



Meeting of the Foundation Board

Date: Thursday 26 November 2015

Time: 10.30am-1.15pm

Venue: Mary Ward House, 5-7 Tavistock Place, London WC1H 9SN

Present

Steve Freer
Don Hayes
Lynsi Hayward Smith
John Hyde
Chris Jeffery
Dame Asha Khemka
Shakira Martin (present from item 4 onward)
Paul Mullins (Chair)
Rami Ranger (item 2 onward)

Apologies

Peter McCann
Ken Merry
Mark White

In attendance

Stephen Cox, Head of Strategic Communications
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
Ros Newis, Governance Officer
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 and welcome

Apologies were noted from Peter McCann, Ken Merry and Mark White.

The Chair drew the Board's attention to the recommendation from the Search & Remuneration Committee that the Board appoint a further Director, Trustee and Board member. The Chair confirmed that the Committee considered Rami Ranger to bring extensive business experience, excellent political connections and a real interest in skills investment. **The Board agreed and confirmed the appointment of Rami Ranger.**

Rami was invited to join the meeting and gave a brief overview of his background and interest in the Foundation's work.

2. Conflicts of interest

No additional declarations of conflicts of interest were received regarding the meeting agenda items. Standing conflicts of interest were noted.

3. Minutes

The minutes of the Board meeting held on 6 October 2015 were approved as a correct record.

4. CEO scorecard

The Board received the CEO's scorecard and management information, along with an oral update on the recent Spending Review announcements. He confirmed the relevant headlines from the Spending Review, including: the Adult Skills Budget (incorporating the Adult & Community Learning Budget) is being held level at £1.5bn; £360m of cuts will come from non-participation; and there will be a significant restructuring fund for Area Reviews. He expects the Foundation to receive its Grant Letter from BIS in early January 2016.

The Board noted that the sector had been expecting more significant cuts, but agreed that the Foundation needed to continue to plan for a reducing Government core grant and growing its commercial activities.

With regard to the CEO scorecard, it was reported that the Prevent and English and maths commercial offer has been well received. It was noted that interest in the various strands of leadership support may now also increase following the Spending Review outcome. The Board encouraged the Executive to continue to develop its leadership offer to encompass all those in, or aspiring to, leadership positions, while not ignoring the needs of the sector practitioner.

5. Five year strategic plan

The CEO provided an oral presentation to accompany the strategic plan explaining how the plan had been developed with input from each of the Board members. He outlined the consistency and range across the responses to his questions regarding the Board's vision of success, its priorities, risks, and commercial income targets.

Having considered the draft strategic plan, the Chair invited the Board to offer its thoughts on: SET; prescription charges; and Government and other stakeholder relationships. The Board agreed that the Executive should focus on building the mass membership of SET, while also developing the recognition of the value added of QTLS by employers inside and outside the sector. The Executive reported that a review of QTLS was being completed to ensure the standard required of those achieving the status was at an appropriate level. The Board encouraged the Executive to consider working with the new Chartered Institution for Further Education to ensure the quality of

chartered providers' teaching staff. **The Board asked that QTLS be an item on the agenda of the next Board meeting to enable further discussion.**

The Board noted that the momentum of the development of paid for provision was building and that the Foundation was quickly developing its organisational knowledge in how best to introduce commercial provision successfully to different parts of the sector. The Executive reported that it was currently considering how best to maintain paid for provision across the 2015-16 and 2016-17 financial years.

The Board sought the CEO's view on the Foundation's relationship with government. He confirmed that his team continued to work well and win additional work from BIS. The CEO outlined the supportive and problem solving approach the Foundation took with the Departments and confirmed that this appeared to be welcomed by Ministers and civil servants. Linked with the Area Review process, the Board questioned whether enough was being done to ensure the safeguarding of students outside of colleges, including issues linked to conflict resolution and gang culture. **The Executive confirmed that it would ensure these issues were taken forward.**

The Board discussed the Foundation's relationships with other key stakeholders, including the Founding Members, other membership organisations, regulatory bodies, unions and beyond. It noted that on the whole relationships were strong and that the Executive was mindful of the importance of not duplicating support. The Board reminded the Executive that it must not disregard the local and regional bodies based outside of London and the south east.

