

BOARD OF MANAGEMENT – 14 APRIL 2010

For approval

Minutes of the sixty-first meeting of the Board of Management held at 10.00am on Wednesday 24 February 2010 in Esk/Forth, Optima Building, Glasgow.

Members

- * Mr G Houston (Chairman)
- * Dr J Brown (Chief Executive)
- * Mr A Cassidy
- Mr J Edgar
- * Mr W Gallagher
- Prof A MacLennan
- * Mr K McKay
- * Mrs M Nicol
- * Mr G Rodgers
- Prof J Simmons
- * Mrs S Walsh

Officers

- * Ms M Cahill
- * Mr R Gibson
- * Ms K McCallum
- * Mr J McDonald
- Mr G Moodie
- * Ms J Ross
- * Dr G Stewart

Observers

- * Mr M McVicar, Scottish Government

* indicates present

61/1 WELCOME AND APOLOGIES

The Chairman welcomed members to the meeting, including Mr McVicar from the Scottish Government. Apologies were received from Mr Edgar, Prof MacLennan, Prof Simmons, and Mr Moodie.

The Chairman reminded Board members that input was invited from members of the Executive Team on any issues that required clarification or comment in the course of the meeting.

61/2 DECLARATION OF ANY CONFLICTS OF INTEREST

There were no conflicts of interest declared.

61/3 PREVIOUS MEETING**i Minutes of meeting held on 9 December 2009**

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

ii Action Grid

The contents of the action grid were noted.

61/4 MATTERS ARISING**60/4 Dalkeith Accommodation Project**

The Board was updated on the current position with the Dalkeith Accommodation Project. The submission had been presented to the Minister, Keith Brown, on Friday 19 February and a decision was expected before long.

A detailed communication plan had been agreed with the Scottish Government and ensured that SQA staff would be the first to be advised of the decision.

On behalf of the Board, the Chairman passed on thanks to all the staff for their valuable work and in particular, for the focus to reach completion over recent weeks.

61/5 CHAIRMAN'S REMARKS

The Chairman updated the Board on recent SQA engagements.

- Attendance by him and the Chief Executive at the Cabinet Secretary's introductory consultation event on 15 December.
- Attendance at the Audit Committee on 9 February.
- Meeting with John Mulgrew, Chair of LTS, leading on from which, there would be a meeting scheduled with the Chief Executives of SQA and LTS to take forward discussions around engagement and shared services.
- Shortlisting for the three Board member vacancies, with interviews scheduled to take place on 9 March.

In closing, the Chairman advised that he was in the process of arranging Board appraisal meetings, and that the Corporate Office would be in touch with members regarding availability.

61/6 CHIEF EXECUTIVE'S REPORT

Dr Brown referred to the contents of her report and highlighted specific areas of interest and progress.

Roadmapping

The Executive Management Team had recently directed a significant amount of time and focus on developing a well articulated roadmap that went to achieve SQA's vision by 2020. Further sessions were planned over the coming weeks, and the Board would be provided with continued updates.

Corporate Plan 2010-13

Dr Brown updated the Board on feedback that had been received from the Scottish Government on the Corporate Plan 2010-13. Seeking clarification on the matters in question, the Board was advised that the main areas for consideration were:

- Rewording of Goals 4 and 5 in order to reflect the current position in relation to the Sub Group of the CfE Management Board.
- Wording around the creation of a trading subsidiary.
- Reflection of importance of CfE.

The Board urged officers to be mindful of the contingent effects of any changes introduced, as well as the importance of ensuring an accurate reflection of SQA's role with regard to CfE. It was agreed that the requests would be considered carefully by the Executive Management Team, and that any proposed modifications would be presented to the Board for its review and discussion in April.

It was noted that this delay would impact on the approval of the corporate plan and budget before the year end. As such, and to ensure no cash flow issues would arise, SQA was in discussion with the Scottish Government for agreement to draw down grant in aid funding for April 2010.

Consultancy Spend by NDPBs

The Scottish Government had developed revised guidance on the use of consultants, whereby all consultancy contracts over £100,000 from any NDPB must be approved by Mr Swinney, Cabinet Secretary Finance and Sustainable Growth. Previously, this level of consultancy spend could have been approved by the Board.

61/7 **BUSINESS DEVELOPMENT REPORT**

The report was opened with an update on:

- The introduction of a new communications email called 'Marketing Bites', which provided SQA staff with an early morning view of relevant stories appearing through online press channels. Members of the Board were invited to subscribe if interested.
- The Edinburgh School of Business.

Mr McDonald went on to provide an overview of the income and expenditure report for the period to end January 2010. For business plan reporting, the overall status could be reported at green and on target, with the exception of the trading subsidiary. The business case for the trading subsidiary had been revised to take into account comments from the Scottish Government and had been resubmitted on 8 February 2010. Mr McVicar advised that the accompanying submission had been drafted and would now be considered by senior officials, before presentation to Ministers.

Ofqual

The draft Ofqual Auditor's response had been received, and following SQA's comment and feedback, the report was in the final stages of completion. An action plan was being developed to address a total of 25 conditions; the Board was assured that there were no areas of concern.

