

BOARD OF MANAGEMENT – 27 JANUARY 2016

For approval

Minutes of the ninety-ninth meeting of the Board of Management held at 10 am on Wednesday 9 December 2015 in Arrol, 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

Officers

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

Observers

- Ms A McKechnie, Scottish Government (to item 99/3 only)
- Mr K McKenzie, Scottish Government

- * indicates present

99/1 **WELCOME AND APOLOGIES**

The Chairman welcomed members to the meeting, including Ms Aileen McKechnie, Director of Advanced Learning and Science, Scottish Government and Mr Kenny McKenzie, Scottish Government. Apologies had been received from Ms Linda Ellison. Mr Derek Banks attended in her absence.

99/2 **DECLARATION OF ANY CONFLICTS OF INTEREST**

There were no other conflicts of interest raised.

99/3 **ACTIVITIES BEYOND NATIONAL QUALIFICATIONS**

The Chairman thanked Ms McKechnie for accommodating the Board's invitation to join them at a meeting. It was recorded that due to a last minute diary change, Mr Joe Griffin, Acting Director for Fair Work, Scottish Government had unfortunately had to withdraw his attendance at the Board meeting. His intention was to join a meeting early in 2016.

Ms McKechnie provided the Board with a presentation on the work of the Advanced Learning and Science directorate, its priorities, and the challenges it faced. The Chief Executive also presented a summary of the wide range and breadth of activities undertaken across SQA, highlighting the contribution of the organisation to the policy and initiatives of Scottish Government outwith the school sector.

Relationship Management. Ms McKechnie offered her assurance that the Scottish Government invested time and energy into building close and effective working relationships. She stated that it was intended the Chief Executive and Director of Qualifications meet regularly with her. Steps would be taken to ensure officers within the directorate were rightly engaged in SQA, and similarly SQA in appropriate Scottish Government activities. This collaborative approach was welcomed by the

Board, who suggested that initially it would be beneficial for the two bodies to pursue engagement on *Developing the Young Workforce*.

National Occupational Standards (NOS). The Scottish Government had a firm commitment to NOS however; the recent decision by the Department of Business, Innovation and Skills for England to pull out of the NOS programme would have a critical impact on SQA Accreditation and additionally on the development of qualifications for Scotland by SQA. SQA Accreditation was responsible for the quality assurance of the NOS that were developed to underpin qualifications offered in Scotland, most notably Scottish Vocational Qualifications (SVQs). There was discussion on the importance of ensuring that SQA Accreditation continued to undertake that function. Poor quality or inappropriate NOS would impact not only on individual qualifications, but also have further consequences for the Modern Apprenticeship (MA) programme of which NOS formed the core.

Developing the Young Workforce (DYW). The SQA Board stressed that the development of this strategy must identify the criteria that would be put in place for vocational qualifications (VQs) that would be available in schools. These qualifications must be of high quality and allow strong progression pathways for young people.

It was noted that Ms McKechnie would helpfully circulate the messages from the National Advisory Group, which considered the direction of DYW.

In closing the discussion, Chairman thanked Mrs McKechnie for her helpful insight and commented on the positivity of the discussion and the common shared interest in delivering for the learners of Scotland.

Ms McKechnie left the meeting.

99/4 **PREVIOUS MEETING**

i **Minutes of meeting held on 21 October 2015**

The minutes were approved as an accurate record.

ii **Action Grid**

The contents of the action grid were noted, and that the Chairman had written to the Cabinet Secretary outlining the findings of the lessons learned exercise and providing an assurance that a delivery plan was in place to deliver. An acknowledgement of receipt had been promptly received.

99/5 **MATTERS ARISING**

There were no matters arising.

99/6 **CHAIRMAN'S REMARKS**

The Chairman updated the Board on his recent appointments and engagements, which had included attendance at a number of SQA Committee meetings, as well as the Star Awards, when he had the pleasure of presenting the Fellowship Awards.

