

BOARD OF MANAGEMENT – 19 AUGUST 2015

For approval

Minutes of the ninety-sixth meeting of the Board of Management held at 10 am on Wednesday 17 June at Edinburgh College, Dalkeith.

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

- Mrs K Ferguson, SQA
- Mr M McVicar, Scottish Government

It was formally noted that the meeting was inquorate and agreed that the meeting should continue, although no formal decisions could be made. Any matters for approval would be dealt with electronically.

96/1 WELCOME AND APOLOGIES

The Chairman welcomed members to the meeting including Mrs Ferguson who was in attendance to observe proceedings. Apologies had been received from Mr McKay, Mr O'Hare, Ms Wilkinson, Ms Blair, Mr Davidson, and Dr Stewart.

Mr McVicar attended from the Scottish Government.

96/2 DECLARATION OF ANY CONFLICTS OF INTEREST

There were no conflicts of interest declared.

96/3 PREVIOUS MEETING**i Minutes of meeting held on 19 May 2015**

The minutes were approved as an accurate record.

ii Action Grid

The contents of the action were noted.

iii Workplan

The contents of the workplan for 2015 were noted.

96/4 MATTERS ARISING

There were no matters arising.

96/5 CHAIRMAN'S REMARKS

The Chairman advised the Board of his recent activities, including attendance at a Cabinet Secretary event outlining the vision and priorities for Scottish education. Other Scottish Government engagements had included separate meetings with the Minister for Youth and Women's Employment, Annabelle Ewing and the Director of Learning Scottish Government, for his annual PMR and discussions on the next round of Board recruitment.

On the matter of Board appointments, today's inquorate meeting had highlighted the urgency around filling the Board vacancies. It was recounted that whilst there were currently three vacancies, the terms of office for two further Board members would expire in June 2016, and the Board reiterated the agreement in March to seek to advertise five appointments. By statute, the SQA Board was allowed a maximum of nine Board members, and it was extremely important that good succession planning was in place. It was also proposed that new Board members could be identified early so as to allow them to act in a co-opted capacity to introduce a period of overlap and help ensure a smooth transition ahead of the members' departure. The Scottish Government committed to raise this with the Public Appointments team.

The Chairman had also attended a number of SQA Committee meetings.

96/6 CHIEF EXECUTIVE'S REPORT

The Chief Executive opened her report by highlighting the extensive work and commitment of SQA staff in working towards the delivery of this year's diet. The dual and in some cases, triple running this year continued to put additional strains and work load on staff, some working through consecutive weekends.

She was also delighted to announce that SQA had successfully attained the Investors in Young People Good Practice Award. This was an excellent recognition of the work that SQA had been undertaking in the last few years with its commitment to young people, through a Modern Apprentice Scheme and work with schools to offer placements and development opportunities. The Board congratulated all those involved, and it agreed that the Board would hold a celebratory event with the young people and members of staff particularly associated in achieving the award. A briefing paper would also be presented to the Board, covering the range of work that SQA undertook in this area.

The Chief Executive also reported in detail on her recent engagements, including an overview of progress with Grade Boundary meetings and positive feedback from verifiers.

96/7 CORPORATE RISK REGISTER

Ms Cahill, Director of Corporate Services, presented the current status of the risk register. Following on from Ms Ellison's last report to the Board, she provided an update on steps being taken to find a solution to address the requirements for tax registration in Saudi and Oman.

The Board noted the contents of the risk register.

i CfE Update

The Chief Executive presented the CfE Update. The overall programme status remained at amber due to continued challenges around the balancing of resources across conflicting demands including those additional activities outwith the original plan.

Commenting on recent milestone achievements, it was noted that approved changes to Course and Unit Support Notes for National 1 to Higher qualifications had been republished on the SQA website. This had been instigated in response to feedback from Unions and included clearer and more targeted communications to different user groups. There had been positive feedback to date..

The Chief Executive also provided a full report on the activities relating to the CfE National Implementation Plan, including a marked increase in the availability of evidence for exemplification. SQA was able to identify that there were areas of good practice coming through that would be shared in year two of the Understanding Standards Project. Going forward, close working would also continue with Local Authorities and schools on Quality Assurance activities. The benefit of this engagement was clearly reflected in the decrease in non-accepted decisions (as referred to in the subsequent CPG Report).

The Board noted the increasing workloads and pressures on SQA staff were particularly challenging at this time in the midst of the exam diet period and dual running of qualifications.

After discussion, the Board noted the contents of the report.

ii Report from the Certification Programme Group

The Chief Executive presented a full update on the Certification Programme Group (CPG) report, and expanded on the particular matters reported at amber status.

The Board noted the contents of the report.

The Board was also informed of recent difficulties that had been experienced with the e-marking assessment service. SQA had been working closely with the scanning provider to resolve the matter, and the Board was assured that the situation had been effectively resolved. An evaluation would be undertaken by SQA and included as part of the lessons learned exercise that is completed annually following completion of the Diet. An independent investigation report would also be provided by the external contractor later in the year. The Board was satisfied with the approach that had been taken.

Discussion moved onto the forthcoming meeting of the Reflections 2 Group. Mr McVicar outlined that the Reflections Group meeting would: review progress against actions from the Reflections Report of 2014-15; consider and make recommendations on immediate and new actions for all partners for the start of the 2015-16 academic year and beyond, and develop a timetable for delivery of these actions.

