



Meeting of the Foundation Board

Date: Thurs 7 July 2016

Time: 11.30am-3.45pm

Venue: 110 Rochester Row, London SW1P 1JP

Present

Steve Freer (Chair of Audit & Performance Committee and Senior Independent Director)
Don Hayes
Lynsi Hayward Smith
John Hyde
Chris Jeffery
Dame Asha Khemka (from item 4)
Dr Nigel Leigh
Ken Merry
Paul Mullins (Chair)
Florence Orban
Dr Sue Pember
Mark White (Chair of Finance & Resources Committee)

Apologies

Shakira Martin

In attendance

Laurence Gates, Director of Skills Competitions (items 1-7)
Gina Hobson, Head of CEO's Office and Company Secretary
Ros Newis, Governance Officer
Helen Pettifor, Director of Professional Standards & Workforce Development
David Russell, CEO
John Sills, Director of Finance & Resources
Sue Southwood, Programme Manager (item 6)
Tim Weiss, Director of Business Development, Membership & Quality
Jenny Williams, Director of VET

Minutes

1. Apologies and welcome

The Chair welcomed the three new Trustees (Nigel Leigh, Florence Orban and Sue Pember). The Board congratulated John Hyde on his CBE award and Mark White on his OBE award in the Queen's Birthday Honours List. Apologies were received from Shakira Martin.

2. Conflicts of interest

Standing conflicts of interest were noted.

3. Minutes

The minutes of the Board meetings held on 28 April 2016 and 27 May 2016 (conference call) were approved.

4. CEO Report

The CEO presented his CEO report. The Board asked for his view on the possible impact of the result of the EU referendum on the charity and how our sponsoring civil servants would be affected. The CEO confirmed that ETF continued to have a strong relationship with Government. He reported he expected little immediate impact of 'Brexit' and considered that the Sainsbury Review and the accompanying Post-16 Skills Plan would be published as planned. The Board noted that both publications would offer opportunities to the Foundation given the proposed high level and ambitious agenda for technical and vocational education. The Board encouraged the Executive to look for opportunities to take the initiative across its activities, including international work.

The CEO presented an operational view of what it meant for the Foundation to be 'sector-owned'. He and the Board acknowledged that it was a subtle and vital concept and that relations with the Founding Members could be improved by clarifying the Board's position on the matter. The Board welcomed the CEO's view and the opportunity to discuss the matter in more detail, noting the term 'sector-ownership' communicated an important sense of collective moral ownership and that the role of the ETF was to serve the entire sector. The CEO explained that the ETF's current model was mainly Government funded but sector-owned, requiring us to define what the sector is seeking and the Government is willing to fund. The Board recognised the sector's main representative bodies' role in creating the ETF and the importance of their support of the ETF with Government and their own members. The Board agreed with the CEO's view that the ETF is collectively owned by the whole sector and all practitioners, and that the charity is strengthened by the role in its governance played by the three Founder Members. The Board accepted the CEO's statement that a charity has no owners in the legal sense and that the ETF's beneficiaries are ultimately learners and employers, who the Foundation helps through improving the professional practice of the FE and training workforce.

The Board agreed, subject to some minor adjustments, to adopt the position as expressed in the CEO's note.

The Board received a paper outlining the accommodation options available given the ETF's current office arrangements were due to come to an end in 2017. The Board noted that space had become available on the first floor of the National Audit Office (NAO) and that WorldSkills had no objections to the ETF moving from its current office accommodation on the fourth floor. The Board noted that the ETF would incur additional costs as a result of the move, but that these costs would be minimised as far as possible and the rent was acceptable for the area. The move was projected to be cost neutral over 5 years.

The Board agreed to proceed with a move to the first floor of the NAO with the additional space on the first and fourth floors being sublet.

5. Plans, performance and impact

The CEO presented to the Board an overview of how ETF had made use of the BIS grant over 2015-16, alongside 2016-17 plans. **The Board welcomed the update and asked whether it would be possible to regularly present a version of this document, alongside or amalgamated with the CEO report, at its meetings.**

The Board noted that as a result of changes in the Senior Management Team (SMT) responsibilities had been re-distributed. The Board asked whether capacity was being stretched in the organisation. The CEO acknowledged that staffing below the level of Director ('Programme Manager') was being kept under review and that it may be necessary to add to the cadre of staff. The Board noted that a new Associate Director was being recruited who would join SMT with responsibility for the ETF's leadership offer, plus overview of the Sainsbury agenda and localism.

