

**MINUTES OF THE TENTH MEETING OF SVUK BOARD HELD AT 36 PARK
ROW, LEEDS, LS1 5JL ON THURSDAY 3 JANUARY 2008**

Present

Professor Derek Fraser (Chair)
Mike Allmond, Director
Sue Brown, Director

Also present:

David Hunter, Chief Executive of Lifelong Learning UK
Susan Edge, Chief Officer, SVUK
John Coke, Interim Executive Director Finance, Corporate Services and Human Resources, LLUK
Jacqueline Turner, Interim Finance Director, LLUK
John Clark, Verification Services Manager, SVUK
Mary Corbally, Standards Verification Manager, SVUK

Agenda item 1: Apologies

1. Apologies were received from Sara Mogel, Director

Agenda item 2: Minutes of meeting held 30th October 2007, London

2. The minutes were approved as an accurate record.

Agenda item 3: Matters arising

Paragraph 9 of previous minutes: 5th Board Member

5. Chair's Report – The 5th board member identified at the previous board meeting, Steve Drowley who is employed by University of Wales Institute Cardiff (UWIC) has now accepted the position following approval from his senior management. Details of the appointment need to be submitted to Companies House.

ACTION: COMPANY SECRETARY

6th Board Member – The Nominations Committee to be approached for suitable recommendations.

ACTION: CHIEF OFFICER/COMPANY SECRETARY

Paragraph 10 of previous minutes: Update from David Hunter

6. Update provided at Agenda item 5

Paragraph 11 of previous minutes: Committees

7. Update provided at Agenda item 7

Paragraph 14 of previous minutes: Appeals

8. Update provided at Agenda item 8 (paper 04/08)

Paragraph 16 of previous minutes: Risk Register

9. Update to be provided at 11 April 08 Board Meeting

Paragraph 29 of previous minutes: SVUK Conference

10. The SVUK annual conference on 7th December gave 130 delegates, including teacher educators and trainer trainers, together with other sector stakeholders, an opportunity to be updated on key developments in implementing the ITT reform agenda in England.

They were addressed by keynote speakers Sir David Melville, CBE (LLUK) and Toni Fazaeli (DIUS) prior to being offered a choice of seven workshops.

First analysis of the evaluations received from the delegates show a rating of above average for the event. The next annual conference is being planned for 5th December 08

Agenda item 4: Declarations of interest

11. There were no relevant declarations of interest for this meeting.

Agenda item 5: LLUK Update – David Hunter

12. The Chief Executive of LLUK provided a detailed summary to the Board of the changes and restructuring required for Business Transformation in order to support re licensing and LLUK's role in the post Leitch agenda. LLUK had seen rapid growth in the past recent year in terms of both funding and staffing. F&GP Committee has agreed to 22 additional posts under Business Transformation.

The role of the Chief Officer representing the organisation is appreciated by LLUK and the Chief Executive was determined that SVUK should receive suitable and adequate support throughout the transition.

There have been some changes to LLUK's funding route in England which is moving from project driven to a situation closer to grant aided which should enable the organisation to plan more effectively..

The growth of LLUK could lead to opportunities for SVUK on a commercial basis e.g. the SVUK Quality Mark scheme.

Agenda item 6: Chair's Report and Business

13. 5th Board Member – Following the previous Board Meeting; Steve Drowley has now been approved by the Board.

14. Guild HE Annual Dinner – Chair advised he had been invited to attend this event as one of a very limited number of selected guests and Chair felt this was indicative of the influence of SVUK work within the sector.

15. Disapplication of SVUK Financial Regulations – The Chair explained that temporary arrangements were approved under chair's action for financial transactions to enable continued payments at appropriate signatory levels. Authorised transactions were scrutinised by Chair to ensure that suitable financial controls and due diligence had been exercised and that the appropriate levels of authorisation for these payments have been provided.

Agenda item 7: Board Members Report

16. F&GP Committee – Sue Brown reported that the F&GP committee had met on 6 December 07 and advised that 22 LLUK posts had been approved under Business Transformation, which was the maximum which could be comfortably trained, inducted and placed. It has also been recognised that in line with the significant growth over the period that financial controls need to be in place to match the growth.

Agenda item 8: Chief Officer's report of activities since the last Board

17. The Chief Officer introduced paper 01/08 Narrative Progress Report (November – December 07) and the Board received and accepted the report. In the discussion, the following points were also made:

2.1.4 SVUK is still working with DIUS to agree the definition of acceptable teaching practice for endorsed qualifications which is important as LSC funding goes wider. This may provide opportunity for the Quality Mark for programmes falling outside this definition.

2.2.1 There is no longer parity in England and Wales in the requirements for new teachers to FE. The implications of awarding institutions providing qualifications leading to the requirements of different administrations, needs discussion in a UK wide forum.

