



**Date** 19 February 2013  
**Subject** Skills Funding Agency Advisory Board  
**Attendees** As per Annex

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## **1. Welcome and Introductions**

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

1.2 Mark Farrar welcomed Tom Wilson from the TUC, who was attending his first meeting of the Board, replacing Frances O'Grady.

## **2. Minutes and matters arising**

2.1 The minutes of the last meeting held on 14 November 2012 were agreed and these would now be published on the Agency's website.

2.2 Mark Farrar mentioned that the governance and accountability diagram requested at the last meeting (paragraph 3.3 of the minutes) had been circulated with the papers for the meeting. Kim Thorneywork commented that the dual lines of accountability from the Chief Executive to Ministers and to the BIS Permanent Secretary was similar to other government organisations. Susan Pember added that the Minister, Matthew Hancock had dual accountability to DfE which reflected the funding for 16-18 Apprenticeships.

## **3. Update from the Chief Executive.**

3.1 Kim Thorneywork updated the Board on the recruitment of an independent Chair for the Board following the discussion at the last meeting. The role outline had been developed, as well as revised terms of reference, and these were with the Cabinet Office for comment, and would then go to the Minister. The position would be advertised on the BIS website and the recruitment process would take place. Once the appointment had been made, the Board membership would be repositioned and strengthened to provide both an advisory and challenge function so the constituency of the Board reflected the new role. The intention going forward is that the Board will provide support and challenge on both the business operations of the Agency, and on the delivery of the priorities set by the Secretary of State.

3.2 Kim confirmed that the Agency already had an Advisory Forum which had a large representation from sector groups and it was important that the Board did not

duplicate this in terms of engagement with the sector. Susan agreed and added that there was already a FE Ministerial Advisory Panel, which was there to give advice to the Minister on policy, whereas the Board was to oversee the delivery of the annual funding letter by the Agency.

3.3 Kim Thorneywork gave an overview of the draft strategic objectives and key performance indicators (KPIs) which were being developed as part of the business planning process. She asked the Board to consider how the organisation defines its success rather than focus on the performance of the sector. The Agency needs KPIs which it can be held accountable for, rather than what the sector delivers. The Board were also reminded of the themes for the Agency which Kim had presented to the Board last September which were aimed to bring about a cultural change for staff in the way the organisation delivers its priorities.

3.4 Kim commented that the Secretary of State had written to her revoking the Apprenticeship direction and the Chief Executive of the Skills Funding Agency would be accountable for Apprenticeship delivery from 1 April 2013. National Apprenticeship Service (NAS) colleagues would become part of the organisation as a division of the Agency, but the external facing service would continue working with employers. The Board commented that the NAS and the Agency had different type of customers and these would need to be defined, as well as the role of the 'service' aspect of NAS.

3.5 The Board made the following comments

- The KPIs could be separated into categories for short term change and those which are longer-term or recurring.
- The themes, objectives and KPIs need to be embedded internally by teams and individuals.
- Focus should be made on the positives and where things are working well.
- In terms of the provider aspects, performance is intertwined with quality.
- The Agency has a role in overseeing the provider base so KPIs could cover the health of the sector, quality of delivery and value for money.
- Some KPIs are internal whereas others are sector focused. A scorecard could be used to show any possible gaps.
- Any mid year changes need to be accommodated if there are any Ministerial policy changes to be delivered.
- Transparency is important as well flexibility when setting the strategy
- Performance against KPIs will need to be measured by the Board as part of its new challenge and support role.
- It would be helpful to have presentations from the Agency executive team on their divisional business plans.
- The Board will be productive and focused if it considers the KPIs and how the Agency discharges its duties.

3.6 Kim thanked the Board for the comments and would provide an update at the next meeting.

#### **4. Skills Strategy Refresh**

4.1 Keith Smith gave an overview of the forthcoming Skills Strategy Refresh which was due to be published by BIS in March and would include a consultation on the Richard Review. Susan Pember commented that the Government was not planning to change the published Skills Strategy, but the Minister was looking to refresh and respond this following recent reviews, including Heseltine, Richard and Lingfield.

4.2 Keith explained that the document would have four aspects: Standards, Qualifications, Apprenticeships and Traineeships and he gave a brief overview of the first two areas.

4.3 In terms of responsiveness of qualifications, Martin Doel stated that it was inherently complex to meet all customer needs. Tom Wilson commented on the tension in terms of gaining a qualification for the sake of it, and the acquisition of skills by individuals. Susan responded that the skills strategy aimed to ensure individuals have the skills to get on in life and that there are qualifications to measure this which are easy to understand.

4.4 In terms of the Heseltine report and the delivery of skills locally, Kim was encouraged to see that some LEPs were working with the FE sector but this was not happening uniformly across the country. It was important to maintain this approach which was starting to make an impact but she acknowledged that it would take time.

4.5 Jaine Bolton gave a short presentation on the remaining two aspects of the skills strategy and also confirmed the direction of the future Apprenticeship programme. The Government would respond to the Richard Review as part of the Skills Strategy Refresh and implementation would follow after this.

4.6 On traineeships, a commitment to the programme would feature in the Skills Strategy refresh document. The Government consultation ended in early February and the specification is due out in the spring with delivery to commence in the next academic year.

4.7 On the concept of traineeships, the Board made the following comments:

- Moving from small scale to large quickly was good, but there was concern that if only outstanding providers were to be the early adopters, this could result in patchy provision.
- There is lot of good practice in place and current innovation needs to be accommodated.
- There is an issue over a clear brand versus responsiveness, so a core framework is needed with flexibility around the edges.
- The quality of employer engagement makes a real difference and there is a need to tailor the traineeship around the individual.
- Strong employer engagement through work experience and guarantee of an offer of an interview is important.

- The guarantee of an offer for an interview can mean different things according to the sector, so need to ensure clarity of expectations for individuals going through the programme.

4.8 Kim thanked the Board for their comments and commented that it was important for members to give their views on the implementation of new policy and the implications for the Agency.

## **5 Any Other Business**

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

**List of attendees at the Skills Funding Agency Advisory Board meeting  
held on 19 February 2013**

**Members:**

Michael Davies	UKCES
Martin Doel	AOC
Mark Farrar	Construction Skills
Ian Forward	Kent County Council/ LEAFEA
Jon Graham	CIPFA
Kim Thorneywork	Skills Funding Agency
Tom Wilson	TUC

**In Attendance:**

Paul Warner	AELP
Keith Smith	Skills Funding Agency
Priya Gossain	Skills Funding Agency
Susan Pember	BIS
Jaine Bolton	National Apprenticeship Service

**Apologies:**

Derrick Anderson	Lambeth Borough Council
Neil Couling	Jobcentre Plus
Prof Ruth Farwell	Bucks New University
James Fothergill	CBI
Graham Hoyle	AELP
Sue Husband	McDonalds
Toni Pearce	NUS
Ian Pryce	Bedford College/ 157 Group
Rachel Sandby Thomas	BIS
Les Walton	EFA
Tim Ward	Learning Curve/ TSNLA
John Longworth	BCC