



Date Thursday 27 February 2014
Subject Skills Funding Agency Advisory Board
Attendees As per Annex

1. Welcome and Introductions

- 1.1 Paul Drechsler welcomed Board members to the meeting.
- 1.2 The Chairman congratulated Sue Husband on her recent appointment as the Agency's Director of Apprenticeships and Delivery Service. Sue informed the Board that she was pleased to have been offered the role and that although a start date was yet to be agreed she was looking forward to joining the Executive Team in the coming months.

2. Minutes and matters arising

- 2.1 The minutes of the last meeting, held on 3 December 2013, were agreed. These would now be published on the Agency's website. The Board noted the updates outlined in the action log.
- 2.2 There were no matters arising.

3. The Agency Story

- 3.1 Barbara Spicer introduced the 'Agency Story'. This short document, written by a group of Deputy Directors, sets out what the Agency is here to do; how we want to do it; and the reasons for change. The Board noted that staff members had provided their comments through the Staff Consultative Committee and that the final version would be included in the 2014-15 Business Plan.
- 3.2 The Board welcomed the document and the way it clearly set out the Agency's purpose. The Board discussed the 'story' and provided comments. In particular, it was agreed that the 'story' should reflect that the Agency does more than simply convert government policy into practice. Namely, that the Agency provides policymakers with valuable advice on how government policy has affected the provider base in practice and

reflects back any lessons learned that can be applied to future policymaking.

- 3.3 It was also agreed that the 'story' should give an indication of what success looks like for the Agency.
- 3.4 Board members were invited to provide any additional comments to Barbara Spicer via email within a week of the meeting.

4. Reform Programme

- 4.1 Barbara Spicer provided Board members with an update on the Agency's Reform programme. It was noted that the new structure and staffing numbers had been published internally on 3 February 2014 and that the recruitment stage was in progress. The Board noted that, so far, all of the milestones had been met successfully and that it was expected that the new structure would be in place by the end of June.
- 4.2 Paul McGuire informed Board members that the Reform Programme would lead to an overall reduction in headcount of 32%, compared to the beginning of the financial year, leading to a more balanced organisation that reflects our business priorities. The Board noted that after this reorganisation, the size of the Agency in terms of headcount will be less than half compared to when Agency was formed in April 2010. The Board further noted that since April 2010 the number of Agency premises will have fallen from 29 down to six.
- 4.3 Barbara informed the Board that programme was being managed robustly with strict project management principles. The Executive Management Team (EMT) were regularly reviewing and maintaining a risk register for the project and the Internal Audit Team would continue work to provide assurance throughout the transition.

5 Business Plan for 2014-15

- 5.1 Barbara presented the Board with the first draft of the Business Plan for 2014-15. It was noted that this plan will reflect the new organisation structure, ethos and ways of working. The plan had been drafted by Deputy Directors, taking into consideration comments made by the Board at the previous meeting.
- 5.2 The Board noted that the Skills Funding Statement was published later than usual and we are currently awaiting the Funding Letter from Secretary of State which will set out the detailed priorities and budget for the Agency in the year ahead. The business plan for 2014-15 will be populated with key objectives and key performance indicators (KPIs) and aligned with these

priorities. The Board advised that the KPIs should feed into the strategic objectives and should be measurable.

- 5.3 Barbara invited the Board to provide feedback for the revised vision, mission and themes contained within the draft plan. Regarding the Agency themes, the Board commented that the plan should be more specific in terms of activity undertaken by the Agency to promote learning, perhaps by making a reference to the activities undertaken by the NAS and the NCS. It was also suggested that the themes may want to make a reference to the Agency's aim of procuring the best education for every pound of funding for the sector.
- 5.4 The Board also discussed the strategic objectives. The following points were noted:
- Rephrase point 4 to say that the Agency will work to drive national growth by responding to local needs.
 - Some of the objectives referred to 'FE' and others it referred to 'FE and skills'. The Board suggested consistency in language.
 - Rephrase point 6 to illustrate the significance of 'one agency' (i.e. that the Agency aims to create a single culture for the organisation).
- 5.5 Board members were invited to provide any additional comments to Barbara Spicer via email.

6. Performance and Risk Report

- 6.1 Barbara introduced the Performance and Risk Report and informed the Board of the work currently underway to simplify and strengthen the way in which performance is monitored and risks are managed. Going forward, it was noted that the document will be circulated to the Board for information, to provide a short overview of the Agency's performance against the business plan, the current financial position and also outline the biggest risks associated with the Agency's work.
- 6.2 The Board welcomed the refreshed report and the move towards a more simplified process for managing risks and monitoring performance.
- 6.3 The risks outlined in the risk summary were noted. In particular, the Board discussed the challenge of maintaining and growing the number of traineeships taken up by young people. Whilst a specific target had not been set, the Board advised that BIS may need to look again at the product.
- 6.4 Mark Farrar commented that the Audit and Risk Committee would want to look in particular at the impact of the reform and reorganisation work on the day to day business of the Agency across each Division.

7. Role of the Advisory Board

- 7.1 Paul Drechsler introduced the draft terms of reference which had been revised given the recent changes to the Board and the Agency's move towards becoming a formal executive agency of BIS.
- 7.2 Board members discussed the paper. The following points were noted:
- Barbara stated that the EMT's main ask of the Board is to seek support, advice and challenge on the biggest issues affecting the Agency's business.
 - Jon Graham suggested that the remit and role of the Board is tested against the CIPFA code of good governance.
 - In terms of the role of the Board, the third bullet point under the 'purpose' section should be reworded to say the Board will advise the Agency on how to improve productivity and remove the reference to 'reducing bureaucracy'.
- 7.3 With those comments taken into consideration, Board members agreed that the terms of reference accurately captured the role and purpose of the Board.
- 7.4 Board members considered the membership of Board. Members agreed that they were representing themselves and that their views were based on their own experience of the sector, rather than necessarily representing the specific views of organisations or sectors they work for.
- 7.5 In terms of membership going forward, the Board suggested that representation from a large employer, a young person or a similar Agency in a different sector may add some fresh knowledge and a new perspective.
- 7.6 As per the recommendation in the National Careers Council Report, it was also agreed that the Board needed to take up the recommendations about more clearly supporting the role of the National Careers Service. This may include a Board member with a specific interest in careers. The Chairman agreed to take that up specifically with the Chief Executive.

ACTION 04: Paul Drechsler and Barbara Spicer to discuss National Careers Council Report recommendations and next steps.

- 7.7 As discussed at the last meeting, Mark Farrar suggested that there needed to be greater clarity regarding outputs from of the Audit and Risk Committee and its relationship with the Advisory Board. It was noted that this would be discussed further as part of the Audit and Risk Committee's review of its effectiveness at its next meeting.

8. Any other business

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

List of attendees at Skills Funding Agency Advisory Board Meeting
27 February 2014

Members:

Paul Drechsler (Chair)	Teach First
Barbara Spicer	Skills Funding Agency
Ian Pryce	Bedford College/ 157 Group
Jon Graham	CIPFA
Mark Farrar	Association of Accounting Technicians
Martin Doel	AOC
Sue Husband	McDonalds
Prof Ruth Farwell	Bucks New University
Stewart Segal	AELP
Tim Ward	Learning Curve/ TSNLA
Tom Wilson	TUC/ Union Learn

In Attendance:

Keith Smith	Skills Funding Agency
Kiran Virdee	Skills Funding Agency
Paul McGuire	Skills Funding Agency

Apologies:

Joe Vinson	NUS
Les Walton	EFA
Rachel Sandby Thomas	BIS
Rob Wall	CBI
Michael Davis	UKCES