2.3.1 DIUS have now provided confirmation that monies not required to complete the processing of applications under the old PRLS scheme under spend can be vired across to GPRLS for the Skills for Life pathway.

18. The Chief Officer introduced the updated Progress against the Business Plan (paper 03/08) and the Board received and accepted the report. There has been limited movement since the October Board.

19. The Chief Officer introduced the Business Focus 2008-2009 (paper 02/08) and the Board received and accepted the submission. The paper was commercial and in confidence.

20. The Chief Officer introduced the Revised Appeals process (paper 04/08) and the Board received and adopted the revised procedures.

Appendix A to Paper 04/08

The Board approved the use of a pool of chairs for appeals panels and this will now form a single pool including the Board Members. The Chair for the appeals panel will be selected from this combined pool based on availability.

Agenda item 9: Financial Reports

21. The Interim Finance Director introduced paper 05/08 Financial Report (November – December 07) and the Board received and accepted the report. In the discussion, the following points were also made:

At an operational level, SVUK Finances are likely to be in a stable state. However at a Group level there are issues concerning project accounting and deferred income which remain unresolved and for which advice is being sought.

22. The board noted and accepted the balance sheet paper 07/08 for 31 October 07.

23. The board noted and accepted the income & expenditure paper 07/08 year to October 07. In the discussion, the following point was made:
Income and expenditure forecasting needs to be rigorous and show an understanding of the exact nature of contracts. The Interim Finance Director will be looking at the contract management in detail to resolve this.

ACTION: INTERIM FINANCE DIRECTOR

24. The Interim Executive Director Finance, Corporate Services and Human Resources introduced paper 09/08 Financial issues and the Board received and accepted the submission. In the discussion, the following points were also made including actions arising from the previous Board Meeting:

2. SVUK VAT Status – Work has been commissioned externally to investigate the position.

ACTION: INTERIM EXECUTIVE DIRECTOR FINANCE, CORPORATE SERVICES AND HUMAN RESOURCES

4. Reserve Policy – With respect to the likelihood of Corporation Tax and decisions concerning gift aid, specialist advice needs to be sought regarding the options available to the Group before a reserves strategy can be formulated.

4.1 SVUK's tax status will need to be determined

4.2 The proposal needs to be submitted to F&GP.

The outcome of these points will be reported to the next Board Meeting.

ACTION: INTERIM EXECUTIVE DIRECTOR FINANCE, CORPORATE SERVICES AND HUMAN RESOURCES

It was noted by the Board that this was the 3rd occasion where the Gift Aid resolution was submitted as an emergency measure. The Board felt it would be helpful to have a Reserve policy and sufficient time to make a resolution.

As the Gift aid payment is made in the following year, the Audit committee needs to be apprised that there is a potential for SVUK's financial accounts to show a loss should SVUK not be in a position to increase profits year on year.

ACTION: INTERIM EXECUTIVE DIRECTOR FINANCE, CORPORATE SERVICES AND HUMAN RESOURCES

5. Contract Accounting – The Interim Finance Director will lead on developing the Contract Accounting until March 08. The nature of SVUK's contracts should then be confirmed.

ACTION: INTERIM FINANCE DIRECTOR

6. Service Level Agreement – This needs to be developed and key elements need to be investigated and submitted to both the SVUK and LLUK Boards. Real Estate needs to be "Arms Length" and issues such as shared space need to be clarified as a charity cannot be allowed to subsidise a trading company.

ACTION: INTERIM EXECUTIVE DIRECTOR FINANCE, CORPORATE SERVICES AND HUMAN RESOURCES

Agenda item 10: Corporate business

25. The Interim Executive Director Finance, Corporate Services and Human Resources introduced the update on LLUK Group paper 10/08 and the Board accepted the submission. In the discussion that followed, the following points were also made:

26. **Group Pay Banding Review** - The review had been put on hold during Business Transformation and would re-commence this quarter. This is complicating SVUK's bid preparation for 08-09 work.

27. **Employee Forum** - The December forum was not quorate. The Forum needs traction with the workforce so that it can be seen to have an impact.

Resolution for approval of Company Secretary (Paper 11/08)

28. The Interim Executive Director Finance, Corporate Services and Human Resources introduced paper 11/08 – Resolution for approval of Company Secretary and the Board agreed and approved the recommendation.

Agenda item 11: Any other business

29. The Board confirmed the previously circulated Gift Aid Resolution in respect of 2006-07 Taxable profits.

Date and location of next meeting

30. It was agreed that the next SVUK Board Meeting would be held on:

11 April 08 @ 11:00

Location - Chamber of Shipping, Carthusian Street, London

SVUK

January 2008