The Board expressed concern that there may be an intention to identify changes for the next session in the absence of sound evidence. The SQA Qualifications Committee had developed and approved a robust programme of evaluation for the new qualifications. This was a complex and by its nature, long term activity and highlighted the implications of making recommendations for change without this sound evidence base. The discussion in hand echoed those of other meetings, where the Board had rehearsed the need for an overall evaluation plan for CfE across the education system.

The Board stressed that there should be appropriate senior representation from SQA.

96/9 **FINANCE UPDATE**

i **FINANCIAL PERFORMANCE TO 31 MAY**

Ms Ellison, Director of Finance tabled and presented the current financial report to the end of May 2015 and reported a year to date surplus of £15.6m, which was £1m favourable to forecast. This could be attributed to timing of income and expenditure and would reduce as the financial year progressed.

The Board noted the report, and endorsed the revised format that included the additional grant in aid requirement of £4.9m. It was agreed to annotate that the additional grant requirement would be updated in line with scheduled re-forecasting exercises.

ii **BUDGET ALLOCATION AND MONITORING LETTER 2015-16**

Ms Ellison, Director of Finance tabled and presented a copy of the draft Budget Allocation and Monitoring Letter (BAM) 2015-16. The letter set out SQA's priorities for the year and the associated arrangements for monitoring the budget and for drawing down grant in aid.

The Board was pleased to note the specific reference to the pressures on SQA's budget for core and programme grant. That notwithstanding, it was suggested that the letter required clarification on the contradictory text around keeping within budget yet acknowledging that SQA would require further grant in aid to meet operational and programme costs. On receipt of the finalised BAM Letter, SQA would publish its Corporate Plan and 2015-16 budget on the SQA website.

The Board also noted that in September, the Education and Culture Committee would examine the spending decisions made and outcomes delivered by SQA, before the Scottish Government would publish its 2016-17 draft budget.

96/10 **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 April 2015.

The Board noted the very encouraging progress.

96/11 CORPORATE PLANNING

i **SQA STRATEGIC GOALS 2016-19**

The Board was presented with the proposed SQA Strategic Goals for 2016-9, which remained broadly consistent with previous years and supported SQA's Corporate Plan and were aligned to the Scottish Government's National Outcomes. It was noted that the outcomes of the transformation programme could impact the direction slightly.

The Board agreed with the proposed goals in principle, in advance of a fuller discussion in October.

ii **DRAFT BUDGET 2016-17**

Ms Ellison tabled a paper providing an early indication of the financial position for 2016-17, which had been provided to support the draft corporate plan 2016-19. She detailed the underlying factors and assumptions used in deriving the financial forecast and in the course of discussion it was noted that:

- The income recognition adjustment would be phased out by 2016-17.
- No price increase had been assumed, given that agreement had yet to be reached on the pricing structure, and in the absence of this, any residual income and expenditure gap would require government funding to close.
- Entry charges income from other qualifications assumed that the current level of entries could be retained.
- Any additional costs to support unplanned CfE activity had not been included. At this point it was noted that increased costs relating to CPD activity had not been incorporated, pending a decision on who would progress this work.

The Board noted the indicative 2016-17 forecast position. Whilst comfortable with the assumptions and their impact on the bottom line, the Executive was pressed to continue discussions with the Scottish Government on agreeing a pricing structure beyond August 2016.

96/12 COMMITTEE REPORTS

i **QUALIFICATIONS COMMITTEE – 20 MAY**

Mrs Walsh was pleased share on the recent co-option of Dr Cathy Howieson, Senior Research Fellow at the University of Edinburgh's Centre for Educational Sociology.

She continued to provide an update of the business covered, and in particular, was pleased to report the closure of the work around the National Literacy Unit. This had been an ongoing element in Committee discussions since 2013, and the work had demonstrated SQA's commitment to maintain standards and provide an equitable solution.

The Board noted the update.

ii **AUDIT COMMITTEE – 25 MAY**

Mr Edgar provided an update on the business covered, which had included the usual review of the QPR and consideration of a number of Scott-Moncrieff reports. He was pleased to report that the QPR pack had been an ongoing development, and now provided a coherent and effective tool to monitor performance against SQA's corporate plan.

The Board noted the update.

iii **INTERNATIONAL AND COMMERCIAL COMMITTEE – 25 MAY**

In the absence of Mr O'Hare, Mr McMorris provided an update on the business covered, which had included the usual review of the Sales and Pipeline report. The Committee had also considered SQA's appraisal methodology in the UK market, SQA's work as part of Developing the Young Workforce, and progress with implementation of the new Corporate Business System.

The Board noted the update.

iv **ADVISORY COUNCIL – 3 JUNE**

Dr Thomson advised that the Advisory Council had undertaken a wide ranging and very valuable discussion the nature and extent of ongoing support that would be needed across the education system as it moves out of the CfE implementation phase and into business as usual.

The Board noted the update.

v **REMUNERATION COMMITTEE – 4 JUNE**

The Chairman reported that the Committee had considered and reviewed objectives of the Executive for 2015-16.

The Board noted the update.

vi **ACCREDITATION COMMITTEE – 4 JUNE**

In the absence of Ms Wilkinson, Dr Brown updated the Board on the main business covered, which had included a presentation on the Business System Directorate corporate strategy vision and objectives, and how it would support the Accreditation function. The Committee had also considered the conclusions from the recent stakeholder survey, and in light of its overall positivity, it had been agreed to shift from an annual to three yearly survey.

96/13 **ANY OTHER BUSINESS**

There were no matters raised.

96/14 **DATE OF NEXT MEETING**

The next meeting of the Board would be held on Wednesday 19 August 2015.