Changes to organisational and team structures

In order for SQA to meet its long term strategic objectives in providing for Scotland, and in doing so, meet the challenges ahead on SQA's income and portfolio, the Board was advised of the work that had been undertaken to restructure the Business Development and Customer Support area. The end result would bring SQA a clearer focus on customer engagement and ensure a stronger and proactive standpoint in its competitive markets. An update was also provided on how the changes had been communicated and managed internally, through team and individual staff meetings, and work with the Partnership Group and Unions.

In his capacity as staff representative on the Board, Mr Rodgers commented on the areas of staff concern. The Board discussed the matter in detail, and whilst recognising staff concerns, it was fundamentally in agreement with the changes being introduced. The Board was of the view that it must ensure SQA's long term sustainability to deliver in Scotland, maintain SQA's core values and protect the future operation of SQA business.

SQA officers were minded to manage the implementation and transition stages carefully, to ensure ongoing discussions with staff and the Unions and to address the harmonisation of terms and conditions for staff across the organisation.

61/8 CFE

i Programme Planning Update

Dr Brown presented an update on the Scottish Government Programme management regime. It was noted that by end February 2010, Accountable officers must ensure that detailed plans were in place at project level to deliver the agreed milestones and dependencies. However, the current draft programme plan identified only activities of the Scottish Government, SQA and LTS, with no cognisance of the delivery partners at local level.

To validate the robustness and integrity of the planning approach, Mr Gallagher reiterated his case for a holistic and independent view to be undertaken across the Government's entire programme. This was fully supported by the Board, to which Dr Brown responded that the Scottish Government had given its assurance that an audit would be conducted on finalisation of the plan, where key dependencies would be identified, tracked and monitored.

Members were resolute in their view that SQA's ultimate responsibility was to have materials and assessment arrangements in place to support the delivery of the new qualifications. The Board stressed that a coordinated approach must be taken across all bodies, with associated key milestones and dependencies in place to manage the programme across all streams of work. The criticality of this strategic engagement was fundamental to the success of delivering CfE and as matter of urgency, the Board requested recognition of these interdependencies along with a clarity on the overall programme and how it would dovetail into SQA's local plans.

It was mooted that Audit Scotland could have a role to play in terms of the reputational risk to Scotland, at which point Dr Brown confirmed that during 2011, SQA's internal auditors PwC, would undertake an audit of SQA's programme in the context of the overall CfE programme. On discussion, the Board also proposed that the Scottish Government engage an experienced Programme Manager, to drive forward a standardised approach and report into the CfE Programme Board.

In drawing the discussion to a close, it was agreed that the Chairman should expedite his invitation for the Cabinet Secretary to attend a future meeting of the Board.

Dr Brown went on to outline the joint plan with LTS that provided clarity on the responsibilities of the two organisations and ensured better management risks, dependencies and resolution of shared issues.

ii Design of National Qualifications and Impact Analysis

Dr Stewart advised that the Design Principles for National Courses had recently been considered and approved by the Qualifications Committee.

There had been general support for the new model, however similar concerns around the challenges ahead and the significance of strong interdependencies between all partners, had resonated among members of the Committee.

iii **Management Response : Deloitte Report**

The Board received an update on the status of actions being taken by the Executive Management Team to address the key findings of the Deloitte Report. A few of the actions associated with the role of the Scottish Government had yet to be articulated, and Dr Brown was in dialogue with officials to finalise this detail.

The Board found reassurance on the work being progressed, and was pleased to note that this work would be tracked in line with normal audit activity processes.

61/9 **FINANCIAL REPORT 10 MONTHS TO DATE**

The Board noted the summary of the income and expenditure accounts for the year to 31 January 2010. It was noted that active steps were being taken to reduce non-essential costs.

61/10 **REPORT FROM CERTIFICATION PLANNING GROUP**

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

An update was provided on a number of the key critical success factors.

61/11 **COMMITTEE REPORTS**

i **International and Commercial Committee held on 18 November 2009**

A verbal update had been provided at the last Board meeting. The Board noted the contents of the draft minutes and one amendment at reference 18/8 that should report as favourable instead of adverse.

ii **Advisory Council held on 4 December 2009**

A verbal update had been provided at the last Board meeting. The Board noted the contents of the draft minutes.

iii **Accreditation Committee held on 8 December 2009**

A verbal update had been provided at the last Board meeting. The Board noted the contents of the draft minutes.

iv **Qualifications Committee held on 25 January 2010**

The Board noted the contents of the draft minutes.

v **Audit Committee held on 9 February 2010**

The minutes had not been available for inclusion in the Board papers. In Mr Edgar's absence, Mr Cassidy provided an overview of the business covered.

61/12 **ANY OTHER BUSINESS**

There were no matters raised for consideration.

The Chairman reminded Board members to submit the questionnaires on the effectiveness of the Board, in order that a summary of conclusions could be collated to help inform the Board's analysis and discussion at the private session of the Board.

61/13 **DATE OF NEXT MEETING**

The next meeting of the Board of Management would be held on Wednesday 14 April in the Boardroom, Ironmills Road, Dalkeith.