

## Meeting of the ETF Board

Date: Tues 11 December 2018

Time: 1330-1615

Venue: ETF, 157-197 Buckingham Palace Road, London SW1W 9SP

### Present

Sally Dicketts CBE

Steve Freer (Chair of A&P Committee and SID)

Lynsi Hayward-Smith

Dr Nigel Leigh OBE

Paul Mullins OBE (Chair)

Florence Orban

Mick Ord

Dr Sue Pember OBE [until item 7]

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

### Apologies

Zayn Azam

Don Hayes MBE

Dan Williams

### In attendance

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

Jenny Jarvis, COO

John Sills, Director of Finance & Resources (F&R)

David Russell, CEO

### Minutes

#### 1. Apologies and Welcome

Apologies for absence were received from Zayn Azam, Don Hayes, and Dan Williams.

#### 2. Declarations of Interest

There were no additional interests. The Board noted the standing interests.

#### 3. Minutes

The minutes of the Board meeting held on 17 October 2018 were approved as an accurate record.

#### 4. Review of business: half year position

The COO confirmed that ETF had been recently advised that it had won the Centres for Excellence in Maths bid (subject to contract). **The Board congratulated the senior team and all those involved in the bidding. It noted that the news was confidential until a public announcement was made at the end of the stand still period.**

##### a) Q2 Balanced Scorecard

The COO provided an overview of the headlines from the Balanced Scorecard covering the key areas of: Core Government Business; Growth; Outcomes & Impact; People; and Systems & Processes. The Board noted that ETF continued to perform strongly under Core Government Business, with endorsement being received through the T Levels announcements and the Minister's AoC conference speech, and People. It noted that improvements were necessary and had been undertaken under Outcomes & Impact and Systems & Processes.

**The Board noted the Balanced Scorecard. It asked the Executive to investigate adding a forecast**

**or timeline to the scores to show planned change over time.**

#### **b) Q2 Management Accounts**

The Board received the Q2 Management Accounts. The Director of F&R provided a summary of the half year financial position. The Board noted that grant income was performing strongly; however, income from other sources (including SET and QTLS) was not keeping pace with budget. Hence, the forecast deficit was greater than budgeted. The Board noted that there were a number of reasons for this performance, including when QTLS income was being recognised and stretch targets used for budgeting purposes. The Director of F&R confirmed that the senior team was undertaking a review of costs to ensure that variable costs were reduced where possible.

While acknowledging the goal to focus on growth rather than income, the Board emphasised the importance of converting student SET members to full members at the end of their student term. **It asked that the conversion rate be provided within the Management Accounts.** The Board sought reassurance that the senior team closely monitored cashflow; it was reassured that there were no issues with cashflow and it was kept under review.

**The Board noted the Q2 Management Accounts and asked that the Director of F&R complete the review of costs and provide an updated forecast deficit position in advance of its next meeting.**

#### **c) Risk Management**

The Board received the ETF's Q2 risk register and linked action log. The COO provided a summary of the top risks. The Board welcomed the new format. It noted that the senior team was in the process of refining the risks and further embedding risk management into its monthly and quarterly review processes. It considered the pros and cons of the Board being provided with the detailed risk register.

**Having considered and noted the top risks, it asked that the Board have the opportunity to further consider senior executive succession planning.**

#### **d) SHAPE and DfE Review**

The COO provided an update on ETF's organisational change programme, SHAPE, and DfE Review actions. She confirmed that good progress had been made against the DfE Review actions and that a further meeting with the Minister for Skills and Apprenticeships was being planned.

**The Board noted the update.**

### **5. Annual Reports of the Board's Committees**

The Board received an update from the Committee Chairs on the activities of the Board's Committees in 2017/18. It noted that the three main Committees had dealt with a number of key items including: the ETF and SET budgets; internal and external audit; SHAPE; policy review; risk; SET strategy; and the first SET conference. It also noted that Lynsi Hayward Smith, Don Hayes and Mark White would be standing down from the Committees when their terms as trustees expired. They were thanked for the significant contributions they'd made to the Committees' business.

The CEO provided the Board with an overview of proposals to update ETF's Committee structure to ensure it continued to be fit for purpose. He suggested that the Board consider re-structuring and updating the committee purposes to better reflect ETF's core business.

**The Board noted the update. It encouraged the Executive to further review the Committee structure in conjunction with trustees and approved the appointment of Nigel Leigh to the Finance & Resources Committee.**

### **6. CONFIDENTIAL ITEM**

#### **7. Maximising and reporting impact**

The Board received an update from the CEO on ETF's progress on the impact agenda. The CEO shared a template which showed how impact data was being collated and shared. The Board noted that the Audit & Performance Committee and the Impact Expert Panel were informing ETF's strategy in this area.

The CEO confirmed that he would share with the Board the Maths and English and Strategic Leadership Programme evaluations in due course. The Board asked if and how the Executive planned to share summary versions of evaluations to help to communicate ETF's impact.

**The Board noted and welcomed the update.**

[Dr Sue Pember left the meeting]

**8. Governance update**

The Board received an update on recent governance discussions with the Members. It noted that updated draft Articles and a draft governance agreement had been shared with the Members for comment. The Trustees confirmed that they were comfortable with the proposed direction and drafts of the documents.

**The Board commissioned to the Chair, Chair of Audit and Company Secretary to continue discussions with the Members.**

**9. Any other business**

The Board noted the updated Employee Handbook.

**10. Recruitment of the ETF Chair and Chair of Audit**

The Board noted that both the Chair and Chair of Audit's second terms were expiring in 2019 (October and December, respectively) and that it planned to engage a recruitment agency to lead the search for candidates for both positions.

The Company Secretary shared the summary findings of a recent consultation with Trustees, Members and key stakeholders on the Chair role, along with the timeline for the Chair recruitment process.

**The Board agreed to recommend that Sally Dicketts, Lynsi Hayward Smith, Mick Ord and Dan Williams be invited to join Steve Freer on the Search Committee for the next ETF Chair. It agreed that Florence Orban and Dr Nigel Leigh would be invited to join Paul Mullins on the Search Committee for the next ETF Chair of Audit (and Senior Independent Director).**

**The Board agreed the recommendations from the consultation and authorised the Search Committees to proceed with the recruitment process. It noted that the Search Committee's recommendations would be shared with the Board, which would make the final decision regarding appointment.**