

Company Registration Number: 08540597

Charity Registration Number: 1153859

THE EDUCATION AND TRAINING FOUNDATION

(Company Limited by Guarantee)

Trustees' Report

and

Financial Statements

For the year ended

31 March 2021

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1. Trustees and Advisors

1.1. Trustees

The Education and Training Foundation (ETF) is governed by a Board of Trustees. Those Trustees who served during the year and up to the date on which this report was approved are as follows:

	Appointed	Re-appointed	Resigned
Mr Z Azam	21 July 2017		11 December 2020
Ms S Dicketts CBE	8 December 2016	13 December 2019	
Mr J Graham	27 March 2019		
Prof P Latchford OBE (Chair)	23 October 2019		
Ms L Leith	11 December 2020		
Mr A McConnell OBE (Finance Chair wef 1 January 2022)	22 July 2019		
Mr G McDonald	11 November 2021		
Ms R Musson (Audit Chair)	13 December 2019		
Ms F Orban	8 June 2016	1 March 2019	
Mr M Ord	18 November 2016	1 March 2019	
Dr S Parrett CBE	11 November 2021		
Mr P Singh	11 December 2020		
Ms R Spellman OBE	27 March 2019		
Mr D Williams	18 November 2016	1 March 2019	21 May 2020

1.2. Officers

CEO: Mr D Russell (appointed 27 January 2014)
Company Secretary: Dr G Hobson (appointed 19 June 2014)

1.3. Registered Office

Education and Training Foundation, 157-197 Buckingham Palace Road, London SW1W 9SP

1.4. Auditor

BDO LLP, 55 Baker Street, London W1U 7EU

1.5. Solicitor

Stone King LLP, Boundary House, 91 Charterhouse Street, London EC1M 6HR

1.6. Bankers

Royal Bank of Scotland, 62-63 Threadneedle Street, London EC2R 8LA
Barclays Bank, 1 Churchill Place, London E14 5HP

Should you have any comment regarding our programmes or the content of this report, please do get in touch with our CEO (david.russell@etfoundation.co.uk). You can find more information about the ETF's Public Benefit and Impact on the website: <https://www.etfoundation.co.uk/governance/documents/>.

2.1.5. Since 2013, the ETF has secured significant public investment in the FE workforce. It has worked in partnership with its Founding Members (the Association of Colleges (AoC) and the Association of Adult Education and Training Organisations (AAETO-HOLEX)) and Member organisations (Natspec; National Union of Students (NUS); the Trades Union Congress (TUC)), and a wide range of bodies and experts to deliver support and development programmes.

2.1.6. An overview of our activity is shown below:



2.2. Overview of our achievements

2.2.1. The ETF believes that the key to improving education and training is to support teachers and their leaders to excel.

2.2.2. Everything the ETF does is in pursuit of our vision of:

- Highly effective, professionally confident teachers and trainers;
- First class leadership of the sector;
- FE as the career of choice for ambitious professionals who wish to make a difference.

2.2.3. To achieve our vision, we pursue five strategic objectives:

1. GROW: the capacity of the sector;
2. LEAD: the sector's own development activities;
3. INFLUENCE: the system's priorities, thinking and behaviour;
4. DEVELOP: the capability of the sector;
5. EVOLVE: the ETF to continually adapt and thrive;

2.2.4. 2020-21 has been a successful year for ETF. The tables below set out an overview of achievements against the objectives and strategic priorities. In addition, throughout this report (and in section 2.8 in particular), detail is provided regarding how the ETF has responded and continues to respond to the Covid-19 pandemic.

2.3. Achievements against our strategic objectives (GLIDE)

Objective
2020-21 (i)-69(T)19p.00

Objective	Priorities 2020-21	Achievements in 2020-21
<p>DEVELOP the capability of the sector</p>	<p>1. Sector sees SET membership as essential and Professional Status is undertaken by majority of teachers</p> <p>2. Striving for Excellence in Sector Teaching and Learning through CPD delivery</p>	<p>1. SET membership ended the year at over 21k members with a very positive renewal rate and growth of around 3%.</p> <p>2. Strong performance across range of ETF development programmes achieving over 100% of delivery targets including Outstanding Teaching Learning and Assessment (OTLA), maths & English, learning technologies, and inclusion and wellbeing.</p>
<p>EVOLVE ETF to continually adapt and thrive</p>	<p>1. Realise the benefits of our organisational change</p>	

2. Enhancing our reputation as an Employer ref354.2ws6p.002 g5.6 470.16 Tm[2.]-1.1 (E)-9.7 (nha)-12.2 (nc)-8 (i)3.1 (n)-12.3

in a range of individual subject areas to review and update some of the resources that are available, for example on Prevent, and maths and English.

