SCOTTISH QUALIFICATIONS AUTHORITY   PC7/4 i

PERFORMANCE COMMITTEE – 24 AUGUST 2020   For approval

Minutes of the sixth meeting of the Performance Committee held on Monday
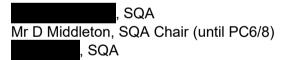25 May 2020 at 10.30 am by Microsoft Teams.

Members

* Ms E Craig (Convenor)
* Ms A Davis
* Mr H McKay
* Mr R Stewart (PC6/8 onwards)

Officers

* Mr M Baxter
* Ms J Blair
* ██████████
* Mr S Borley
* Mr A Dickson
* Mr L Downie
* Mrs D Mahmoud
* Mr J McMorris
* Ms F Robertson
* Dr G Stewart

*indicates present

In attendance

████████████, SQA
Mr D Middleton, SQA Chair (until PC6/8)
██████████, SQA

6/1   WELCOME AND APOLOGIES

The Convenor welcomed everyone to the sixth meeting including
Mrs Dawnne Mahmoud, Director of People, to her first meeting of the Committee. A welcome was also extended to Mr David Middleton, SQA Chair.

There were no apologies were recorded.

Due to technical difficulties Mr Stewart joined the meeting late.

6/2   DECLARATION OF ANY CONFLICTS OF INTEREST

There were no conflicts of interest declared on the agenda.

6/3 PREVIOUS MEETING

i   Minutes from previous meeting

It was highlighted that there were some minor typographical errors identified and the Committee were assured that these would be rectified on the electronic version of the minutes. Contented, the Committee approved the minutes of the fifth meeting of the held on 24 February 2020 as an accurate record of the meeting.

ii   Action Grid

The Committee noted the contents of the Action Grid.

iii   Workplan

The Committee noted the contents of the workplan.

6/4 MATTERS ARISING

5/6 SQA People Survey 2019

The Committee noted that Directorate action plans from the survey results would be finalised and published on SQA's Intranet by the end of May.

A review of the progress would be provided at the next meeting.

6/5 QUARTERLY PERFORMANCE REVIEW

Mr Borley led on presenting the report, highlighting that performance was on track for all Strategic Goals, with the exception of Strategic Goal 8. The following areas were covered in the course of discussion:

Strategic Goal 1

The Committee noted that the overall RAG status was assessed at green, with around 94% of the work at the year-end completed.

As a result of SQA's priorities in response to the COVID-19 pandemic, outstanding work would be prioritised, nevertheless progress continued.

Strategic Goal 2

At the last meeting, the Committee were informed of the investigation Ofqual were conducting in relation to the Health and Safety in a Construction Environment qualification in the English market. Dialogue with Ofqual remained ongoing, however, have advised that the expected completion for the report had been revised to September / October 2020 due to the COVID-19 pandemic.

Although an Action Plan had been developed in advance to address potential findings / recommendations from the report from Ofqual, SQA could not progress this further. The Executive Management Team (EMT) would continue to monitor the situation.

Strategic Goal 6

The Committee noted that the overall RAG status was assessed at green and remained on track. The absence level had trended slightly above the benchmark and the Employee Engagement Index key metric was 74%, against the benchmark of 75%. Turnover and flexible working measures remained on track all year.

As the new Director of People, Mrs Mahmoud advised that one of her priorities would be to develop and deliver a People Strategy. Part of this would be to review People KPIs, and this would include more granular insight into staff turnover, such as regretted losses and short-term turnover. Talent management would also be a feature which would allow linkages to be made between turnover and positions on talent map. This was welcomed by the Committee.

Discussion lead to the People Survey in 2020, and if the questions would be reviewed to gather feedback on COVID-19 situation. Mrs Mahmoud advised that the frequency and relevance of questions would be reviewed to discover what was important for staff going forward. It was anticipated that smaller, more dynamic pulse surveys tailored within Directorates would be developed to provide more relevant data and less of a once-a-year snapshot in time.

The Committee was assured that EMT's priority continued to be the health and wellbeing of the staff. There was a pulse survey under development to find out how staff were feeling about working in SQA during the COVID-19 pandemic.

The Committee noted that the COVID-19 situation had identified opportunities for various flexible working arrangements, and this would be considered by EMT.

The Committee noted that at the beginning of March only half of SQA were able to work from home and were pleased to note that the number of individuals unable to work from home had been reduced to 28; the majority were within the Facilities Management Team who had office-based roles. Appreciation was recorded for the Business Systems Directorate who had rolled out the necessary equipment over a short period of time to enable SQA to work from home and continue delivering against its Strategic Goals.

The Chief Executive reported that EMT continued to have daily calls, and in April a new forum called Ask EMT had been introduced. This allowed EMT to directly update staff across the business, as well as providing an opportunity for individuals to ask any questions. The recent two Ask EMT sessions had been successful, with over 300 staff participating. EMT had received positive feedback and in general, had seen an improvement within internal communications.

Strategic Goal 8

Mr Baxter advised that the overall RAG status was assessed at amber to reflect the projected outturn position compared to original targets set at the start of financial year 2019-20. The Q4 position reflected an agreed position with the Scottish Government where resource expenditure was broadly in-line with that reported at Q3 although the impact of the COVID-19 pandemic had moved the income position slightly.

He was pleased to advise that the year-end reported funded and planned savings instigated in response to the Q2 reported position had been fully delivered.

The Committee noted that the 2020-21 budget would ensure clear and transparent expectations, with a revised matrix for reporting moving forward.

