

BOARD OF MANAGEMENT – 18 AUGUST 2010

For approval

Minutes of the sixty-third meeting of the Board of Management held at 10.00am on Wednesday 9 June 2010 in Esk / Forth, the Optima Building, Glasgow.

Members	Officers
* Mr G Houston (Chairman)	* Ms M Cahill
* Dr J Brown (Chief Executive)	* Mr R Gibson
* Mr A Cassidy	* Ms K McCallum
* Mr J Edgar	* Mr J McDonald
Mr W Gallagher	* Mr G Moodie
* Prof A MacLennan	* Ms J Ross (from item 63/7)
* Mr K McKay	* Dr G Stewart
* Mrs M Nicol	Mr C McClintick (item 63/7 only)
* Mr G Rodgers	Ms L Hewitt (until item 63/7)
* Prof J Simmons	
* Mrs S Walsh	
* indicates present	

Observers

Ms M Verrall, Scottish Government

63/1 WELCOME AND APOLOGIES

The Chairman welcomed members to the meeting, including Ms Maureen Verrall, Deputy Director, Qualifications, Assessment and Skills, Scottish Government.

Apologies were received from Mr Gallagher.

63/2 DECLARATION OF ANY CONFLICTS OF INTEREST

There were no conflicts of interest declared.

63/3 PREVIOUS MEETING**i Minutes of meeting held on 14 April 2010**

The minutes were approved as an accurate record of the meeting.

ii Action Grid

The contents of the action grid were noted.

63/4 MATTERS ARISING

Any matters arising would be covered in the course of the agenda.

63/5 CHAIRMAN'S REMARKS

Mr Houston advised that the Board Appointments had been announced that week by Scottish Government; members had been forwarded a copy of the press release. He was pleased to report that the new members should be in place for the next Board meeting in August. The Chairman also advised that Mr Mike Russell MSP would attend the Board meeting on 18 August.

Recent engagements had included a meeting with Colin MacLean, Director of Learning, and attendance at the SQA Diamante Charity Ball.

63/6 CHIEF EXECUTIVE'S REPORT

Dr Brown referred to the contents of her report and highlighted specific areas of interest and progress. Further to her report, the Chief Executive also referred members to the Corporate Social Responsibility Review 2009-10, which summarised the variety of corporate social responsibility activities successfully undertaken by SQA staff throughout the year.

Dr Brown also praised the Glasgow Fundraising Committee and wider staff for their hard work on the Diamante Charity Ball and was pleased to announce that £22,000 had been raised over the year for Yorkhill Children's Hospital.

Members were also updated on Gill Stewart's recent engagements with the media regarding CfE and were referred to the excerpts included in the papers.

63/7 CORPORATE PROGRAMME OFFICE

Mr Colin McClintick, Head of Corporate Programme Office, was welcomed to the meeting.

Dr Brown stressed that the establishment of the Corporate Programme Office (CPO) and its activities had been based on existing good practice, and would underpin SQA's portfolio of major programmes and projects to ensure successful delivery. Progress against dependencies and risks would be actively monitored through the CPO framework, and would provide the Board with an independent assurance of SQA's capability to deliver.

In the course of discussion, the following key aspects were confirmed:

- Implementation of CfE had been highlighted as the initial area of focus due to the size and significance of the programme; the scope of the CPO would be extended to cover all major programmes to ensure an integrated view of activity and provide an overview of risk, issues and dependencies.
- Ownership of the delivery of projects and programmes would sit with the individual programme boards and Directors.
- At a strategic level, the Executive Management Team would own and manage the overall programme.

The Board noted the role of the Corporate Programme Office and its associated activities. The Board suggested that the paper be modified to reflect the change in approach to information systems development.

Mr McClintick left the meeting.

63/8 SHAWFAIR RELOCATION PROJECT UPDATE

At the last meeting of the Board, members had sought reassurance on project delivery. In response, the Board had been provided with a highlight report, the

detailed project plan and the current budget position. Ms McCallum, Project Sponsor was pleased to report good progress on key activities, and highlighted the following points for noting:

- Planning permission for the building at Shawfair had been granted on 31 May 2010.
- Contractors had been interviewed, and it was expected that Buccleuch would issue a letter of intent to the preferred contractor that week.
- The Project Board had approved the recommended agent to be appointed for managing the disposal of Ironmills Road. This agent would gain Planning Permission in Principle (PPP), and oversee the marketing and sales of the property. Their target was to maximise sales receipt for the site and achieve completion by February 2012.
- Active engagement with staff was ongoing.