- Maths and English: The maths and English offer is delivered through Shaping Success, a CPD pathway with specific targeted courses, and the Regional Specialist Leads, who provide free in-depth advice and guidance and facilitate networking opportunities. Our 'New to ESOL' CPD provided targeted events to address the needs of practitioners.
- Mentoring: A wide range of support provided through activities such as the development of a mentoring guide, the delivery of CPD courses which focused on the provision of high-quality mentoring and career support for teachers, and providing grants for teachers to undertake development opportunities in their own organisations.
- Online Teaching Resources: A series of effective online teaching resources produced for Mentoring, T Levels Professional D

- CEO Mentoring: Support provided to develop the capacity of senior leaders, through alumni events and mentoring. This focused on colleges with financial and other specific challenges and is a popular part of the leadership offer.
- Diversity in Leadership: Programme designed to improve management team decision making through encouraging diversity. It included a Women-in-Leadership programme to support a pipeline of women to senior leadership.
- First line leadership programme (Stepping into Leadership): Programme supported participants recently appointed to management roles. Activities included action learning to support participants overcome specific leadership challenges.
- Leading from the middle: Programme supported middle managers through a range of activity including face-to-face immersive days, bespoke online content, 1:1 mentoring, webinars and focused learning activities to meet the needs of a specific organisational challenge. It included a series of masterclass alumni events for middle managers aspiring to senior leadership.
- New to senior leadership: A new pilot programme enabled newly appointed senior leaders to take up their roles more effectively and forge a cross-sector cadre of leaders. Facilitated through a blend of theory 'bursts', leadership skills development, exploring knowledge and evidence, debate and facilitated group discussions, and learning from leaders, from the FE sector and the wider system.
- Prep for CEO: Programme supported experienced FE leaders who seek to move into the CEO / Principal role to be able to better articulate purpose and set vision and

- SET for Teaching Success: Programme successfully provided a wide range of support for high quality STEM staff. It focused on recruiting and training graduates

and understanding by participating professionals; and community development through engagement with professional networks and collaborative projects. This dynamic dualism has the potential to contribute profound and sustained impact across the sector.

2.4.3. The EATF Degree (BSc) also caters to 65 (29387.2819) 59 (15) 0 (0) 5 (3 (5) BAUT x15 (01.670.28 ETTw TT

development is an articulated theory of change for the ETF's work in this field and longer-term ambitions are to equip the sector to deliver impactful and quality ESD.

2.6. Equity, Diversity and Inclusion

2.6.1. The ETF runs a number of programmes aimed at increasing the diversity of the FE sector by challenging bias and reducing barriers to attaining leadership roles for black, Asian, female and other underrepresented groups. The impact of Black Lives Matter, the Me-Too movement (along with the intersectionality of all underrepresented characteristics, as well as neurodiversity) combined with socio-economic inequalities brought about by Covid-19 highlighted the impact these inequalities have on the experience of staff and students in the post-16 sector. These inequalities risk leading to major differences in the educational success of individuals and may ultimately suppress their social and economic mobility. As a result, the ETF has sought to mitigate this risk by working in partnership with sector organisations to implement short- and long-term strategies geared at encouraging and supporting systemic change in the post 16 sector. Change that places equity and inclusion at the fore in balancing these inequalities.

2.6.2. In 2020-21 the ETF has been working with the AoC and other organisations to identify and share progress that practitioners in FE colleges are making in developing and implementing inclusion and diversity strategies within the curriculum and organisational

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ways of working, sitting alongside the creation and use of common operating systems, policies and procedures.

2.7.2. SHAPE's purpose is to ensure the organisation operates internally as "One ETF" and is recognised and perceived externally as "One ETF" to achieve its strategic priorities. This is achieved through operating in the most efficient and effective way possible to maximise the impact the ETF has, and ensure the sector recognises the full range of support the ETF offers.

