

Meeting of the ETF Board

Date: Tuesday 7 June 2022

Time: 2-5pm

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

Present

Sally Dicketts CBE

Jon Graham

Wojciech Ilowski

Prof. Peter Latchford OBE (Chair)

Lynette Leith

Andrew McConnell OBE

Gerry McDonald

Rachel Musson

Dr Sam Parrett CBE

Palvinder Singh

Ruth Spellman OBE

In attendance

Chloe Annetts, Governance Officer

Dr Gina Hobson, Governance Director and Company Secretary

Jenny Jarvis, Interim CEO (by video, excused for item 3.2)

Alison Morris, Director of Operations (excused for item 3.2)

Catriona Wood, Interim Director of Finance (excused for item 3.2)

Apologies

Martin Reid, Director of Professionalism and Customer Experience

Minutes

PART 1: WELCOME

1.1 Welcome and apologies

The Chair welcomed Trustees to the meeting. Wojciech Ilowski was welcomed to his first meeting and apologies for absence were noted from Martin Reid.

1.2 Queries and approvals from Part 5

The Board received the information pack which included declarations of interest, minutes from the meetings on 16 December 2021 and 23 March 2022, matters arising, Q4 Business Delivery Report, Risk Register, press update, minutes from the Committees, and ETF Policies. The Chair thanked the Board for the detailed queries on the information pack sent in advance of the meeting, including queries regarding the external strategic review, risks, ETF's recruitment

policy, and the roles and responsibilities of the ETF Members. **The Board noted that the Executive would be in touch shortly after the meeting to share the detailed responses to the queries, and that a record of these is kept by the Governance team.**

The declarations of interest were noted; the Chair reminded the Board of the importance of staying sighted on the various interests of the trustees, particularly given the expected discussion regarding the Board's relationship with ETF's Members and the sector bodies. **The Board approved the minutes from the meetings on 16 December 2021 and 23 March 2022. The Board approved the Complaints Policy and Procedure.**

PART 2: STRATEGY & RISK

2.1 Review of 21-22 and forward look

The Board received a presentation from the Interim CEO which included: a review of recent months; the 21-22 year end position; priorities for the next 3-4 months; and the opportunities informing plans for 23-24 and beyond. **The Board discussed the possible strategic partnerships and asked the Executive for further information regarding stakeholder and competitor analysis to demonstrate how the partnerships would support (or not misalign with) the strategic purposes of the ETF.** The Board received headlines from the upcoming Impact Report; it discussed and asked the Executive to consider the risks associated with the timing and framing of the Report.

The Board received an update from the Interim Finance Director on the financial position and project investments, and noted the changed 21-22 year-end position (from that presented in March 2022). It discussed the outturn and cash position at the end of March 2022 and noted the potential challenge regarding the external perception of the level of surplus. The Board reflected on the extent of delivery which took place in the latter stages of the year, which in turn impacted on income and expenditure activity. It recognised that this was a symptom of the annual grant cycle (with the late delivery of grant letters exacerbating the challenge), and that the Executive planned to mitigate the associated risks by phasing delivery partner milestones more evenly through the year.

The Board asked the Executive to share the challenges for the Q4 grant delivery position and possible mitigations for this financial year.

The Board asked that the Executive ensure the approved break-even budget for 22-23 (rather than a £2.7m deficit) was presented in any future financial updates. It noted that the Finance Committee continued to scrutinize the project initiatives and that a small number of projects had been approved at its previous meeting (totaling £661k). The Board questioned investment being made in staffing at this time; it noted that fixed term contracts were being judiciously used when appropriate and that the Executive was conscious of the risk of increased staffing costs. The Board noted that the review of cost savings would be considered by the Finance Committee at its September meeting.

[Confidential discussion]

2.2 External Strategic Review

The Interim CEO provided an update on the plans for the external strategic review, including feedback from the Remuneration and Search Committee and recent discussions with the sector bodies. Trustees were invited by the Chair to share their perspective on the core purpose of the ETF, how its purpose could be tested and honed, and how decisions should ultimately be taken regarding purpose.

The Board agreed that central to the core purpose of the ETF was workforce development and discussed this in the context of levelling up, relationships with stakeholders, professionalism of the sector, ETF as a professional body, and cross sector collaboration. It agreed that the Board and Executive should access and hear a rich dialogue from a wide range of stakeholders in deliberating on and agreeing the finalised core purpose (whilst also recognizing the conflicts of interest of bodies which were simultaneously sector bodies and delivery partners in receipt of ETF contracts).

The Board considered the involvement of an external organisation in the review, and the advantages and disadvantages of this approach. It discussed the interplay with the recruitment of a permanent CEO and whether to begin the recruitment process early or late in this process, and how they would be involved in the external review. The Board noted that the review would require significant resources (financial investment, along with time and skill), and the importance of engaging directly with the practitioners (e.g. SET members) as ETF's key beneficiary. The Board noted that the ETF operated within a stakeholder rich environment, and the permanent CEO would need to be expert in stakeholder management.

The Board noted the importance of inclusive dialogue with the Members and sector bodies about the strategic review. **The Board asked trustees with close relationships with AoC, AELP and HOLEX to informally brief them on the Board's discussions and then the Executive to organise a follow up meeting.**

The Board agreed that the final decision regarding the core purpose of the ETF would be taken by the Board, giving due consideration to inputs from the FE sector and beyond.

2.3 Oversight of ETF and its performance: to gather trustees' thoughts

Due to time constraints of the meeting, the Board agreed this item would be progressed at a future Board meeting. In the meantime, the Finance Committee would consider the key financial data the Board should routinely receive.

PART 3: GOVERNANCE

3.1 Governance and Board review (external)

The Board received and noted the paper outlining the rationale and key components of the planned board and governance review. It considered the timing of the review alongside other items discussed at the meeting. **The Board agreed to it was important that the review was completed and asked the Governance Director to progress. Trustees were invited to share views on the draft brief with the Governance Director following the Board meeting.**

3.2 [Confidential item]

PART 4: REVIEW & WRAP UP

4.1 Board forward look, dates, and review of the meeting

The Board noted the future meeting dates. It reflected on the meeting and considered its role and performance. The Chair thanked the Trustees for the constructive challenge and different perspectives they shared during the meeting; the Board agreed that it had been a challenging, occasionally uncomfortable, but productive meeting.

4.2 Any other business

There was a brief discussion regarding a Board Deputy Chair. Trustees noted that a Senior Independent Director (SID) was in post (held by the Audit Chair) and that the appointment of a Deputy Chair was being explored. There was no other business.