

Minutes of the ninety-ninth meeting of the Board of Management held at 10 am on Wednesday 27 January 2016 in Esk/Forth, Optima.

**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**

None

**100/1 WELCOME AND APOLOGIES**

The Chairman welcomed members to the meeting.

Apologies had been received from Mr McKay.

There was no-one in attendance from the Scottish Government.

**100/2 DECLARATION OF ANY CONFLICTS OF INTEREST**

There were no other conflicts of interest raised.

**100/3 PREVIOUS MEETING**

**i Minutes of meeting held on 9 December 2015**

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.

**100/4 MATTERS ARISING**

There were no matters arising.

## 100/5 CHAIRMAN'S REMARKS

The Chairman advised that he had continued to take forward the recruitment of five Board members with the Scottish Government and that it was hoped that a planning meeting would be diarised soon. He highlighted the sense of urgency, given the impending departure of two current members at the end of August. The Chairman had a meeting scheduled with Fiona Robertson later that day, when he would raise the need to progress the recruitment schedule with haste.

In response to the Board's letter to the Cabinet Secretary outlining the findings of the lessons learned exercise, a meeting to discuss SQA's approach had been scheduled to take place with the Chief Executive on 10 February. Unfortunately, the Chairman could not attend.

The Board noted the update.

## 100/6 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.

Some discussion took place around the recent publication of the OECD Review on *Improving Schools in Scotland*, which had focussed on an increased coherence of provision through Broad General Education (BGE). It was noted that in the time since, a working group on Assessment and Qualifications Group had been formed, and would look at assessment policy and practice from age 3 to 18, in turn hopefully assisting to facilitate that progressive and consistent learning experience through BGE. The remit and membership of the group had yet to be determined by the Scottish Government.

The OECD Review had clearly stated that any decisions going forward must be evidence based. As reported to the last Board meeting, extensive research and engagement was already underway in SQA to gather intelligence and ensure that discussions on any proposed variations were taken in the context of evidence and that all factors affecting assessment workload and performance including those outwith the design of qualifications would be considered.

The Board was reassured that the Scottish Government had been briefed, and had fully understood SQA's position that standards could not be compromised. It was stressed again that careful consideration would be given to the impact of any policy changes to the system, and as always, such circumstances would require sufficient notice prior to the academic year of implementation.

The Board was reminded that in parallel, there was considerable work taking place internally to underpin SQA's approach to the monitoring and evaluation of the new National Qualifications. The Board was assured that the outputs of this work would be duly reported to the Qualifications Committee, and with regard to any change to unit assessment, it was confirmed that this would require a redesign of the course assessment and only practical timescales could be considered.

Drawing on her recent engagements, the Chief Executive referred to a recent meeting of the JCQ where the Apprenticeship levy and its impact on awarding Bodies as employers had been discussed. Work was ongoing to ascertain the position.

The Board noted the contents of the report.

## 100/7 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 conflicting and multiple demands on SQA staff and Appointee resource. The Board commented positively that despite the unrelenting resource challenges faced by SQA, it had continued to meet successfully every external deadline throughout delivery of the CfE Programme.

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.

The Board noted the contents of the report.

## 100/8 FINANCIAL PERFORMANCE YEAR TO DATE

Mrs Ellison, Director of Finance tabled and presented the Quarter 3 forecast position, and detailed the issues and risks that had become apparent from the Q3 business submissions. Two material issues were highlighted relating to the pursuit of a potential bad debt and a possible VAT exposure. In summary, £0.5m of additional income or cost savings were required to achieve the approved Q0 year end forecast.

The Board noted the contents of the report and accepted the risk that the business might not achieve the Q0 forecast outturn. It was noted that SQA would continue to manage and monitor the position closely.

Mrs Ellison also tabled and presented the movement analysis from 2015-16 to the 2016-17 draft budget proposal, outlining the assumptions and the key factors impacting on income and costs. She advised that the Scottish Government had been made aware of, and understood the challenging position SQA was in, especially as a result of unanticipated and increased CfE activities. It was noted too that the pricing arrangements that would apply from August 2016 were still subject to discussion within Scottish Government.

The Board accepted the proposal and welcomed receipt of the latest Budget Allocation and Monitoring Letter from the Scottish Government.

## 100/9 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 December 2015 against Quarter 2 targets.

The Board noted the generally encouraging performance.

Mr McMorris also provided an update on the position with the HN trademark, and the Board noted that as a result, SQA would adjust its business accordingly.

## 100/10 BUSINESS SYSTEMS REPORT

Mr Davidson, Director of Business Systems, presented the report on the business of the directorate.

The Board noted the contents of the report.

## 100/11 CORPORATE RISK REGISTER

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

The Board noted the contents.

## 100/12 BUSINESS CHANGE PROGRAMME

Mr Davidson, Director of Business Systems, provided the Board with a presentation covering the range of work being undertaken as part of the Business Change Programme. The overriding goals of the programme were to co-ordinate and deliver those change projects that had been put in place to improve and enhance SQA's services to customers.

- Existing SQA systems and processes were no longer able to respond to the changing quality and process needs of both SQA and its stakeholders. SQA had been successful in developing existing processes and systems but this was no longer sustainable to ensure continued delivery. There was a vital need to move to more robust, responsive and flexible processes and systems to support both internal and customer needs in the future. The Board supported the innovative approach to introduce significant change.
- A strong governance mechanism had been established with the Executive Management Team having collective ownership of the Change Programme. A Programme Management mechanism had been put in place to ensure detailed project governance and delivery across both 'business as usual' activities *and* the change programme projects.
- It was vital for successful development and implementation to ensure that there was strong relationship management in place with partners.

In conclusion, the Board agreed that delivery of the change programme was business critical and precisely what SQA needed in terms of being able to respond to change and deliver in the future.

Members welcomed forthcoming updates on progress at each meeting of the Board.

## 100/13 COMMITTEE REPORTS

### i **Qualifications Committee –18 November 2015**

Mrs Walsh had referred to the business of the meeting of 18 November at the last meeting of the Board, and members noted the draft minutes.

### ii **Audit Committee – 23 November 2015**

Mr Edgar had referred to the business of the meeting of 23 November at the last meeting of the Board, and members noted the draft minutes.

iii **International & Commercial Committee – 23 November 2015**

Mr O'Hare had referred to the business of the meeting of 23 November at the last meeting of the Board, and members noted the draft minutes.

iv **Remuneration Committee – 9 December 2015**

It was recorded that the Chairman had stood down from convenorship of the Remuneration Committee, but would remain as a member of the Committee. Ms Wilkinson would assume the role as Convenor.

v **Accreditation Committee – 12 January 2016**

Ms Wilkinson advised on the main business covered, which had included an overview of the current status of Universal Services projects and discussion of the Accreditation Committee workplan 2016. The Board was invited to add comment to the latter.

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

vi **Advisory Council – 18 January 2016**

Dr Thomson advised that discussions had centred on the relationship between HN performance standards and the Scottish Index of Multiple Deprivation (SMID).

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

100/14 **ANY OTHER BUSINESS**

There were no matters raised.

100/15 **DATE OF NEXT MEETING**

The next meeting of the Board would be held on Wednesday 23 March 2016.