2.7.3. Key achievements of SHAPE in 2020-21 included:

- A digital estate review and quick wins exercise to prioritise the medium to long term actions when reviewing and consolidating the ETF's digital estate;
- Considering, developing and testing four career framework prototypes;
- Carrying out external benchmarking in sustainability and

2.8 The ETF's response to Covid-19

2.8.1. As a result of the Covid-19 pandemic and UK Government advice, the ETF's physical office closed on 19 March 2020. In the run up to the office closure, the ETF's Business Continuity Plan was enacted and escalated to Incident Response through March and April 2020. From 19 March 2020, all staff worked from home; no ETF staff were furloughed. The CEO and Governance Director held weekly calls with the Chair and Audit Chair throughout the Incident Response period to ensure the Board kept oversight of the charity's response to the pandemic. In addition, close contact was maintained with the ETF's funders, DfE, throughout the period and the relationship remains positive.

2.8.2. One of the ETF's first responses to the UK lockdown was to review and, where possible, move support for the FE and training workforce online. In most cases it was possible to do so (with the main exception being the OSBS delivered leadership programmes). Delivery across 2020-21 considered the priorities and challenges faced by the sector, the impact on the workforce, and how our support could be tailored to meet these new needs. A campaign called #ETFSupportsFE showcasing the support that the ETF provided during this period was launched along with a range of commissioned bespoke webinars.

2.8.3 Following preparations to establish a 'Covid-secure' workplace, over the summer of 2020, the ETF office partially reopened based on the following criteria:

- the ETF continued to apply Government guidance and advice;
- the activities to be done met the ETF definition of being essential to be undertaken in the office (determined by SMT); and
- the staff member was happy to come into the office.

2.8.4. Further office closures were necessitated as a result of follow up lockdowns. A Covid-19 office risk assessment is published [on the ETF website](#).

2.8.5. Through the period of home working, a package of support was put in place for ETF

2.15.2. Through 2020-21 these governance changes were embedded across the business. We also moved to online meeting arrangements as a result of Covid-19. The Board focused on becoming a 'high performing board' and to improve its diversity, which continues to be a priority.

2.16 Trustee induction and training

2.16.1 New trustees meet with the Chair, CEO, Deputy CEO, Company Secretary, SLT and other members of the SMT as part of the induction. Trustees are briefed on trustee responsibilities, the Articles, the ETF's strategy and business plans, its financial performance, and key risks. On appointment and each year trustees are asked to adopt a Code of Conduct, and trustees' interests are reviewed at every Board and Committee meeting.

2.16.2. All trustees are offered the opportunity to observe and/or attend ETF events, as well as attend external training on various topics linked to trustee responsibilities. Board members attend an ann

2.18 Pay policy

2.18.1. The Board considers the key management personnel of the charity to be the members of the Senior Leadership Team (SLT), comprising; CEO, DCEO, Director of Finance, Director of Operations, Director of Business Strategy and the Director of Professionalism and Customer Experience (appointed June 2021). The SLT is in charge of directing and controlling, running and operating the charity on a day-to-day basis.

2.18.2. The Board has agreed a pay policy. The pay of staff is reviewed annually by the Board's Remuneration and Search Committee taking into account variables including: performance of the organisation; climate in the education and training, public and voluntary sectors; affordability for the ETF; attracting and retaining excellent staff; cost of living indices; and sect8

3. Statement of Responsibilities of the Trustees

4. Independent auditor's report to the Members of The Education and Training Foundation

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the Education and Training Foundation ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the Consolidated and Charity balance sheets, the Consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted

fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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7. Consolidated statement of cash flows

	Note	Group 2020-21 £000	Group 2019-20 £000
Cash provided by operating activities	22	11,370	1,912
Cash flows from investing activities			
Interest income		4	33
Increase in cash and cash equivalents in the year		<u>11,374</u>	<u>1,945</u>
Cash and cash equivalents at the beginning of the year		12,788	10,843
Total cash and cash equivalents at the end of the year		<u>24,162</u>	<u>12,788</u>

The notes on pages 28 to 41 form part of these financial statements.

8. Notes to the accounts

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared on the basis of historical cost in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102 (Charities SORP (FRS102)), the Charities Act 2011 and the Companies Act 2006.

b) Going concern

The accounts have been prepared on a going concern basis. The ETF will be able to meet its obligations in full for at least 12 months following the signing of these accounts. The Board has reviewed and approved the budget for 2021-22 including the reserves that will be available to support trading after that period. The Board has also recently reviewed the out-turn forecast position for 2022.

The Board has considered the longer-term position of the ETF and its financial strength.

