

Meeting of the ETF Board

Date: Thurs 12th March 2020

Time: 1.30-5pm

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

Present

Zayn Azam

Jon Graham

Prof. Peter Latchford OBE (Chair)

Andrew McConnell OBE

Rachel Musson

Mick Ord

Ruth Spellman OBE

Apologies

Sally Dicketts CBE

Florence Orban

Dan Williams

Alison Morris, Director of Delivery, ETF

In attendance

Mike Harvey, Director of Business Strategy

Dr Gina Hobson, Governance Director and Company Secretary

Jenny Jarvis, COO

Kate Jones, Governance Officer

Adrien Laure, Director of Finance and Business Intelligence

David Russell, CEO

Minutes

1. Apologies and Welcome

Apologies for absence were received from Sally Dicketts, Florence Orban, Dan Williams and Alison Morris.

2. Declarations of Interest

Standing declarations were noted. **Peter Latchford, Jon Graham and Ruth Spellman confirmed that amendments to their declarations would be provided, and the register updated accordingly.**

3. Minutes

The minutes of the Board meeting on 11 November 2019 were agreed as an accurate record.

The Board Strategy Away Day notes (10 February 2020) were received and noted.

4. Matters Arising

The Matters Arising paper was received and noted.

The CEO provided the Board with an update regarding the organisation's planning for Covid-19. He confirmed that the Business Continuity Plan had been enacted and meetings were taking place twice weekly. ETF's position was to follow Government and Public Health England advice. He confirmed that staff were responding in a calm and professional manner.

APPROVED BY THE BOARD 21.05.20

With regard to delivery of workforce support, the Board noted that there had been some reduction in numbers recorded at face-to-face CPD events. The CEO confirmed that the Executive was in close contact with the DfE regarding the impact on delivery and related milestones.

Trustees discussed their organisations' responses to Covid-19. They confirmed that: they were applying Government advice; IT systems were being tested; work travel was being discouraged in some instances; and most were in the process of moving to working from home and virtual meetings, where this was possible.

The Board thanked the Executive for the update and asked that it continue to be updated regarding ETF's response.

5. Q3 Business Performance Report

The Board received the Q3 Business Performance Report and the COO provided an overview. She confirmed that there had been a significant focus on organisational restructure and TLPD preparations in the quarter, including recruitment to the new positions. The Board sought further information regarding the diversity of ETF's workforce and new recruits. **The COO confirmed that diversity was monitored, and a snap-shot report would be provided.**

The Board noted that a Head of Impact was in the process of being recruited. **It asked if the Business Performance Report could be RAG-rated; the Executive confirmed it would do so for Q4.**

The Board received the Q3 financial accounts, and the Director of Finance and Business Intelligence (BI) provided a summary of the financial position. The Trustees shared feedback regarding the format of the report. **The Director of Finance and BI confirmed that he would reflect on and update the format of the accounts for the 20-21 reporting. The Executive confirmed that the most recent available monthly financial accounts would be provided at future Board meetings.**

The Board received the Q3 risk register and the COO provided the Board with the risk overview. She confirmed that a new process had been embedded where the risk register was updated and reviewed monthly, firstly with risk owners and then at Performance Board meetings. The Board sought further information regarding how risks regarding a pandemic, IT systems and infrastructure, and organisational growth were reflected in the register. **The Board noted the Q3 risk register and that in the next iteration shared with the Board these items would be flagged.**

6. 'Transform' Update

The Board received an update on the discovery phase of the ETF's digital change programme (Transform) and the progress made with the supplier. It noted that this update was brought to the Board as a key decision gateway had been reached regarding moving from discovery to CRM development. It also noted that it linked to the upcoming discussion regarding ETF's reserves position.

The Executive confirmed that, as recommended, an agile approach had been taken, and highlighted the need for the project to progress as a two-phase approach; the first focusing on urgent deliverables for SET and the second for a wider integration with other processes and systems across the business.

