



## Meeting of the Foundation Board

Date: Thurs 28 April 2016

Time: 11.15am-1.30pm

Venue: Mechanics' Institute, 103 Princess St, Manchester M1 6DD

### **Present**

Steve Freer (Chair of the Audit & Performance Committee)

Don Hayes

Lynsi Hayward Smith

Peter McCann

Ken Merry

Paul Mullins (Chair)

Mark White (Interim Chair of the Finance & Resources Committee)

### **Apologies**

Chris Jeffery

Dame Asha Khemka

Shakira Martin

John Hyde

Rami Ranger

Olivia Dorricott, Director of Leadership, Management & Governance

### **In attendance**

Stephen Cox, Head of Strategic Communications

Laurence Gates, Director of Skills Competitions

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

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

Jenny Williams, Director of VET

## Minutes

### **1. Apologies and welcome**

Apologies were noted from Dame Asha Khemka, John Hyde and Rami Ranger.

### **2. Conflicts of interest**

Board minutes 28.04.16

Standing conflicts of interest were noted.

### 3. Minutes

The minutes of the Board meeting held on 3 February 2016 were approved as a correct record.

### 4. CEO Report

The CEO presented his new format CEO report and explained that he aimed to provide an overview of work areas, major projects and new ventures, along with financial and risk information, in the previous and upcoming periods. He provided the Board with updates on the sector relevant reviews being undertaken (including skills competitions, Functional Skills and Sainsbury). The Board sought further detail regarding the match funding being discussed with Gatsby; it was explained that it involved training personnel leaving the military to move into teaching in further education.

The Board discussed the work being undertaken with Number 10, in particular regarding leadership. The Executive was encouraged to carefully consider the language used with the project to ensure that its purpose is clearly understood and agreed by all parties involved.

**The Board welcomed the new style CEO report. The CEO encouraged Board members to feedback any suggested changes to the report.**

### 5. Budget 2016-17

The Director of Finance & Resources provided a summary of each of the elements of the 2016-17 budget. He confirmed that little had changed since the Finance & Resources Committee had reviewed the budget, but with the receipt of the grant letter a little analysis was available. Total income was budgeted at £25.9m, with an expected surplus of £238k. The Board noted that funding had been secured for Future Apprenticeships and the ETF had been successful in winning a DfE bid for support on SEND. It also noted that BIS had been more prescriptive in its grant letter, providing specific spend lines against broad areas of work.

The Board discussed the projected growth in commercial income, noting that non-government income was forecast to increase to £3m. It discussed the costs of generating commercial income and was reassured by the Executive that these costs would decrease as processes became established and streamlined, reducing future incremental costs. The Board noted that the reserves had increased to £3.7m, with the reserves policy requiring at least £2m to cover to the organisation's contractual obligations and fund the winding up of its affairs in an orderly way. **The Board noted the recommendation to retain the current reserves level and that it may need to consider amending the policy in the future to ensure the necessary financial base for commercial expansion.**

The Board adopted the 2016-17 budget.

### 6. Charity governance and policies

a) **Trustee remuneration – annual review** [Chaired by Peter McCann]

*The Chair and the Chair of the Audit & Performance Committee were excused for this item.*

The Board received a report summarising the paid trustees' activities during 2015-16. The Board noted that the Articles permit the remuneration of up to three trustees. **The Board confirmed it was satisfied it received value for money from the remunerated trustees.**

b) Re-appointment of the **Chair of the Audit & Performance (A&P) Committee**

*The Chair of the Audit & Performance Committee was excused for this item.*

**The Board confirmed the re-appointment of the Chair of the A&P Committee for a further three year term (from 1 August 2016).** The Chair sought the Board's agreement to appoint a Senior Independent Director (SID) to: work closely with the Chair; act as an intermediary for other trustees when necessary; and lead on the review of the Chair's performance. **The Board appointed the Chair of the A&P Committee as the Senior Independent Director (SID) of the Board.**

c) Appointment of the **Chair of the Finance & Resources (F&R) Committee**

*Mark White was excused for this item.*

**The Board confirmed the appointment of Mark White as the Chair of the F&R Committee.**

d) **Auditor fees for 2015-16**

The Board received the A&P Committee's recommendation regarding the 2015-16 auditor fees. The Board noted that the Founding Members had delegated the approval of the auditor fees to the Board at the 2015 AGM. The Board discussed the importance of securing value for money and current market rates. The Board was reassured that the audit fee was in line with other similar firms. It was noted that a re-tender for audit services would be completed in time for the 2018-19 audit. **The Board agreed the audit fee for 2015-16 subject to the fees being kept under review and the Executive securing best value for money. The Board was asked to provide views on 2016-17 audit fees well in advance, at the October Board meeting.**

e) **Data Protection Policy**

**The Board received and approved the Data Protection Policy as recommended by the F&R and A&P Committees.**

f) **Recruitment of additional Board member(s)**

The Board received an update from the Chair on recruitment to the Board. He confirmed that 13 applications had been received for the Board-appointed position, shortlisting was being completed and interviews would be conducted in May. The Board noted that the Chair had been scheduled to meet with the Founding Member Chairs on 4 May to discuss the Founding Member nomination to the Board. Due to a change in Founding Member availability the meeting had been postponed and was being re-scheduled.

The Chair reminded the Board of Charity Commission guidance regarding handling conflicts of interest and trustee recruitment. **He asked that the Company Secretary circulate the guidance to the Board and that Board members familiarise themselves with the material.**

**The Board approved the minutes from the Board conference call held on 30 March 2016.**

## **7. Matters arising from the last meeting**

7.1 The Board noted it had received draft materials to enable Board members to approach key MPs and Ministers. **The Board agreed it would review the Board's activities in approaching these key individuals at its July and October meetings. The updated key account management list would be circulated to the Board following the Board meeting.**

## **8. Next Board meetings**

8.1 The Board received a list of the Board and Committee meeting dates for 2016 and 2017. It was noted that the next meeting would take place on Thurs 7 July 2016.

## **9. Any other business**

9.1 There was no other business.

## **10. Pay award review 2016-17**

*The Executive team (excluding the CEO) was excused for this item.*

The Board considered the staff pay proposal for 2016-17. The minutes are recorded as a confidential item.

## **11. CEO performance and pay**

*The Executive team (including the CEO) was excused for this item.*

The Board members considered the CEO's performance and pay. The minutes are recorded as a confidential item.

Signed

Paul Mullins  
Chair