

**Attendees:** Chair: Shaun McCarthy (Action Sustainability), David Picton (Carillion), Nitesh Magdani (BAM), Shamir Ghumra (BRE), Keith Chanter (EMCOR), Ian Heptonstall (Action Sustainability), Hilary Hurrey (Action Sustainability), Kieran Brocklebank (United Utilities), Dale Turner (Skanska), Graham Edgell (Morgan Sindall), Richard Bayliss (CITB)

**Apologies:** Anna Baker (Sir Robert McAlpine), Caroline Johnstone (Galliford Try)

Shaun McCarthy announced that Caroline Johnstone is expecting a child in the New Year and the Board congratulated her.

As with Anna Baker, Caroline is expecting to continue with her commitments with the Board whilst on maternity leave.

### 1. Progress against actions

Hilary Hurrey reported against the progress on actions. The majority were complete. The resource library update in the Offsite School to complete in March 2018 to coincide with the launch of the Lean Construction School.

Following requests at the last meeting a slide was produced which showed a top line analysis of the impact the School was having on supplier knowledge by way of showing the increase in average scores on assessments and re-assessments.

A geographical heatmap was also produced to show where the supply chain is based.

#### Agreed:

- ✓ It was agreed that the impact on supplier knowledge should be conveyed to the School stakeholders. This will be included in the Annual report produced for the School as well as in the Impact report.
- ✓ It was agreed that though there had been a good result in increasing scores, it should be remembered that the jump from 3 (pockets of knowledge) to 4 (fully embedded within the business) is a large one and will take a while.
- ✓ The heatmap can provide an insight into identifying Partners who need to be involved with the School.

### 2. Operational Report

Hilary Hurrey gave a brief overview of the KPI slide. It was noted that the School was currently 8 new Partners below target and how could the Board support this KPI.

The only amber management actions were on the slow progress with engaging PQQ bodies which has been discussed before and work shifting focus due to the development of the category groups.

#### Agreed:

- ✓ Work was happening to on board new Partners: Dale Turner mentioned that he was attending a meeting with Paul Parkinson at Volvo; Shaun McCarthy was meeting with Canary Wharf following the Board meeting. It was felt that there was a flurry of new Partners around February and March time last year as budgets were set.

- ✓ There could be more engagement on the FM side.
- ✓ The Category Groups should offer a new income stream.
- ✓ Engagement with the Housing Associations has not worked as they have their own sustainable homes group.
- ✓ There will be a new set of management actions following the sign off of the business plan at the AGM.
- ✓ There needs to be a formal presentation from the Horizon Group to disseminate the new focus the group has and the areas of interest which have been established. There is funding to continue with funding Cathy Berry as secretariat to the Group however there needs to be some seed funding to start new research.

**Actions:**

- The sales pipeline is to be circulated to the Board prior to the next meeting to help the Board understand and identify if there are any potential organisations where Board members can support the attraction of new Partners.
- The Horizon Group focus to be an agenda item at the next Board meeting.
- The Horizon Group presentation to be sent to the Board prior to the next meeting.

### 3. (Materials) Resources & Category Group Progress

Graham Edgell provided an update on the Materials and Category groups.

The Materials group wanted to continue as an overarching group to the category groups. They will be responsible for items such as: identifying the next category groups; identifying the outputs; act as a 'holding area' for new members; be the liaison with the School.

**Agreed:**

- ✓ The meetings of the Resources Group are likely to be held virtually to reduce resourcing and Graham Edgell would come up with a template to report back.
- ✓ Specific deliverables have been put to the groups which are challenging but will make a difference.
- ✓ The labour group does require help and input from the CITB. This is to provide someone who has extensive knowledge on being able to 'forecast the labour market', who understand the skills shortages and skills gaps.

**Actions:**

- Richard Bayliss to identify who from CITB should sit on the Labour group.
- Draft terms of reference for the Labour group to be sent to Richard Bayliss.
- Hilary Hurrey to ensure that the Labour and Plant meeting dates are advertised on the School and through other means.

### 4. Risk Register

Ian Heptonstall explained the process around the formulation of the School risk register. For future meetings only a high-level discussion will take place on the register.

There were four risks identified to be high (red) risk and these were discussed in more detail.