The Board asked that the CEO re-visit the plan taking into account the feedback received.

The Board also asked the Executive to compile key account management showing the Board's relationships with Government across all levels to maximise the understanding and impact of the Foundation's work.

Finally, the Executive was asked to develop and share a slide presentation with Board members which explains the extent and impact of the Foundation's work.

6. Review of six month budget and forecast

The Board received the management accounts to the end of September 2015 and the interim Finance Director provided an oral update on the financial position. He confirmed that the September year to date figures would be used as the mid-year budget and that going forward the Executive would report against the original and mid-year budgets.

The Board noted headlines from the report, including: while we're behind budget on programme spend, nearly 90% of total programme cost has been commissioned; and a comparison with 2014-15 shows a flattening of the profile of spend across the 12 months. On SET, the Board noted that QTLS income was around £169k higher than expected due to an increased number of applications. The interim Finance Director reported that he expected the final award from the IFL liquidators before the end of the year.

The Board asked if the delays in programme spend were due to contractor delays in delivery. The Executive confirmed that this was not the case, but that it was due to commissioned work beginning

at different points across the financial year. It was also confirmed that contractor payment would be withheld if contract targets were not met.

7. Self-Assessment Report

The Board received a presentation from the Director of Strategy, Quality & Research on the headlines from the 2014-15 Self-Assessment Report. He confirmed the Foundation's approach to self-assessment, incorporating surveys of staff, stakeholder perceptions, contractors, and peer assessment. The Board noted the steady trend of improvement in most areas, along with recommendations to further develop impact measurement, utilising staff skills, embedding equality and diversity, and building supplier relationships.

8. Findings from the recent Board effectiveness survey

The Board received a presentation from the Chair of the Audit & Performance Committee on the findings from the latest Board effectiveness survey. He confirmed the trend of improvement across the ratings and better alignment of the Board and Executive positions. It was noted that Board and Executive would continue to work on developing an open and trusting relationship with the Founding Members. A further area for improvement around the Board's understanding of the Foundation's products and programmes of work was identified; it was noted that the Board's attendance at the launch of the 2014-15 Annual Review would help in this regard.

The Board noted that the actions from the survey would be added to the Governance Improvement Plan, to be considered by the Audit & Performance Committee at its next meeting.

9a. Reports of the Committees and on SET governance

The Board received a report on the recent Audit & Performance and Finance & Resources Committee meetings, along with an update on SET governance.

The Board confirmed the appointment of Ken Merry and Chris Jeffery to the SET Management Board and noted that further appointments to the Management Board would be made from the PAG and Executive.

9b. Expert Panel report

The Board received a report on the recent new thematic Expert Panel meetings from the Audit & Performance Committee. The Committee Chair sought the Board's confirmation that it would receive an annual report on Panel activity, with items that were particularly relevant to the Board's business being brought to the Board's attention at the appropriate meeting.

The Board confirmed the Expert Panel reporting arrangements.

10. Matters arising from the last meeting

The Board received a report on matters arising since the last meeting. The CEO confirmed the appointment of a permanent Director of Finance & Resources since the writing of the report; he would be joining the Foundation from 4 January 2016. The Board offered its thanks and gratitude to Nick Lewis, who had held the position of interim Finance Director for nearly two years.

11. Next Board meetings

The Board noted the future meeting dates, including a scheduled Board conference call on Wed 3 February. The Chair confirmed that Board members were welcome to join the Executive at the Foundation's offices for this meeting, should they prefer.

Further dates on Thurs 28-Fri 29 April (Board residential) and Thurs 7 July 2016 (Board meeting) were also noted.

12. Any other business

There was no any other business.

Signed

Paul Mullins
Chair