

Meeting of the Foundation Board

Date: Tuesday 7 March 2017

Time: 10.30pm-1.00pm

Venue: National Council for Voluntary Organisations (NCVO) Society Building, 8 All Saints Street, London, N1 9RL

Present

Sally Dicketts CBE

Steve Freer (Chair of Audit & Performance Committee and Senior Independent Director)

Don Hayes MBE

John Hyde CBE

Chris Jeffery

Dr Nigel Leigh

Shakira Martin (absent 11.45-12.10)

Paul Mullins (Chair)

Florence Orban

Mick Ord

Dr Sue Pember OBE

Dan Williams

Mark White OBE DL (Chair of Finance & Resources Committee)

Apologies

Lynsi Hayward-Smith

In attendance

Stephen Cox, Head of Strategic Communications (item 6)

Laurence Gates, Director of Partnerships, Special & International Projects

Dr Gina Hobson, Head of CEO's Office and Company Secretary

Sir Frank McLoughlin, Associate Director of Leadership

Ros Newis, Governance Officer

Helen Pettifor, Director of Professional Standards & Workforce Development

David Russell, CEO

John Sills, Director of Finance & Resources

Tim Weiss, Director of Business Development, Membership & Quality

Minutes

1. Apologies and welcome

The Board welcomed Sally Dicketts to the Board and invited her to introduce herself and provide an overview of what she hoped to bring to the Board. The Board confirmed Sally's appointment to the Audit & Performance Committee and noted Chris Jeffery had stood down from the Committee.

Apologies for absence were received from Lynsi Hayward-Smith.

2. Conflicts of interest

The Board noted that Sally Dicketts had completed a declaration of interests form. Standing declarations of interest were noted.

3. Minutes

The minutes of the Board meeting held on 1 December 2016 were approved as an accurate record. The minutes of the AGM held on 8 December 2016 were agreed and noted.

4. CEO Report

The CEO presented his report. He provided his perspective on the recent £500m p.a. technical education funding announcement and noted that it was linked to the implementation of the Skills Plan. Board members were invited to share their thoughts and noted that it presented opportunities for ETF to lead the necessary expansion, upskilling and re-training of the education and training workforce.

The CEO updated the Board on the delivery of the Winter Addendum. The Board noted that quarter 4 remains a challenging delivery period, but that ETF staff were focused on securing value and delivering quality outcomes in 2016-17 and into 2017-18 for both the 2016-17 grant and Winter Addendum.

The CEO provided an update on the discussions with DfE regarding the 2017-18 Grant Letter. He confirmed a draft had been received, but it awaited sign off by the Minister. The Board noted that new officials, plus a new Minister and Secretary of State brought increased uncertainty through this negotiation period, but that the CEO was in almost daily contact with DfE. The Board noted that the budget had been drafted based on the expected grant income being between £21.5m and £23.5m. The CEO confirmed the Foundation's capacity to allow ETF to respond to peaks in activity by flexing staff head count. The Board noted that its previous decision to apply prescription charges to course delivery had worked well.

The Board noted the CEO Report and asked that it be kept informed of developments regarding the Grant Letter.

5a. Budget 2017-18

The Director of Finance & Resources (F&R) introduced the draft budget. He reported that the Finance and Resources (F&R) Committee had reviewed the draft budget 2017-18 and recommended some amendments, which had been incorporated. He confirmed the budget had been compiled based on the draft grant letter, featured three scenarios, and was based on scenario B (forecast grant £22.7m).

The Board noted that the 2017-18 budget showed the income/expenditure for the grant at break-even, with a surplus of £0.1m against commercial activity. Both SET and QTLS were budgeted to return to growth. The Director of F&R reported that more detailed apportionment of programme support costs would allow a more complete view of the direct and indirect cost of programme delivery across different delivery partners. The Board noted that in 2017-18 the cost of employing sales staff was allocated to commercial costs and that stretching commercial targets had been applied. The Board sought reassurance that individuals engaged by the ETF were appropriately defined as staff or Associates/self-employed and encouraged the Director of F&R to consider whether recently issued HMRC guidance for public bodies was relevant to ETF.

The Board queried whether providers could use apprenticeship levy money to access QTLS. The CEO explained why it could not, and reiterated that activity had taken place regarding QTLS and the Trailblazer and confirmed that it would be discussed more fully at the April Board meeting. The Board encouraged the Executive to consider mechanisms which would reduce pressure on levels of delivery in Q4. In addition, the Board asked how prepared the Executive was to respond to a significant increase in its DfE grant. The CEO confirmed that this was a matter being considered and he'd appreciate further discussion with the Board at its April meeting.

The Board approved the draft 2017-18 budget and noted that it would consider some of the items discussed (e.g. QTLS) in more detail at its next meeting.

5b. Use of Reserves

The Board received a paper outlining the reserves position, which was recommended by the F&R Committee. **It noted the recommendation and agreed that minimum reserves should be maintained at £2.0m.**

The Board considered use of the £1.4m strategic reserve; it noted that five options had been proposed by the Director of F&R and discussed the Training Needs Analysis (TNA) in more detail. The CEO confirmed that precise detail for funding the TNA was still being discussed, but that it had full support from ETF's Founding Members. **The Board sought further detail from the Executive regarding use of the strategic reserve for discussion at its April meeting.**

[Shakira Martin left the meeting; Stephen Cox joined the meeting]

6. Communications and Marketing Strategy

The Board received a paper outlining the proposed comms strategy, messages and taglines, along with plans for the 2018 annual review and event. The Head of Strategic Communications gave a presentation illustrating key points from the strategy and requested feedback from the Board on the messaging. **The Board recommended that the Executive review and shape the messaging from the perspective of beneficiaries and how the ETF could help them and those who teach them to achieve their aims.**

The Board discussed the purpose of the annual event, including four proposed models. **It agreed that the priority should be marketing to the FE and training sector, but asked that the Executive consider how it would address the other purposes through other events.**

The Board noted that the publication of the annual review and the event would be separated to make the review available earlier and in time for the autumn conferences.

[Stephen Cox left the meeting; Shakira Martin returned to the meeting]

7. Spotlight on Leadership

The Associate Director of Leadership gave a presentation providing an overview of the ETF's work in leadership. He provided detail regarding four key programmes of work for: principals and CEOs, finance directors, chairs and clerks.

The Board welcomed the update. It asked that the Executive consider the sustainability of these programmes with funding over time and the support offered to BME leaders.

8. Matters Arising

The Board noted the paper on matters arising since the last meeting and that it would review and approve the conflicts of interests material circulated by the Company Secretary at its next meeting.

9. Any other business

The Board noted that its next meeting was on Friday 28 April, 9am-3.30pm, with an optional dinner the evening before. It noted that the Board residential would be held over 12-13 October 2017 at BAE Systems, Samlesbury (near Preston).

Information Pack: Recording of decisions

IP1. Report from the Committees

The Board noted the recommendation of the Audit & Performance Committee and agreed to increase the procurement threshold for full competitive tendering to £20,000 in the Financial Regulations.

IP2. Self-Assessment Process Report (SAPR)

The Board received the SAPR and approved the Report for publication.

IP3. Updated Complaints Policy and Procedure

The Board approved the updated Complaints Policy and Procedure.

IP4. Updated Pay Policy

The Board approved the updated Pay Policy.

Signed

Paul Mullins
Chair