

Minutes

Date Subject Security classification	14 December 2017 ESFA Management Board OFFICIAL FOR PUBLICATION
Present	Members: Ian Ferguson (chair) Karen Dukes Ian Hickman Nigel Johnson Mark Sanders
	In attendance: Eileen Milner Matthew Atkinson Béatrice Lightfoot Sue Husband Rebecca Loveday Peter Mucklow Mike Pettifer Keith Smith Paul Baker Sarah Whitehead
	Heather DiMarco (secretariat) Natasha Atkinson (notes)
Apologies	Julian Wood

1. Welcome and introductions (lan Ferguson)

1.1. Members agreed the Management Board Terms of Reference that had been circulated following the last meeting.

Chief Executive introductory update (Eileen Milner)

1.2. Eileen Milner shared her first impressions of the ESFA; noting it was a generally strong well functioning organisation with high levels of capability, and commitment evident within its staff.

2. ESFA Management Board Responsibilities (lan Ferguson)

2.1. There was a short discussion about the most appropriate person to be Deputy Chair and it was agreed that Mark Sanders as Chair of the Audit & Risk Committee be appointed.

Action: The Board confirmed the Deputy Chair as Mark Sanders

2.2. Rebecca Loveday presented a paper: 'ESFA Management Board, Nonexecutive member specific responsibilities', which outlined an alignment of individual Board Member responsibilities to ESFA business areas and objectives. Members were asked to agree areas of alignment.

Action: Board member alignment with the following areas was confirmed:

Board Member Mark Sanders	Specialisms related to Business Plan objectives Objective 1 (revenue funding), and Objective 2 (funding calculations and information)
lan Hickman	Objective 3 (capital)
Nigel Johnson	Objectives 4 (apprenticeships) and 5 (learners and employers)
Karen Dukes	Objectives 6 (financial assurance) and 7 (financial health)

3. ESFA Performance Update

- 3.1. Board members were asked to review the ESFA performance and risk report summary.
- 3.2. Sue Husband noted there had been significant reforms of apprenticeships, driving up quality and making them more employer-led, along with the continued commitment to achieving 3 million apprenticeship starts this Parliament.
- 3.3. The drop in starts from April, when the apprenticeship levy was introduced, was recovering in terms of commitments from employers on greater numbers of starts that were likely to appear in coming months.
- 3.4. A question was raised about progress with the the higher apprenticeships Standards for Master of Business Administration qualifications (MBAs).

Action: Establish the progress the Institute for Apprenticeships is making regarding approval of the MBA Standards.

- 3.5. Keith Smith noted contracts to support non-levy paying employers had now been reprocured. Once the standstill period was concluded, contracts would be issued.
- 3.6. The volume of new providers wanting to join the marketplace was noted.
- 3.7. Learndirect is the biggest provider with an inadequate rating by Ofsted. The recent National Audit Office Report on Learndirect was discussed and acommitment to ensuring that all key lessons were acted upon was provided.

Action: National Audit Office (NAO) Report on Learndirect to be circulated to Board Members.

- 3.8. The Public Accounts Committee will look at Learndirect in mid-January. Peter Lauener will attend.
- 3.9. The differing responsibilities of Ofsted and the ESFA were discussed.

- 3.10. Some colleges that were in financial difficulties in 2016 are now in a more robust position.
- 3.11. Mike Pettifer reinforced the importance of the National Funding Formula, which will focus on the distribution of funding being shared more evenly across the system.

4. ESFA Risk Management Framework, including risk appetite (Rebecca Loveday)

- 4.1. Rebecca Loveday presented the proposed approach for the Risk Management Framework, which dovetails with work taking place across the Department. It also includes the following amendments to reflect the nature of the ESFA's particular risks:
 - The introduction of a defined statement of risk appetite for the ESFA.
 - A defined risk escalation process within the ESFA's governance structure and to the department.
 - Information on the ESFA risk assurance structure.
 - Recognition of separate processes that exist for managing provider risk.
- 4.2. Board members supported the methods set out in the paper, commenting on their helpful approach. Some further work to establish the steps taken to provide assurance and to detail the sources of that assurance were requested.

Action: Rebecca Loveday to work across the ESFA to update the risk appetite ratings.

Action: Non-Executive Directors to send any comments to Rebecca Loveday for inclusion in the paper

5. Business Planning (Sarah Whitehead)

5.1 The Committee noted progress on business planning and in particular the requirements to ensure investment in new IT and digital systems to support ESFA's work.

6. ESFA People Agenda (Sue Husband)

- 6.1. Sue Husband shared the results of the Civil Service People Survey and related these to finding emerging through the ESFA change programme.
- 6.2. The ESFA was widely recognised as having a professional and committed workforce, driven to deliver.
- 6.3. Headline results from the People Survey were generally positive with goodscores for engagement, leadership and change.
- 6.4. The Board were asked to comment and make recommendations, which will support the review of the People Programme and the People Plan.

Action: Sue Husband to share the action plan by 31 January 2018

7. Any Other Business

7.1. There was no further business discussed.