The trustee

8. Notes to the accounts (continued)

4. Government Grants and Contracts

The ETF received a Government grant of £20.5m in 2020-21 (2019-20: £22.8m) from the Department for Education. Included within Creditors is a sum of £465k of unspent grants to be repaid to DfE. The ETF also received grants of £50k from the Royal Commission for Technical Teaching Fellowships and £50k from the Gatsby Foundation for Further Forces.

All conditions and contingencies attaching to grants receivable have been met. Analysis of movements in grants and other restricted funds received is given in note 19.

In the year to 31 March 2021 ETF received income from three Government contracts, the most significant of which was for TLPD. The total of £14.7m shown includes £13.0m from the TLPD contract, stated after making a provision of £1.5m for payback of s

8. Notes to the accounts (continued)

8. Net income 1c6 (T)-1.3 (r)-8 (a)-2.3 (i)3 (n)-12.7 (i)3 (80 0 14.04 63.4e0Td(N)2.60 Tw 1.12 c 0.007 Tw

8. Notes to the accounts (continued)

9. Staff (continued)

The number of employees whose emoluments fell within the following bands was:

The ETF organisation structure includes a Senior Leadership Team (SLT) and an Operational Senior Management Team (SMT). The Board considers the CEO, DCEO, Director of Finance, Director of Operations, Director of Business Strategy and the Director of Professionalism and Customer Experience (appointed to SLT June 2021) to comprise the key management personnel. For 2020-21 this is for 5 FTE and in the prior year 2019-20 this is for 5 FTE.

8. Notes to the accounts (continued)

10. Trustees' remuneration and expenses

	2020-21	2019-20
	£	£
S R Freer	-	6,720
P Mullins	-	13,446
R Musson	8,000	6,052
P Latchford	20,400	16,872
Reimbursement of trustees' expenses	181	9,265
	28,581	52,355

The Articles of Association, as agreed with the Charity Commission, permit remuneration of up to three independent trustees who manage significant and complex activities on behalf of ETF, requiring significant amounts of time. The Chair (P Latchford) and the Chair of the A&R Committee (R Musson) are contracted and remunerated. No pension contributions are made on their behalf.

No other trustee received any remuneration or received any other benefit from the ETF. Travel, accommodation, and subsistence expenses were reimbursed to 1 trustee during the year (2019-20: 10 trustees).

8. Notes to the accounts (continued)

8. Notes to the accounts (continued)

18. Analysis of movements in unrestricted funds

	Funds at start of year £000	Incoming resources £000	Resources expended £000	Transfers £000	Funds at end of year £000
2020-21					
Society for Education and Training	20	936	(731)	7	232
Designated funds, of which:	-				
- Wind-down of ETF	2,550	-	-	-	2,550
- Strategic investment reserve	1,200	-	-	-	1,200
General fund	3,360	16,387	(10,989)	(7)	8,751
	7,130	17,323	(11,720)	-	12,733
2019-20					
Society for Education and Training	19	822	(839)	18	20
Designated funds, of which:					
- Wind-down of ETF	2,550	-	-	-	2,550
- Strategic investment reserve	1,300	-	(100)	-	1,200
General fund	600	6,259	(3,481)	(18)	3,360
	4,469	7,081	(4,420)	-	7,130

19. Analysis of movements in restricted funds

	Funds at start of year £000	Incoming resources £000	Resources expended £000	Funds at end of year £000
2020-21				
DfE grant	207	20,537	(20,675)	69
SET for Success	217	-	(101)	116
Further Forces	-	50	(50)	-
TVET	-	50	(50)	-
	424	20,637	(20,876)	185
2019-20				
DfE grant	876	22,700	(23,369)	207
Home Office grant	-	94	(94)	-
SET for Success (previously shown as BIS)	217	-	-	217
Gatsby Foundation	-	45	(45)	-
Royal Fellowship	-	26	(26)	-
	1,093	22,865	(23,534)	424

Of the total 2020-21 DfE grant received it has been agreed that a sum of £465k will be refunded to the DfE. The total of £20,537k shown above is net of this sum. Unspent grant of £69k, due to timing of delivery, will be spent in 2021-22.

The balance of £116k of the Grant for SET for Success has been carried forward.

8. Notes to the accounts (continued)

20. Lease commitments

ETF and the charity had the following lease commitments as at 31 March 2021:

	2020-21 £000	2019-20 £000
Operating lease - property rental		

21. Subsidiary company

ETFS is a wholly-owned subsidiary of the charity, which operates SET. The retained profit of the subsidiary alone is:

SMT
SET
SEND

Senior Management Team
Society for Education and Training
Special Educational Needs and
Disabilities