



Date	10 July 2013
Subject	Skills Funding Agency Advisory Board
Attendees	As per Annex

1. Welcome and Introductions

1.1 Kim Thorneywork welcomed members to the fourteenth meeting of the Advisory Board and asked Mark Farrar to chair the meeting.

1.2 Mark Farrar welcomed Joe Vinson and Stewart Segal to their first Advisory Board meeting as they had replaced Toni Pearce and Graham Hoyle respectively.

2. Minutes and matters arising

2.1 The minutes of the last meeting held on 9 May 2013 were agreed and these would now be published on the Agency's website.

2.2 Following the discussion at the last meeting on the end of year accounts, copies of the Annual Report and Accounts for 2012-13 were circulated to members of the Advisory Board.

3. Update from the Chief Executive.

3.1 Kim gave an update on the appointment of an independent Chair of the Advisory Board. The deadline for applications had passed and the initial sift had taken place. Interviews were currently being scheduled and it is hoped that an appointment can be made later in the summer following Ministerial approval. After the Chair's appointment, there will be a review of Board membership.

3.2 In terms of the change of status of the Agency, the Draft Deregulation Bill has been published and this includes a clause covering the abolition of the Chief Executive of Skills Funding post and the transfer of responsibilities to the Secretary of State for the Department for Business, Innovation and Skills.

3.3 Kim gave an overview of some of the headlines relating to further education and skills from the recent Comprehensive Spending Review.

3.4 The Board discussed qualifications and the Whitehead review which will set principles for what qualifications for adults look like and what the Agency funds. Joe Vinson asked about the announcement that Government funding will be focused on qualifications that are recognised by employers and KT stated that there is a move to buying fewer qualifications, but better ones as the system

needs tidying up with the removal of duplicate qualifications to ensure that the system is responsive. She added that niche qualifications will be protected.

3.5 On the new Employer Ownership Fund, Martin Doel stated that hard measures of value and success need to be put in place during the transition from the Employer Ownership Pilots to mainstream delivery. Michael Davis commented that the approach for the second round of the Employer Ownership Pilots had focused on economic benefits and not just on qualifications and success rates, which would demonstrate impact.

3.6 Ian Forward asked about non-regulated provision which had not featured in the recent announcement. KT responded that the Agency was working to list all provision in the new funding system with the appropriate funding rate. There are different delivery models with varying rates, so distance travelled and value added measures were being looked at.

3.7 Martin Doel mentioned the enhanced role of LEPs and how there was a need for the Agency to have clear responsibilities going forward, rather than another layer of decision making. Mark Farrar mentioned that the Audit and Risk Committee had recently discussed the need for the Agency to have clear responsibilities for some of the programmes it was involved in.

3.8 Kim Thorneywork updated the Board on the Business Plan following the draft version of the top-level plan that was circulated at the last meeting. The final version of this document had been circulated with the papers for this meeting and this document will be published on the Agency website later in the week. There is a more detailed plan that sits behind this which is used by teams and staff in the Agency.

4. Skills Funding Agency Business Plan 2013-14

4.1 At the last meeting the Board had received presentations from three of the Agency EMT members and the Chair stated that at today's meeting, members will receive an update on the remaining divisions. Each will set out their objectives, priorities, KPIs and challenges, as with the inputs last time.

4.2 Julie Robson and Marinos Paphitis gave an update on the Provider Management and Growth Divisions as they had some shared responsibilities, as well as specific areas that they led on individually. Julie explained that both she and Marinos managed the relationships with the provider base with Julie overseeing the midlands and the north of the country and Marinos covering the south. Julie also manages the National Careers Service (NCS) which is an independent and impartial service delivered through face-to-face, telephone and online routes which is being re-procured from next year and leads on localism. Marinos manages capital funding as well as the Agency's role on strategic intervention.

4.3 Both Julie and Marinos went through their objectives and KPIs for each of their areas and ended on the challenges for the year ahead. These included

working in the context of freedoms and flexibilities when there are changing and multiple demands as well as ensuring delivery and meeting local priorities. Marinos also commented on the need to ensure early provider risk identification and effective joint working on intervention with the new FE Commissioner.

4.4 Joe Vinson offered assistance from the NUS to provide the user perspective on the NCS. Julie welcomed this as it would be helpful to add to the existing learner survey activity and the use of mystery shoppers.

4.5 Stewart Segal stated that transparency was needed regarding performance management of funds in-year to avoid any problems.

4.6 Martin Doel mentioned the pilots in three LEP areas and how outcome based payments might be an appropriate approach, however operationalising this would be harder to achieve. Julie responded that the detail of this was not yet known but options were being considered.

4.7 Richard Field gave an overview of the priorities of the Information Management Services Division which included the delivery of IT enabled change and policy delivery programmes and projects, as well as the operation of IT and information services to the Agency and the Education Funding Agency. The division also supported business applications for various aspects of the Agency's delivery including funding, contract management, NCS and Apprenticeships; as well as wider sector facing services such as the Learning Records Service.

4.8 Some of the key strategies that supported the work of the division are the Government's Digital by Default Strategy as well as the Open Data strategy championed by Matthew Hancock. Richard also described the likely fit of the Agency to the NAO maturity model for the management of systems which is significantly advanced and probably around level 4. In terms of challenges, he mentioned the ICT supply chain transformation as the Agency will be one of the first in government to fully align with the Cabinet Office digital delivery and supplier strategies and the use of cloud technologies. Another challenge this year is the delivery of simplified funding and data collection systems.

4.9 Ian Forward asked about 'future proofing' of any system changes and Richard stated that, for example, the new data collection and funding system was being developed using rule based technology which would be more resilient to future policy changes. On data, Martin Doel commented that DfE/ EFA gathered different data sets and that protocols were needed across both DfE and BIS.

4.10 Mark Farrar thanked the three Directors for their presentations and the Board agreed the inputs at both this and the last Board meeting had been helpful for members to understand how the organisation worked.

5 Any Other Business

5.1 There was no other business and the meeting drew to a close.

List of attendees at Skills Funding Agency Advisory Board Meeting
10 July 2013

Members:

Michael Davies	UKCES
Martin Doel	AOC
Mark Farrar	Independent
Ian Forward	Kent County Council rep. LEA FEA
Sue Husband	McDonalds rep. CBI
Stewart Segal	AELP
Kim Thorneywork	Skills Funding Agency
Joe Vinson	NUS
Tim Ward	Learning Curve rep. TSNLA

In Attendance:

Richard Field	Skills Funding Agency
Priya Gossain	Skills Funding Agency
Marinos Paphitis	Skills Funding Agency
Julie Robson	Skills Funding Agency

Apologies:

Derrick Anderson	Lambeth Borough Council
Prof Ruth Farwell	Bucks New University
Jon Graham	CIPFA
John Longworth	BCC
Ian Pryce	Bedford College rep. 157 Group
Rachel Sandby Thomas	BIS
Rob Wall	CBI
Les Walton	Northern Education rep. EFA
Tom Wilson	TUC