In the course of discussion, it was noted that the Project Board membership included an independent Project Monitor from CB Richard Ellis. Ensuring a link between SQA and the Contractors, the Project Monitor attended the monthly meetings of the Project Board and presented written reports on progress against plan. There was also Scottish Government representation on the Project Board. At this point, it was confirmed that the relocation programme was a discrete and separately funded project.

Going forward and in order to provide the Board with ongoing assurance on delivery against plan, it was proposed to present members with a Highlight Report that included:

- the overall project status;
- actions completed in the period since the previous meeting of the Board;
- immediate actions for completion, and
- an update on budget variances, the risk register and project plan.

This reporting method was supported and approved by the Board.

63/9 CFE UPDATE

Dr Gill Stewart led on a presentation that updated the Board on the work within CfE and included updates on programme governance, risk management, reporting mechanisms, and financial forecasting. To support the discussion, the Board was also provided with a full copy of the overall Scottish Government CfE Programme Plan, a full and current version of the SQA risk register, and the SQA CfE Milestone Plan.

The Board engaged in useful debate, which highlighted the following points:

- SQA should ensure that there was clear mapping of SQA risks into Scottish Government risk register and reporting mechanisms; and seek to ensure clear alignment and monitoring of tasks to address any issues in a timely manner.
- It was confirmed that the Scottish Government had overall responsibility to manage Stakeholder dependencies. A joint plan was in place with further detail being developed; any areas for concern were escalated to the CfE Management Board. Any slippage in partner deliverables was also considered at the monthly programme management meetings with Senior Accountable Officers.

- The CfE Management Board would meet on 16 June to consider the latest proposals for Literacy and Numeracy. Following the outcomes of that meeting, SQA would assess the implications on its programme plan and budget forecasting.
- The Scottish Government was subject to the Gateway Review – an independent assessment to programme delivery of projects of this size and nature.

The Board endorsed the proposed reporting mechanisms to the Board that would provide status reports against programme delivery.

Budget assumptions on CfE income and costs projections through to 2017 had included assumptions on uptake of the National Qualifications and the income associated with new Literacy and Numeracy qualifications as they had originally been proposed. The new approach to Literacy & Numeracy and the potential impact on Local Authorities of the constrained financial environment could well have a significant negative impact on fees income. The Board expressed concern around the potential impact of CfE developments on SQA's budget, and it was noted that SQA would provide the Scottish Government with an assessment on the impact of these educational shifts on SQA's financial viability. The Board was also assured that this potential risk to overall income as a consequence of CfE was recorded in SQA's risk register.

63/10 BUSINESS DEVELOPMENT REPORT

Trading Subsidiary

Mr McDonald opened his report with an update on progress with the trading subsidiary, reiterating that the purpose of creating a trading subsidiary had been to provide a vehicle by which SQA could support its activities in other markets.

Current international income targets had been based on the assumption of a trading subsidiary being in place. Commercial revenue would also support SQA's modernisation agenda, which was fundamental to SQA's ability both to ensure a strong position against competitors, and to deliver and provide a spectrum of broad qualifications in Scotland.

There was unanimous support from the Board for the Chairman's intention to write to the Cabinet Secretary to make clear SQA's position and underline the need for resolution as a matter of urgency.

In response, Ms Verrall expressed her regret at the ongoing complications surrounding the matter and committed to investigating whether there were any substantive issues of concern. Dependent on that, she would endeavour to find an agreed position with Head of the Finance Division that week, with the view to submit the proposal to Ministers in the following week. The Board welcomed this approach.

Business Development and Customer Support

Mr McDonald advised the Board that following careful consideration of the proposal to introduce a Sales Incentive Scheme, the Scottish Government had not given approval based on the current economic climate. Staff had been fully briefed and work was being progressed on available options to motivate and recognise achievement. The Board noted and supported SQA's practical approach to moving this matter forward.

Coupled with the uncertainty around the establishment of a trading subsidiary, the Board expressed its extreme disappointment and voiced its concern around the negative impact on SQA's ability to sustain and protect the future operation of SQA business.

Business Development Report

The report was opened with a brief update on current initiatives from Mr McDonald:

New initiative with the 'Scottish Family' of stakeholders

SQA had provided the idea behind, and impetus for, a quarterly meeting between all the research/statistics teams from key Scottish stakeholder organisations (the Scottish Funding Council, Skills Development Scotland, Scottish Government) – the 'Scottish Family'. This would allow for the development of cross organisational research, maximising the benefits and potentially lowering the costs of research for all parties.

Colleges

Work continues to explore opportunities for collaboration with Scotland's Colleges on a number of ventures including marketing, international and continuing professional development.

Skills Development Scotland (SDS)

An SDS/SQA meeting took place towards the end of April to review and revise the joint workplan.