The Chairman and Ms Wilkinson had also met with Scottish Government's Public Appointments team to discuss Board Appointments. A recruitment timetable would now be prepared, and a planning meeting arranged for January 2016. It was noted that the Chairman's regular meeting with Fiona Robertson would take place the following week.

The Board noted the update.

99/7 **CHIEF EXECUTIVE'S REPORT**

The Chief Executive presented a full update on her activities since the last meeting of the Board, highlighting in particular those areas of positive note.

Mr Davidson, Director of Business Systems, took the opportunity to provide the Board with an update on the activities underway as part of the IT improvement plan, and summarised the key highlights. The Board discussed ongoing plans to continue to improve the technology infrastructure within SQA and it was agreed that the Board would receive regular updates on the projects being delivered. The Board was reassured that the Information Governance team was actively engaged in the workstream managing the move to a Microsoft suite of applications. A business case was being prepared and it was noted that the value of the contract might require Board approval.

In closing the CE Report, the Board asked after SQA's position on the forthcoming EIS indicative ballot on industrial action in relation to teacher workload, particularly around Unit Assessment. The Chief Executive advised that regular meetings take place with between SQA and EIS, and at a very recent meeting, there had been a balanced discussion on the challenges faced across the system. The Qualifications Committee had also discussed the matter and had reiterated the importance in continuing to maintain standards and the credibility of qualifications through robust verification and quality assurance processes.

The Board noted the contents of the report.

99/8 **NATIONAL QUALIFICATIONS**

i CfE Programme Update

Dr Stewart presented the CfE Update and reported that the overall programme status had moved to amber due to the conflicting and multiple demands on SQA staff and Principal Assessors. She reported that this pressure had resulted in slippage across all levels of 2016 Question Paper development, particularly at Advanced Higher, and that this had been duly reported to the Scottish Government. The Board was assured that the matter was being carefully managed in order to mitigate any potential impact.

Dr Stewart went on to provide an update regarding the main projects underway within the Qualifications Directorate. This included a broad evaluation of the new qualifications that was using a combination of outward facing methodologies (surveys and focus groups) and desk research. The engagement work sought to establish the views of learners, teachers and senior managers on how effective the new qualifications had been in achieving the original aims of CfE.

Dr Stewart also reported that the CfE Management Group had recently considered the outputs of Reflections Group, and that the recommendations from this work would be finalised very soon

The Board noted the contents of the report.

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, specifically in relation to the current events booking supplier.

The Board noted the contents of the report.

99/9 **FINANCIAL PERFORMANCE**

Mr Banks, Deputy Director of Finance tabled and presented the current financial report that set out the financial performance for the period ending 31 October 2015 measured against the Quarter 2 forecast. It was reported that in order to achieve the approved Quarter 0 position, a full year net reduction of £1m was required, either through reduced expenditure or increased income. The Board was assured that the business continued to focus on achieving the forecast target and full year grant in aid requirement of £4.9m.

The Board accepted the risk that SQA might not achieve the approved Q0 forecast, due to operational reasons and the need to fulfil its statutory duties. The Board also noted that the Scottish Government was aware of this risk, but clearly stated that no further funding would be available over and above the additional £4.9 grant in aid requirement.

The Board noted the contents of the report.

99/10 **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 October 2015 against Quarter 2 targets.

The Board noted the generally encouraging performance.

99/11 **CORPORATE**

i **Risk Register**

Ms Cahill presented the current status of the Corporate Risk Register that had been reviewed by the Audit Committee in the previous week, when the addition of two new risks had been approved. The Board noted that in the time since the Audit Committee, and in light of the recent CfE Report to the Board, the SQA Executive had increased the probability score for risk 14CRR23, in relation to the increasing pressure being placed on staff to meet multiple high priority work streams.

