offered their perspectives on the proposal to re-shape the Panels. They commented that they thought their Panels had been working well, although they understood why the Executive was proposing a refresh and re-focus. It was noted that the link between Panel input and Foundation action was not always apparent and that the reporting between the Panels and the Board could be improved. The Board agreed to de-couple the Board and Expert Panel meetings to allow flexibility in the timing of the Panel meetings and more reflective reporting on Panel activity to the Board.

The Board authorised the Executive to consider the Panel and Board feedback and return to the Board with recommendations. It agreed that the Board could consider these recommendations and any amended Terms of Reference by e-mail.

9. SET governance

The Board considered and approved the Terms of Reference for the SET Management Board and Practitioner Advisory Group.

10. Matters Arising

The Board received an update on matters arising since the last Board meeting. The Chair updated the Board on progress in the recruitment of the remaining Board member and confirmed that a recommendation re appointment would be brought to the October Board meeting. **The Chair asked that Board members share any recommendations of suitable individuals with relevant commercial backgrounds.**

The Chair advised the Board that he would be meeting with the Chairs of the Foundation's Members on 21 July when updates would be provided on recent activities, including commercial activity.

11. AGM planning and trustee rotation

The Executive was asked to absent itself for this item. The Secretary remained.

The process of trustee retirement was discussed and the seven longest serving Board members were invited to draw lots (with the Chair drawing lots on behalf of the two absent Board members). **It was noted that Lynsi Hayward Smith, Don Hayes, Chris Jeffery and Mark White had drawn lots and would retire at this year's AGM. The Chair confirmed that it was the intention to also confirm their re-appointment to the Board at the AGM and that he would discuss this with the Members at the forthcoming Chairs meeting.**

It was noted that at the October Board meeting the Executive would bring recommendations to the Board regarding updating the Foundation's Articles.

It was further noted that following discussions at the Residential and outside of the Board meeting, the Board had agreed the addendum to the CEO's contract of employment.

Signed

Paul Mullins
Chair