

Minutes of the one hundred and first meeting of the Board of Management held at 10 am on Wednesday 23 March 2016 in Inglis/Livingstone, Lowden.

Members

- * Mr G Houston (Chairman)
- * Dr J Brown (Chief Executive)
- * Mr J Edgar
- * Mr K McKay
- * Mr R O'Hare
- * Mr R Stewart
- * Dr P Thomson
- * Mrs S Walsh
- * Ms C Wilkinson

* indicates present

Officers

- * Ms J Blair
- * Ms M Cahill
- * Mr S Davidson
- * Ms L Ellison
- * Mr J McMorris
- * Ms J Ross
- * Dr G Stewart

Observers

- * Mr M McVicar, Scottish Government
- * Ms N Atkinson

It was recorded that Board members had convened for a private session in advance of the formal meeting of the Board.

101/1 WELCOME AND APOLOGIES

The Chairman welcomed members to the meeting, including Ms Atkinson, who was in attendance as part of a joint shadowing programme with Mr Jim Edgar. There were no apologies to record.

The Chairman was delighted to also welcome Angela Constance, the Cabinet Secretary for Education and Lifelong Learning, Fiona Robertson, Director for Learning, Scottish Government and Murray McVicar, National Qualifications Team Leader, Scottish Government. (Prior to joining the meeting, the guests from Scottish Government had received a tour of Lowden and the Script Management Facility.)

Ms Constance spoke of the Scottish Government's focus to eradicate the attainment gap between children from rich and poor families. The Board fully supported this initiative, commenting that various other programmes of work - the national improvement framework; Commission on Widening Access; Developing the Young Workforce - all dovetailed well into the aims of this work. Discussion led onto the importance of appropriate learner pathways, and that the development of constructive college/school partnerships and robust engagement with the learner / parent communities would act as conduits to deliver these ambitions.

The considerations of the working group on Assessment and National Qualifications (ANQ) were currently in the spotlight, and whilst all present acknowledged the motivation for any proposed changes, the Board emphasised that SQA must remain steadfast in maintaining standards and the integrity of SQA qualifications.

The Chief Executive thanked Ms Constance for her continued engagement at the UK level to ensure the continuance of National Occupational Standards and stressed their critical role for both the Accreditation and Awarding function of SQA.

The Chairman extended his gratitude for the Cabinet Secretary's time.

Ms Constance and Ms Robertson left the meeting.

101/2 **DECLARATION OF ANY CONFLICTS OF INTEREST**

There were no other conflicts of interest raised.

101/3 **PREVIOUS MEETING**

i **Minutes of meeting held on 27 January 2016**

The minutes were approved as an accurate record.

ii **Action Grid**

The contents of the action grid were noted.

iii **Workplan**

The contents of the workplan were noted.

101/4 **MATTERS ARISING**

100/8 Financial Performance Year to Date

It was noted by the Board that SQA had received the Budget Allocation and Monitoring letter for 2015/16, following the Spring Budget Review. Mr McVicar advised that pricing arrangements were still under discussion with Ministers and CoSLA; it was hoped to progress discussions that week.

101/5 **CHAIRMAN'S REMARKS**

The Chairman advised that the application packs for SQA Board appointments had now been finalised and the vacancies would be published very soon, with a closing date of 3 May. Provisional interview dates had been set for early June. Board members raised their concern that potentially there could be a sizeable time gap between current members leaving and any new starters. It was agreed that in light of the short time frame, the Chairman would discuss the possibility of extending a number of SQA's current Board appointments to assist with any transition periods.

Other engagements had included attendance at various SQA Committee meetings, and speaking at a recent Scottish Government event on delivering diversity in Public Appointments.

The Board noted the update.

101/6 CHIEF EXECUTIVE'S REPORT

The Chief Executive presented a full update on her activities since the last meeting of the Board.

In particular, she mentioned the imminent closure of UKCES and the uncertainty around the future delivery of the National Occupational Standards (NOS) work. There had been direct requests to SQA Accreditation as to whether it was able to host that portion of UKCES that was responsible for the commissioning of NOS at the UK level for the coming year. SQA was unable to undertake this activity.

The Board was reminded of the pressures being faced by staff as a consequence of multiple and high priority workstreams, particularly those associated with National Qualifications and the upcoming certification period. This was being proactively managed, and a number of activities had been introduced to provide support and practical help to staff, but the recent adverse media coverage had undoubtedly had a negative impact on staff morale. The Board was reassured that the situation continued to be closely monitored and managed.

Leading on from the update on the annual event for College Quality Managers, discussion took place around on the nature of quality assurance across the education system. It was agreed that this of course required a system-wide debate, and that it was helpful to see the work underway to continue the development of the Partnership Agreements with Local Authorities.

The Board noted the contents of the report.

101/7 NATIONAL QUALIFICATIONS

i CfE Programme Update

Dr Stewart presented the CfE Update and reported that the overall programme status remained at amber due to the ongoing multiple demands being placed on SQA staff and Appointee resource.

The Board noted the contents of the report and that 2016 Question Paper supply to centres was fully on track and progressing to schedule.

