

Board Meeting

15/08/2018 10:00 - 14:00

Attendees Bob Smith, Connie Nielson, Dawn Smith, Edward Arroyo, Fatima Campbell, Kara Martinez, Liam Pettit, Ulrik Merrild, Will Baker

Location Boardroom

1. CALL TO ORDER

10:00-10:50

1.1. WELCOME

Description

The Chair announces the official start of the meeting and makes welcoming announcements

Discussion

The Acting Chair welcomed the Board members to the meeting.

Declaration of conflicts / recusals

There were no declarations of conflicts or recusals in relation to the meeting agenda.

Gifts and hospitality

There were no declarations of gifts or hospitality offered or accepted in relation to Board members

1.2. ROLL CALL

Description

The Chair reviews the list of attendees and guests

Discussion

Apologies

- Dawn Smith, Finance Controller
- Will Baker, Chief Financial Officer

2. APPROVAL OF LAST MEETING MINUTES

09:50-10:05

Description

Minutes from the last meeting are read aloud. Any objections made or changes requested by the group are noted as potential changes.

🔗 Approval of past meeting minutes

Participants:	Yes: 7 (100%)	No: 0 (0%)
Bob Smith	✓	
Connie Nielson	✓	
Fatima Campbell	✓	
Kara Martinez	✓	
Liam Pettit	✓	
Ulrik Merrild	✓	
Will Baker	✓	

🔗 Decision

The Board approved the April 2018 Board minutes.

The Board also reviewed the recent Executive Committee (XCo) minutes from 9 and 18 April, the Case and Policy Committee (CPC) minutes from 14 March and 18 April, and the Audit and Risk Assurance Committee (ARAC) minutes from 27 March 2018.

3. REPORTS AND OPERATIONAL MATTERS

10:05-12:05

Description

Each member gives a small report of what had happened in their department/ committee since that last time a board meeting was held.

3.1. REPORT OF THE PRESIDENT /CEO

Discussion

The Chief Executive updated the Board on major news items and provided an overview of existing work.

Dawn Smith

Update on the Ministerial letter of 8th February which concluded the review of the ETF and then invited trustees to share queries and observations. The Board discussed the benefits of multi-year funding and the content and tone of the Minister's letter.

Fatima Campbell

Future Apprenticeships programme ending and questioned whether this could be seen as AAF not adhering to what it was set up to do.

Dawn Smith

I expressed a very clear view that the cessation of funding for this area was unwise and very disappointing. I confirmed that we will continue to provide support for the ITPs and others delivering apprenticeships and had as a very high priority pursuing further support in this area. It was emphasised by trustees that it needed to continue to focus on support for the whole of the training sector, which the Training Needs Analysis will assist with.

Discussion

The Board thanked the CEO for this presentation.

3.2. REPORT OF THE HEAD ACCOUNTANT /CFO

Kara Martinez

The Board received the draft 2018-19 budget, introduced by the Chair of the Finance & Resources (F&R) Committee. The F&R Committee had reviewed the budget in detail and recommended it to the Board. The Director of F&R confirmed that 2018-19 would be a year of transformation and change. The Board noted that top line income was down 37% at £16.5m, reflecting the grants were not being continued after March 2018.

Connie Nielson

The budget showed a £179k deficit for 2018-19 because, in line with agreed budgeting guidelines, until additional bid income is won it will not recover all its fixed overhead. We had invested reserves in various programmes in 2017-18 and the budget reflected that it might be necessary to invest in 18-19 to secure commercial growth. The Board discussed whether it would be better to set Business Development an income target, albeit offset by a contingency line elsewhere.

Discussion

The Board questioned the modest level of spending classified as 'communications'. The Director of F&R reassured members that communications activity in the broadest sense was financed through a number of lines, including the value AAD receives from being rooted in the sector.

The Board suggested how it might put a value on that support. The Government restrictions on communication spend from grant were noted. The Board questioned what support AAD would provide for apprenticeships. The Executive assured the Board that AAD would continue workforce support around apprenticeships. He recommended against deploying the reserves on one-off short-term extension to any programme. The Board has previously established guidelines that reserves should only be used for investment and not to support the delivery of specific programmes.

Board approval of draft budget for 2018-19

Participants:	Yes: 5 (71%)	No: 2 (29%)
Bob Smith	✓	
Connie Nielson		✗
Edward Arroyo	✓	
Fatima Campbell		✗
Kara Martinez	✓	
Liam Pettit	✓	
Ulrik Merrild	✓	

Decision

The Board approved the draft budget for 2018-19

3.3. REPORT OF THE SECRETARY /COO

Bob Smith

Reminder to all Directors that they have a duty to avoid a situation in which they have, or may have, a conflict of interest with those of the company. This requirement is very broad and such a situation could arise where a director is a major shareholder in the company; where a director owes duties to different entities within a group; or has cross directorships with a supplier or customer of the company

Decision

There was nothing to report

4. OTHER BUSINESS

12:05-12:45

Description

Usually open to the floor for items that were not in the agenda but came up during the meeting

Discussion

The CEO provided an overview its current position, and gave updates of other business. The Board noted that it had secured a new annual grant of £13.6m from the government. The CEO noted that the equivalent starting point last year had been £0.9m higher. He explained that various elements of the grant were higher or lower this year, but that the net reduction was accounted for by the ending of the £1.5m programme.

Appointment of the external auditor

The Chair of the Audit and Performance Committee outlined the external audit tender process. The Board noted that the tender specification was published and nine responses were received. The shortlisted four audit companies were interviewed on Fri 16 Feb. The Chair of the A&P Committee confirmed that following full deliberation, considering the tender submission, interview performance

Decision

The Board agreed to recommend the appointment of external auditor for 2018- 19 to the Founding Members.

The Board agreed to keep its decision confidential until it had been communicated to the incumbent audit company.

5. ADJOURNMENT

12:45-13:00

Description

Time of next meeting is also announced

Tasks Summary

Task	Due Date	Owner	Project	Completion	Priority
Formalise the approved draft budget and distribute to stakeholders	31/08/2018	Will Baker		0%	*****