

Meeting of the ETF Board

Date: Tuesday 21 March 2023

Time: 10am-1pm

Venue: NCVO venue, Society Building, 8 All Saints Street, London N1 9RL

Present

Jon Graham

Wojciech Ilowski

Prof. Peter Latchford OBE (Chair)

Lynette Leith

Andrew McConnell OBE

Gerry McDonald (attended from 10:10am)

Ruth Spellman OBE

In attendance

Chloe Annetts, Governance Officer

Dr Gina Hobson, Chief of Staff to Chair and CEO

Dr Katerina Kolyva, CEO

Alison Morris, Director of Operations

Charlotte Razzell, Director of Corporate Services

Martin Reid, Director of Professionalism and Customer Experience

Scott Rutherford, Director of Finance

Dr Vikki Smith, Director of Education

Apologies

Dame Sally Dicketts DBE

Rachel Musson

Dr Sam Parrett CBE

Palvinder Singh

Minutes

PART 1: WELCOME

1.1 Welcome and apologies

The Chair welcomed the Board and Executive to the meeting. Apologies for absence were noted from Sally Dicketts, Rachel Musson, Sam Parrett, and Palvinder Singh. Katerina Kolyva and Scott Rutherford were welcomed to their first Board meeting. The Chair noted that the meeting was quorate.

1.2 Queries and approvals from Part 4

The Board received the paper on declarations of interest. It noted that the Board takes conflicts of interest seriously, and the ETF is committed to ensuring its decisions and decision-making processes are, and are seen to be, free from personal bias and do not unfairly favour any

individual or organisation connected with the charity. The Board discussed the trustee interests presented, noted that the financial implications of these interactions were not significant, and considered the future of ETF in working in partnership with various organisations. **The Board noted and authorised the trustee interests relating to Sally Dicketts' Associate work, and the planned ETF-New City College Memorandum of Understanding.**

The Board noted and approved the updates to the Conflicts of Interest Policy. It noted the interests of the Executive in item 2.2 regarding staff remuneration. The Board agreed to delegate to the Finance Committee the review and final approval of the updated Expenses Policy and Hospitality and Gifts Policy. The Board agreed to delegate the final sign off of the external governance review brief to the Audit Chair (working with the Chair). The Board noted that queries sent in advance of the meeting on the information pack would be circulated via e-mail correspondence after the meeting.

PART 2: STRATEGY & RISK

2.1 CEO report

[Gerry McDonald joined the meeting]

The CEO provided an overview of the future direction of the CEO report, including horizon scanning (risks and opportunities), a summary of engagement at all levels, and an overview of the business and operations. The Board received the headlines from the Objectives & Key Results (OKRs), the Business Delivery Report (Jan 2023) and the Q3 media update. The Board welcomed the framework and direction of the CEO report.

The Board discussed being able to reach and record engagement with diverse parts of the sector within the OKRs. It discussed cost effectiveness, political considerations around the next General Election, and financial sustainability. It discussed the ETF's role to convene the sector to synthesize its priorities, and the subsequent implications for interventions and actions to support these priorities.

The Board considered the People OKRs and discussed the possible reasons for the high staff turnover, including subcultures, opportunities to improve the staff exit data collection, and the interview and onboarding process. It highlighted the importance of an agile people strategy, and aspirations of being a permeable organisation to facilitate individuals joining and leaving the ETF as part of their careers in FE. **The Board welcomed the comprehensive update and discussion.**

2.2 2023-24 Budget

The Board received an overview of the financial forecast, the draft 2023-24 budget and recommendation on staff remuneration. The Finance Committee Chair and Director of Corporate Services provided an overview of the process to date and the evolution of the draft budget to its current position. The Board discussed the use of reserves in contributing to the ETF's charitable mission and noted that reserves should be used to future proof the organisation in order to best support the sector. It challenged the Executive regarding efficiencies to be made to the charity's operating model, the size of the organisation, and the

core costs and expenditure. **The Board challenged the targets of the commercial projects and asked the Executive to further explore the costs and projected income.**

The Board expressed thanks to the Executive for its work on the budget in this challenging and changing landscape. The Board acknowledged the tension and discomfort around the timing of compiling and agreeing the 2023-24 budget when the strategy had not yet been finalised. **It highlighted the importance of a Q1 budget reforecast and review and noted an additional Board meeting had been scheduled in August to receive and discuss the review.**

The Board approved the 2023-24 budget, subject to the Q1 budget re-forecast exercise. It approved the cost-of-living increase of 3% for eligible staff (applicable from 1 April 2023). [Confidential discussion: redacted]

The Director of Corporate Services provided a summary of the investment, reserves, cash and surplus position and associated policies. The Board considered the updated Financial Regulations and the Schedule of Delegation contained within it. **The Board approved the Financial Regulations, subject to further reducing the financial limit for CEO sign (Schedule of Delegation) from £2,500k to £1,500k. It asked that the Chair be given power to delegate their authorisation powers to another trustee. The Board approved the Reserves Policy and Cash Reserves Policy.**

2.3 ETF Strategy, next steps, and timeline

The Board received a presentation of the possible options for the future strategy of the organisation from the new CEO. The CEO noted that the strategic review to date had involved a lengthy listening exercise and evidence gathering, and the Board was now being asked to consider and confirm the charity's new strategy. The Board and Executive recognised the need for a new strategy based on a significant shift, from a 'government backed' organisation to a charity being informed by and engaged with the education and training sector, serving the professionals who teach, train, lead and govern education and training for lifelong learning.

[Confidential discussion: redacted]

The Board noted the additional Board meeting in August would consider the 2023/24 budget reforecast, with significant work around efficiencies and the use of reserves, potentially remaining in a multi-year context. The Board noted that a strategic approach would be taken to costing the new strategy and the high-level assumptions would be brought to the meeting in August, having had a more detailed discussion on the strategic direction in June.

2.4 Risk – top business risks

The Board received an overview of the top business risks from the Chief of Staff to the Chair and CEO, and further information regarding the deferral of four T Levels from the Director of Operations. The Board noted that it had scrutinised the other risks flagged in the report (e.g., clarity and articulation of strategy, staffing and retention, and financial sustainability) through its discussions under items 2.1-2.3. **The Board noted the update on risk.**

PART 3: REVIEW & WRAP UP

3.1 Board forward look, future meeting dates, and review of the meeting

The Board received the future meeting dates. **It noted that an additional Board meeting to consider the Q1 review of financial position had been scheduled for Monday 21 August and suggested that the Executive should support the Board to be fully prepared and briefed in advance of the meeting.** The Board reflected on the meeting and welcomed the level of challenge and scrutiny provided on the strategy and budget, and the strategic discussions held. Trustees noted that there had been some points of tension through the discussions, but that this was to be expected given the matters being considered, tensions had been explored and an agreed compromise achieved.

3.2 Any other business

There was no other business.