Leading on from the earlier discussion on the ANQ Group, and in response to the Board, the Chief Executive advised that there was ongoing discussion with the Scottish Government on the governance arrangements that would be in place to manage the delivery of any actions and recommendations arising from the report. Internally, SQA would continue with its scheduled reviews of the National Qualifications and monitor delivery as part of its regular, and appropriate, programme management mechanisms.

ii Report from the Certification Programme Group

Ms Blair presented a full update on the Certification Programme Group (CPG) report, and expanded on the particular matters reported at amber status. The Board was provided with a summary of the background to the shortfall in marker recruitment, due in the main to a significantly higher requirement on last year. The Board was advised of the many and varied actions that were being taken to address the matter and that if required, contingency plans

were in place for implementation in liaison with key stakeholders. SQA would continue to monitor requirements closely.

The Board enquired after steps that had been taken to address the challenges being faced as a result of the new travel and events contract that had been put in place by Scottish Government. In discussion, it was noted that the contract had resulted in additional costs being incurred by SQA in order to mitigate the risks that had been identified.

The Board noted the contents of the report.

101/8 FINANCIAL PERFORMANCE REPORT

Mrs Ellison, Director of Finance tabled and presented the year to date financial performance for the period ending 29 February 2016, as measured against the Quarter 3 forecast.

The Board noted the contents of the report and that the target forecast at Quarter 0 still applied, with a predicted full year deficit of £4.9m.

Mrs Ellison also tabled and presented the Quarter 0 forecast update for 2016-17 that reflected the recent submissions from the business and the continued movement of Curriculum for Excellence activities into business as usual.

It was noted that costs arising from any additional requirements that could emerge from the outputs of the ANQ Working Group had not been included, and that it was unlikely to have this intelligence in the short term. Nor did the budget include any revision work that might be required to the National Qualifications in 2016-17. These funding requirements would therefore be submitted to the Scottish Government at a later date, and the former would attract a separate grant funding line.

The Board noted the current forecast position and issues identified.

101/9 BUSINESS DEVELOPMENT REPORT

Mr McMorris, Director of Business Development provided the Board with a full and comprehensive update on the performance of business development in all key markets to the end of February 2016 against Quarter 3 targets.

The Board commented on yet another encouraging report, which clearly evidenced the values of the more focussed and targeted strategy in place.

Mr McMorris also provided an update on the position with the HN trademark.

101/10 BUSINESS SYSTEMS REPORT

Mr Davidson, Director of Business Systems, presented the report on the business of the directorate. A considerable amount of cross directorate engagement and work had taken place to deliver performance improvements for the main diet activity. All activities were on track.

The Board noted the contents of the report.

101/11 **SQA CHANGE PROGRAMME**

Mr Davidson, Director of Business Systems, presented a summary of the work and projects underway to explore flexible and resilient systems.

The SQA Change Programme would address a number of areas including the significant challenges associated with the fragility of the organisation's business critical systems, in particular the Awarding Organisation System and Corporate Business Systems projects. The Executive would soon review and prioritise those remaining projects, with a view to develop project scopes, and assess costings and viability to ensure SQA continued to deliver effectively in the future.

The Board noted the contents of the report along with the internal governance model that had been put in place to manage and monitor the change activity within SQA.

101/12 **CORPORATE RISK REGISTER**

Ms Cahill presented the current status of the Corporate Risk Register.

The Board noted the contents and supported the recommendations as presented.

101/13 **ANNUAL STATEMENT ON STANDARDS ACTIVITIES 2015**

The Board noted the update on standard related activities during 2014-15, and as approved by the Qualifications Committee on 24 February 2016.

101/14 **COMMITTEE REPORTS**

i **Accreditation Committee – 12 January 2016**

Ms Wilkinson had referred to the business of the meeting at the last meeting of the Board, and members now noted the draft minutes.

ii **Advisory Council – 18 January 2016**

Dr Thomson had referred to the business of the meeting at the last meeting of the Board, and members now noted the draft minutes.

iii **Qualifications Committee –24 February 2016**

Mrs Walsh advised of the business covered, which had included approval of the approach to awarding in 2016, and approval to streamline the policy around language of assessment in languages other than English. The minutes would be presented to the next meeting of the Board.

iv **Audit Committee – 29 February 2016**

Mr Edgar provided an update on the internal audit reviews that had been considered, the KPMG audit strategy review, and the business of the Quarterly Performance Pack. The minutes would be presented to the next meeting of the Board.

v **International & Commercial Committee – 29 February 2016**

Mr O'Hare outlined the main areas of business covered, including an update on the work being taken forward in relation to Developing the Young Workforce, and a useful discussion on SQA's work in marketing and communications. The minutes would be presented to the next meeting of the Board.

101/15 **ANY OTHER BUSINESS**

There were no matters raised.

101/16 **DATE OF NEXT MEETING**

The next meeting of the Board would be held on Wednesday 18 May 2016.

The Board noted the contents of the Corporate Parenting Plan, which had been considered and approved by the Audit Committee in February 2016.