Employers and Workplace Learning

Joint activity was underway with SDS to gain a better understanding of services provided to employers by SDS/ SQA and to explore opportunities to work together, for example, mapping in-house training programmes, recognition of skills development, customised awards, endorsement, credit and levelling.

Workplace Learning (sectoral approach): Work was underway to develop a joint approach for sectors to include simplification of landscape, user friendly mapping, and awareness of units in catalogue.

63/11 GENDER EQUALITY SCHEME

Mr Moodie presented the draft Scheme and Action Plan for Gender Equality. As part of the Sex Discrimination Act, SQA had a specific duty to publish a revised Gender Equality Scheme every three years; the version before members applied to the period 2010-13.

It was noted that the Equality Act 2010 had come into being in April 2010. It was anticipated that guidance on how to interpret this would be forthcoming in Autumn 2010 with a requirement for actions to be in place by Spring 2011. It was likely that SQA would focus on developing a single equality scheme.

The Board approved the Gender Equality Scheme and Action Plan for 2010-13.

63/12 REPORT FROM CERTIFICATION PLANNING GROUP

The Board noted the update on certification planning, and that activity was progressing on schedule.

Close working across the Qualifications, Operations and Appointee Management business areas had ensured successful implementation of the revised Appointee fee structure. Improvements had also been implemented successfully into script management activities, and had presented positive outcomes in terms of developing skills and efficient ways of working.

Certification would take place on Thursday 5 August.

63/13 TELECOMS INFRASTRUCTURE CONTRACT

Mr Gibson presented the rationale for the renewal of the telecoms infrastructure contract, including an outline of the benefits that would be realised. It was proposed to commence the contract in July 2010 for a period of five years, with the option to extend for a further two years. This timeline incorporated a three month transition period with the current provider.

A full and detailed procurement exercise had been undertaken in accordance with procurement legislation, and it was recommended to award the contract to Siemens.

On the understanding that appropriate contingency plans were in place supported by robust internal control mechanisms, the Board approved the award of the contract to Siemens.

63/14 COMMITTEE REPORTS

i Joint Advisory Council and Qualifications Committee – 1 March 2010

A verbal update had been provided at the last meeting of the Board. The Board noted the summaries of the feedback from the joint meeting of the Advisory Council and Qualifications Committee held on 1 March 2010.

ii International and Commercial Committee – 30 March 2010

A verbal update had been provided at the last meeting of the Board. The Board noted the contents of the draft minutes, which would be approved at the next formal meeting of the International and Commercial Committee.

iii Qualifications Committee – 16 April 2010

The Board noted the draft minutes, which would be approved at the next meeting of the Qualifications Committee on 22 June 2010.

iv Audit Committee – 11 May 2010

Mr Edgar provided an outline of the business covered at the last meeting of the Audit Committee, when members had received a full and comprehensive presentation on Quarter 4 performance. The Committee had also received

assurances that SQA's internal control systems were robust and well managed.

The minutes of the meeting would be enclosed in the next set of Board papers.

v **Advisory Council – 14 May 2010**

Prof MacLennan advised that it had been a broad agenda, when members had engaged in wide ranging and useful discussions in topics such as SQA's approach to managing malpractice in internally assessed qualifications, deliverables in the Partnership Action for Continuing Employment, and changes in the Literacy and Numeracy landscape.

The minutes of the meeting would be enclosed in the next set of Board papers.

63/15 ANY OTHER BUSINESS

There were no matters raised for consideration.

PAPERS FOR NOTING

The Board considered the following papers:

1 **Financial Report 1 month YTD**

Noted.

2 **Corporate Risk Register and Internal Audit Plan**

It had been recommended by the Audit Committee that the Board should have sight of the Internal Audit Plan for 2010-11 and the Corporate Risk Register on which it was based.

The Board approved the schedule of reporting, namely to be presented with the risk register twice a year in April and October, and the annual internal audit plan annually in April.

3 **Annual Summary of the Advisory Council's Work**

Noted.

63/16 DATE OF NEXT MEETING

The next meeting of the Board of Management would be held on Wednesday 18 August 2010 in the Boardroom, Ironmills Road, Dalkeith.

In closing the meeting, the Chairman noted formally that it had been the final meeting of the Board for Mr Rodgers, Mr Cassidy and Mrs Nicol whose tenures of appointment would conclude on 30 June. He took the opportunity to thank them individually for their wide ranging contributions to the work of the SQA Board and its

committees. These sentiments were echoed by all members of the Board and the Executive Management Team.

The Board adjourned for lunch, and reconvened at 1pm for a private meeting of the Board.