Ian Heptonstall also reported back on the risk around VAT and grant funding. Advice has been sort by a leading specialist VAT barrister and the outcome is that in his professional opinion the School is currently correctly treating VAT in our accounting process. However, should there be an inspection (which is unlikely), there is a 30% chance that how AS treat VAT would be raised as an issue. AS do not reclaim input VAT or charge output VAT to CITB on grant funds. AS liability limited to October 2016 as prior to this VAT accounted for by the wider BE Group.

Keith Chanter commented that accounting guidelines suggested that only if the risk was above 70% should the costs be reserved for in the accounts.

Richard mentioned that CITB may wish to consider how this issue affects all the organisations which are granted funding by them to ensure that they are able to give the correct advice.

**Agreed:**

- ✓ It was agreed that, as with the School accounts, a Board member should be responsible for managing and reviewing the Risk Register. Shamir Ghumra kindly volunteered.
- ✓ Keith Chanter will continue to lead on financial oversight so the the VAT risk falls under this area. It was agreed that the VAT risk should be treated as low (low probability with high consequence) following actions taken below. The VAT risk should not be budgeted for.
- ✓ Ian Heptonstall was happy to talk to CITB regarding the issue and impart information gained through going through the process for AS.

**Actions:**

- AS will take out insurance with their auditors for the cost of professional advice should there be a VAT inspection so that costs are covered.
- An agreement put in place with Skanska outlining how AS will claim the funding from Skanska.
- Ian Heptonstall will check with the barrister whether the opinion gained can be shared.
- AS will ensure that School activities are separated out so that activities can be ring fenced if funded by School Partners and so VAT claimed.
- AS part of the risk register Hilary Hurrey will put together a 'resilience plan' to help mitigate the risk around staff retention.
- Shamir Ghumra will review the Risk Register in further detail and feedback to AS before the next Board meeting.

**5. Business Planning Objectives 2018/19**

Ian Heptonstall gave an overview of the business planning objectives for 2018/19 based on the initial meetings which had taken place in the various sector leadership groups.

**Agreed:**

- ✓ It was agreed that AS should consider forecasting for a lower number than 12 new Partners in 2018/19. This can be finalised at the next Board meeting once more detail around each sector plan is confirmed. The sales pipeline will also help to inform the Board of this.
- ✓ The level of budgeted costs and their breakdown by activity and sector was agreed by the Board.

- ✓ Next steps for business planning is that each sector will come up with a detailed budget, which will be reviewed and agreed by the Board at the next meeting. This will then be subject to final sign off at the AGM.

**Actions:**

- The Board will be sent a visibility of other sources of income, which will include the pipeline for potential Partners and will be discussed as an agenda item.

**6. AOB & Date of the next meeting**

Graham Edgell discussed the fact that CITB had recently released figures around the fact that 80,000 people had been trained by them however less than a fifth had been employed within the construction industry. The question of how could the School help to act as a 'market place' for the CITB. Richard Bayliss discussed the fact that the CITB was changing in its direction and was no longer focusing on delivery training however would be focusing on leveraging training and acting as an agent to commission training.

The School is continuing to engage with the at least 50% of the named stakeholders who sit on the CLC committee regarding the recent Sector Fund strategy.

Shaun McCarthy informed the Board that the four JV's to HS2 have been proposed the use of the Performance Measurement Tool. As the implications of this could be 1,000's of users to the tool, it has been proposed that the similar platform to the School be used to deliver this work. The Board will be kept informed as to progress.

**Agreed:**

- ✓ It was agreed that the very recent changes with the CITB need to be understood and explored further to understand where the School fits with the changes and what opportunities will appear.
- ✓ More communication between the School PR Agent and the Partner comms teams to ensure that goods news and information on what the School is doing is communicated effectively within the Partners organisations and to key internal stakeholders.
- ✓ The BIM website and diagnostic tool will be launched next week (6<sup>th</sup> December) and it is recommended that the Partners are encouraged to promote this tool as a standard way to benchmark progress on BIM.

**Actions:**

- The Changes to the CITB and the implications will be an item on the Board agenda for next time and the discussion will be led by Richard Bayliss.
- Richard Bayliss to send through any relevant pre-read for discussion at the next Board meeting.
- Hilary Hurrey to come up with a template, which is sent to Partners on a regular basis (e.g. monthly) with partially filled in information showcasing key highlights from the School.
- The topic of 'Wellbeing' should be discussed at the next Board meeting as to whether it is a priority within the School. It will come up in the Plant Category group as a topic.

**The date of the next meeting was confirmed as Thursday 8<sup>th</sup> February 2018, 10am – 1pm.**