6. Spotlight on Functional Skills Reform

The Board received a presentation from Sue Southwood summarising work being completed in the ETF-led Functional Skills Reform Programme. The Board noted that the work was commissioned after the ETF published the Making Maths and English Work for All report (March 2015). It welcomed the consultative approach being taken, ensuring that employers, learners and other key stakeholders had the opportunity to contribute and comment on the issues associated with Functional Skills qualifications and new draft standards.

The Board reported concerns from elements of the sector re the appropriateness of maths and English GCSEs for learners and the importance of ensuring that learners were given the opportunity to study for qualifications most relevant to them regardless of policy or other incentives/disincentives.

The Board thanked Sue for the update and agreed it was an impressive illustration of the ETF's work.

7. Risk Management - review

The Board received an overview of key risks and the ETF's risk management process. The Board noted that it had received a high level review of risk and risk mitigations weren't detailed; members of the Audit & Performance (A&P) Committee confirmed that it reviewed the full risk register, including mitigations at at least two meetings per year.

While noting that the A&P Committee took a thorough approach to reviewing risk, the Board asked that it receive the full risk register at its meetings when risks were considered. The CEO sought the Board's guidance and support to help the Executive to ensure risks continued to be managed appropriately.

8. ETF governance

The Board discussed the recent meeting with the Founding Member (FM) Chairs and the draft recruitment protocol. It noted that the FM meeting had been positive and there was desire on both sides to improve communications. The FM comments on the draft recruitment protocol did not however align with the position of the Board.

The Chair sought the Board members' views on the Board's relationship with the FMs. A mix of views were offered. In the main, Board members suggested that while they still had some concerns

regarding the relationship, they felt that steps had been taken to improve the position and that this meeting's discussion amongst Board members had helped. Those Board members appointed by the FMs confirmed that they would welcome being asked to report back on Board discussions to the FMs and sought guidance on how they could be a useful conduit between the Board and the FMs.

The Board discussed the governance factsheet. **It asked that the Executive ensure all key FM responsibilities were included and also suggested that a section on the ETF's beneficiaries being learners was added.**

The Board discussed the most appropriate process for recruitment to the Board, including the FM-appointed positions. It confirmed that the current open competitive processes currently run by the Board were the most appropriate. The Board noted that Sir Gerry Grimstone's review set out revised procedures now adopted for public recruitments and reconfirmed open competitive appointments for public positions. The Board discussed whether there was a case for applying the guidance to all appointments to the ETF Board given that most of the funds the ETF received and spent came from public sources. The Board noted Charity Commission guidance was also relevant for the ETF which counsels but does not require open competitive appointments. The Board explored which guidance it was appropriate for it to adopt and to what extent it wanted to adopt best practice for all appointments.

The Board asked that the Chair and SID have a substantive discussion with the FMs regarding the recruitment of Board members seeking to align the practice of the FM's with that of the Board. The Board also asked that advice be sought to ensure that the ETF's ONS classification was not influenced by its recruiting board members through open competitive appointments.

9. Any other business

The CEO reported that a further £0.5m funding had been secured in principle to support the ETF's apprenticeships work. He thanked Jenny Williams, Director of VET, for her work in securing the additional funding. The Board noted that this was the last meeting Jenny would attend as she was leaving the ETF for another post; it thanked Jenny for her very significant contributions to the ETF's work since its creation in 2013, and her outstanding leadership of the VET agenda.

The Chair reported to the Board that an ETF brand refresh was underway. He asked that **any Board member interested in participating in the process contact the Head of the CEO's Office.**

10. CONFIDENTIAL MINUTE: Chairing the Foundation

The Chair, Paul Mullins, was excused for this item.

Prior to the meeting the Board had been made aware that the current Chair's three year term was due to come to an end in October 2016 and discussed the future chairing of the Foundation. A confidential minute records the Board's discussion and decision to reappoint the Chair for a further three year term.

Signed

Paul Mullins
Chair