

Meeting of the ETF Board

Date: Wednesday 16 June 2021

Time: 10am-1pm

Venue: Microsoft Teams

Present

Sally Dicketts CBE

Prof. Peter Latchford OBE (Chair)

Lynette Leith (until 11:30am)

Andrew McConnell OBE

Rachel Musson

Florence Orban

Mick Ord

Palvinder Singh (from 12pm)

Ruth Spellman OBE

In attendance

Chloe Annetts, Governance Coordinator

Mike Harvey, Director of Business Strategy

Dr Gina Hobson, Governance Director and Company Secretary

Jenny Jarvis, DCEO

Adrien Laure, Director of Finance and Business Intelligence

Alison Morris, Director of Operations

Martin Reid, Director of Professionalism and Customer Experience

David Russell, CEO

Apologies

Jon Graham

Minutes

PART A: WELCOME

A1. Welcome and apologies for absence

Apologies for absence were received from Jon Graham. Apologies were also received from Palvinder Singh and Lynette Leith who were not able to attend the full meeting. Martin Reid, Director of Professionalism and Customer Experience, was welcomed to his first Board meeting.

A2. Queries from Part E

The Board received the information pack which included declarations of interest, minutes from the meeting on 16 March 2021, matters arising, Q4 Business Performance Report, report from the ETF Committees, and the new or updated policies.

The declarations of interest were noted, and the Board approved the minutes from the meeting on 16 March 2021. The Board noted that the amended date of the November Board meeting was Thursday 11 November 2021.

The Board endorsed the ESD approach and noted the suggestion to consider carbon emission targets. The policies were approved by the Board, subject to a small update to the H&S Policy regarding wellbeing. In addition, the ETF-ETFS intercompany agreement and the ETF-ETFS transfer agreement were approved to assist with an

orderly wind down of the subsidiary. The Board agreed to delegate approval of the Commissioning and Procurement Policy to the Audit and Risk Committee. The Board noted that responses to queries submitted in advance of the meeting would be circulated after the meeting.

PART B: STRATEGY & RISK

B1. Stocktake of the year

The Board received an overview from the CEO on how the business had performed over the past year, which included the challenges associated with the pandemic. The Board raised a number of points and queries. It discussed: stakeholder relations, including the changing relationship between the ETF and DfE, along with the ETF's relationship with the sector; the ETF's financial position, the approach to capital allocation and the perception of reserves; and the charity's internal delivery capability.

The Board noted that a three-year MarComms was under development and that this would be pivotal in addressing some of the outlined challenges. Trustees indicated they'd welcome the opportunity to further engage with the MarComms strategy and also noted that the upcoming stakeholder strategy would cover their own role as ambassadors for the ETF.

The Board welcomed the overview of 20-21.

B2. ETF strategy

The Board was presented with an overview from the DCEO on the evolution of the strategic model, along with plans on how the charity would operate beyond GLIDE and the long-term vision for the ETF. This included a consideration of the ways in which the ETF worked with the DfE, and how it could act on key leverage points to create a self-improving system.

The Board welcomed the comprehensive update. The Board discussed the 'organisational anxiety' that it needed to own and explored current risks regarding the financial model and key relationships. It considered a number of key areas, which included: continued improvement in impact measurement and communication; nature and importance of the grant; our work with and understanding of the sector, and how the ETF could calibrate its understanding of how the sector perceived the charity, alongside our own interpretation. The Board agreed that two-way communications between ETF and the sector was vital.

The Board welcomed the update. It noted that its discussions would be used to evolve the model's development, and that there would be further opportunities to consider the implications as a financial strategy and stakeholder strategy were developed.

B3. Creating a Financial Strategy: next steps

The Board received an update from the FD on creating a financial strategy, which included a review of draft investment principles. The Board noted that the role of financial strategy was to support the overarching organisational strategy and cater for the charity's future needs; that a flexible model was needed in order to respond to the funding environment set by the DfE; and that financial surplus should only be generated in order to meet the requirements of the strategy. The Board proposed a deep dive discussion outside of the meeting to consider

key parameters, but cautioned against the Trustees becoming too involved in setting the operational details of the financial strategy.

The Board welcomed the update and reflected that its discussions had helped to flush out the Board's sentiment and tensions. It noted that the financial and investment strategies would continue to be developed in parallel with compiling investment business cases.

PART C: GOVERNANCE

C1. Trustee matters

[Rachel Musson was excused]

The Board discussed the appointment of the Senior Independent Director (SID). The Board noted that the main responsibilities of the SID were to work closely with the Chair, acting as a sounding board and providing support, and also to be available to address any concerns or issues from the Board, including regarding the performance of the Chair. **The Board noted that the roles of Audit Chair and SID were complementary and, following consideration, agreed to appoint Rachel Musson as the ETF SID.**

[Rachel Musson returned to the meeting]

The Board discussed its composition and the upcoming plans for trustee recruitment, given the retirement of Florence Orban and Mick Ord in December 2021 at the end of their second terms. The Board reflected on its long-term governance needs, the Board size, and the skills that would be needed. It asked that a skills-based approach be taken and suggested that this could be mapped against a skills matrix, but with a focus on the key characteristics that would be needed in order to support the strategic success of the ETF. The Board considered the balance of sector/employer trustees on the Board, and discussed areas including HR and digital experience. The CEO indicated that the key skills he was hoping the ETF would gain from new trustees were experience working with government at a senior level, and the ability to bring further diversity to the Board's thinking.

The Board asked the R&S Committee to consider these discussions when drawing up the recruitment plan and noted that Lynette Leith would be invited to join the recruitment panel.

PART D: REVIEW & WRAP UP

D1. Board forward look, dates, plus review of the meeting

The Board received the dates for the upcoming Board and Committee meetings, as well as the informal sessions. It noted that the dates for the 2022 meetings would be confirmed in advance of the next Board meeting. The Board noted its preference to move toward in person Board meetings (while keeping committees and informal meetings online). It acknowledged some flexibility would be needed for Board meeting arrangements for the remainder of 2021 (with both in person and online meeting options provided), but that in 2022 it would aim to carry out all Board meetings in person. The Board reviewed the conduct of the meeting and its own performance.

D2. Any other business

The Board reflected on a successful meeting and recognised how well the ETF and its staff had performed over the year in challenging circumstances.