The Board noted that the detailed financial costs were not available at the time but were under development. It considered its options regarding how to come to a decision on the project. It sought clarity regarding the timeframes for when the costs would be available. **The Board re-confirmed its broad support for the project. It asked that a follow up briefing and proposal be shared with the Board, via e-mail, once the detailed costs were available and a decision on whether to progress to development would be taken outside of meetings.**

7. 2020-21 Budget

The Board received the draft 2020-21 budget. The Director of Finance and BI confirmed that it was an operational budget and contained no proposed investment from unrestricted reserves, which would follow once the budget had been agreed. He provided an overview of the 20-21 forecast grant, contract and commercial income and expenditure.

The Board noted that the ETF was in a strong financial position. Trustees sought further information regarding which financial year initial TLPD income would be recognised. **The Director of Finance and BI agreed to seek clarification from ETF's auditors and return to the Board.** The Board noted that a section of the TLPD contract income was based on ETF achieving KPIs agreed with the DfE; it sought reassurance that these would be achievable. The Executive provided detail regarding the contractual arrangements and various income scenarios. The Board asked for reassurance that the TLPD contract would not skew the financial reporting or mask other financial risks. The Director of Finance and BI provided detail regarding the budgeting and financial management processes and confirmed that a conservative position had been taken in the budget.

The Board requested that the balance sheet and cashflow forecast be provided in future financial reports. It asked that the Audit & Risk Committee consider the financial and audit controls at a future meeting.

The Board approved the 20-21 budget. It noted that the Executive would return to the Board with requests for the investment of the reserves, including investment in the development phase of Transform.

The Board received the updated Reserves Policy. It noted that the reserves level had been increased to reflect growth in the business and the resulting increased wind down costs. The CEO confirmed that financial and contractual requirements, staff notice periods, lease conditions, and overheads were considered when the reserves level was calculated. **The Board asked that the Policy contain a more detailed breakdown of these items and asked that the minimum level of cash balance be agreed.** It reflected that a careful balance needed to be struck, ensuring that sufficient reserves were maintained for an orderly wind down, while also making sure that the level was not excessive (referring to Charity Commission guidance and advice from ETF's external auditor).

The Board approved the updated Reserves Policy subject to a small number of changes. It noted that an updated version of the policy, with the changes incorporated, would be circulated to the Board following the meeting.

CONFIDENTIAL ITEM

To ensure compliance with external audit requirements, the Board received an update regarding the evaluation of the ETF as a going concern. Trustees noted the summary of the current financial position, including the implications of the award of the TLPD contract.

The Board noted the Executive's evaluation of ETF as a going concern.

8. Strategy and Operational Risk

The Board received a paper outlining the strategic risks contained with the ETF's risk register, plus a summary of the risks discussed with the Board at its recent meetings. The Trustees and Executive were invited to share their thoughts on: where interdependencies and groupings could be applied to the strategic risks; prioritising the risks; and the charity's risk appetite. A number of themes emerged from the discussions including: the importance of stakeholder and relationship management; the need to be able to demonstrate the charity's impact; the sector's capacity for self-improvement; staying focused on where we can have the most impact; and avoiding mission creep.

The Executive confirmed it would reflect on the discussion, integrate the feedback into the risk register, and return with an updated register at the next Board meeting.

9. Reviewing and developing the ETF Strategy

The Board received an overview of progress and the next steps to be taken in the development of the updated ETF strategy. It noted that a number of factors would influence the content, including the upcoming Spending Review. The CEO confirmed that the Executive would draw on the previous

discussions at the Board away day.

The Trustees asked that they have further opportunity to input into the strategy. The Executive agreed it would share think pieces with the Board for feedback, which would inform a strategy framework to be discussed at the Board's May 2020 meeting.

10. Report from the Board Committees

The Board received the reports of the recent Committee meetings. It noted that the new chair of the SET Management Board (SMB) would be invited to attend the Board's November meeting and that the Executive continued to consider how best to ensure effective reporting between the SMB and the Board.

The Board noted the report.

11. Board and Committee meeting dates and review of the meeting

The Board received the dates of the next Board and Committee meetings. Trustees discussed the timings of these meetings and agreed to retain the current start times.

Meeting attendees were invited to share their thoughts on how the meeting had gone. Trustees reflected that it had been a productive meeting, with diverse views shared and some tricky items handled. **The Board asked that the next Board away day be scheduled in December 2020.**

12. Any other business

The Board asked that governance of the TLPD continue to be kept under review through the Audit & Risk Committee.