The Board noted the contents of the corporate risk register.

ii **SQA Draft Corporate Plan 2016-19 and Draft Budget 2016-17**

Draft Corporate Plan 2016-19

Ms Cahill, Director of Corporate Services referred to the draft corporate plan, which in the time since the last presentation to the Board, had been considered by all SQA Committees and the Advisory Council. Comment and feedback had also been received from the Scottish Government. Ms Cahill updated the Board on the amendments, which had included:

- an indication of the wider legislative environment within which SQA operated; and
- a clearer focus on the work relating to *Developing the Young Workforce* and its strategy; and
- a reference that SQA would respond to the **emerging** needs of its users and customers; and
- the removal of the note relating to the Scottish Government's corporate expectations (which were no longer in existence).

The Board discussed and approved the draft plan for submission to the Scottish Government.

Noting that progress to plan would be monitored closely through the Quarterly Performance Review (QPR) it was suggested and agreed that the Scottish Government should reinstate the quarterly meetings with SQA where the QPR was discussed.

Draft Budget 2016-17

The Board was presented with, and discussed, the draft budget for 2016-17, which represented a reduction in total grant requirement when compared to 2015/16 and also included a challenge to the business to secure efficiency savings.

The Board noted that the overall grant requirement included the costs of further refinement and delivery of the new qualifications and the increased level of activities put in place to meet stakeholder demand. This was fully accepted by the Board, who recognised that this was as a result of SQA's commitment to safeguard the delivery of CfE. It was noted that there would be continuing discussions with Scottish Government as the requirements associated with implementation of *Developing the Young Workforce* and any further requests over and above SQA's statutory duties.

The Board was reassured that the SQA Executive was in regular and valuable dialogue with the Scottish Government on the budget position recognising the tight fiscal settlements expected for 2016-17 and beyond.

The Board was agreed that it would be beneficial to members if the SQA Executive would provide information on the key budget movements from 2015-16. The Board agreed the submission of the approved budget for 2016-17 to the Scottish Government as part of the SQA Corporate Plan 2016-19.

iii **Annual Complaints Handling Report**

The Board noted the Annual Complaints Handling Report, a recently introduced review that would be reported annually to the Audit Committee for consideration and comment.

99/12 **SPEND APPROVAL – CATERING SERVICES**

Ms Cahill presented the Tender Evaluation Report, which following due processes, proposed to award the contract to the existing supplier for a period of four years (with the option to extend for a further one year) with effect from 1 April 2016. In light of the potential total value of around £1.8m over five years, and in line with the Scheme of Delegation, the Board was invited to consider and approve the recommendation for the award of the contracts.

The Board approved the award of the contract to Albacore and for the proposal to be submitted to the Scottish Government for further authorisation.

99/13 **COMMITTEE REPORTS**

i / ii **Qualifications Committee – 9 October and 18 November**

Mrs Walsh had referred to the business of the meeting of 9 October at the last meeting of the Board, and members noted the minutes.

The main considerations at the more recent meeting of 18 November had included the draft Corporate Plan, the Annual Equality Monitoring Report, where a considerable amount of work had been achieved, and the Monitoring Standards report, where it had been agreed to review slightly the approach of the work.

The Board noted that the minutes would be presented to the next meeting.

iii **Audit Committee – 23 November**

Mr Edgar reported that it had been a very positive meeting, where normal business had been covered. He was pleased to note that the Audit Committee now only focussed on exceptional issues.

The Board noted that the minutes would be presented to the next meeting.

iv **International & Commercial Committee – 23 November**

Mr O'Hare reported on the business of the meeting of 23 November.

The Board noted that the minutes would be presented to the next meeting.

v / vi **Advisory Council – 7 September and 7 December**

The Board noted the minutes of 7 September. Dr Thomson advised that the meeting of 7 December had been rescheduled to 18 January 2016.

99/14 **ANY OTHER BUSINESS**

There were no matters raised.

99/15 **DATE OF NEXT MEETING**

The next meeting of the Board would be held on Wednesday 27 January 2016.