In response to a query regarding financials and entries in the Rest of the UK (RoUK) and Internationally, Mr McMorris reported that the original Q0 target had incorporated overambitious targets for income growth, including a pipeline contract that did not materialise. In the final quarter, the COVID-19 pandemic had, had a detrimental impact on income generation, and a reduction in entries. He was pleased to report that the RoUK had finished the year end in-line with the forecast of circa £2m.

Strategic Goal 9

The Committee were reminded that, owing to the independence of the Accreditation function from the Awarding function, the reporting of this Strategic Goal was included within the QPR only for completeness. It would not therefore be reviewed by the Committee.

RAG report ratings

The Committee ratified EMT's overall RAG report ratings on the Strategic Goals; green for Goals 1-7 and amber for Goal 8.

6/6   BEST VALUE FRAMEWORK APPROACH 2020-21

Mr Baxter reminded that Committee that the Best Value Framework Programme had been in place within SQA for the last two financial years and that some limited success had been achieved, particularly relating to in-year cash releasing savings. After a review of the programme it was apparent that there were no clear objectives and therefore a change in approach and focus was required to derive maximum benefit from the programme. He went on to explain how SQA intended to align the programme to the Audit Scotland Model and broaden the programme to a more corporate and holistic approach that focussed on improving effectiveness in use of resources as well as efficiency, all with the objective of improving delivery. he approach would be taken using the Audit Scotland Self-Assessment model for Best Value and the development of an action plan would be undertaken to address all aspects of Best Value included in the Self-Assessment model.

During discussion, the Committee:

▪ Noted that EMT had welcomed the new approach to deliver efficiencies going forward.

▪ Welcomed that opportunities across SQA would be identified and prioritised, including a view of priority strategic finance projects across Directorates to ensure a balance.

▪ Acknowledged that underpinning a successful Best Value Framework would allow for a strong organisational culture and positive attitude towards Best Value and improvement.

- Were advised that all SQA employees were required to complete a weekly timesheet that allocated time against relevant codes and activities in Business World (part of the Corporate Business System project). This enabled reporting against SQA's products and services, and where possible, support cost allocation. Since launch, there had been a restructure to the original model set and a complete cycle had yet to be completed. It was noted that EMT were mindful that further work was required to effectively progress cost allocation as a key project, and it was anticipated that a report would be presented later in the year to the SQA Board.

- Requested clarification on an action associated with Customer surveys. It was clarified that this related to involving Customers in any changes to service delivery as part of our service design approach and was linked to a corporate deliverable in the Performance Framework.

- Welcomed that EMT acknowledged that there were constraints, nevertheless staff had an appetite for continuous improvement, and this would assist in creating a culture of improvement.

- Welcomed that the People Strategy would embed a culture of positive challenge and encourage a safe-to-fail environment.

- Requested clarification on why efficiencies would be aligned to individual Heads of Service (HoS). Likewise, to the Performance Framework, EMT had discussed and agreed that HoS were part of the leadership team of SQA and it was appropriate to give responsibilities to them.

The Committee approved the approach for taking forward the Best Value Framework Programme and noted that the first progress report would be presented to the next meeting.

6/7 DRAFT ANNUAL REPORT AND ACCOUNTS 2019-20: SECTION A - PERFORMANCE REPORT

SQA was required, at the end of each financial year, to produce a combined Annual Report and Accounts document and preparation of the document was governed by the guidance contained within the Financial Reporting Manual (FReM) and was subject to independent review by Audit Scotland.

Section A (Performance Report) was presented to the Committee for review, as part of its remit to monitor progress and the successful delivery of SQA's corporate objectives. The Committee noted that Section B (Accountability Report) and Section C (the unaudited Annual Accounts 2018-19) would be presented to the Audit Committee for review at its meeting in June.

Mr Baxter highlighted that due to the timing of the meeting there were several areas in the report that were still to be finalised, however the SQA Board would approval the final version at its meeting in August and this was noted by the Committee. He also reminded the Committee that the situation with the COVID-19 pandemic was only the last two-three weeks of the financial year, and that any risks and mitigating actions reflecting the position at that point in time had been included in the report.

During discussion the Committee:

- Noted that the report would be given a professional proofread to make it publication ready by SQA's Editorial team.

- Suggested that within the International engagement and co-operation section, it would be beneficial to clarify that Scotland: Trading Nation was a Scottish Government policy document.

- Highlighted that the monitoring of SQA's progress against its Strategic Goals was the remit of this Committee, and not the Audit Committee.

- Suggested that within the Complaints handling section, a short summary on the upheld complaints could be included.

- Suggested that it would be proactive to include narrative of the dispute with the unions, how it was resolved and the agreed forward approach.

- Suggested that SQA include narrative to highlighted that they undertook a planned review of the expenses policy.

- Noted that information related to the Voluntary Early Release scheme was detailed in Section C of the Annual Report and Accounts.

- Suggested that within the Volunteering section, it would be practical to add narrative to explain why the numbers had decreased.

In closing, Mr Borley advised that the reference to the Audit Committee would be corrected and the suggestions would be considered for the inclusion in the report.

The Committee noted Section A of the Annual Report and Accounts for 2019-20.

Mr Stewart joined the meeting.

6/8   PERFORMANCE FRAMEWORK

Mr Borley led on a presentation that recapped on the work to date to develop a new Performance Framework that allowed SQA to create a new set of outcomes to replace the existing Strategic Goals, supported by a series of deliverables. He went on to explain the identified key corporate activities that SQA would prioritise in the year ahead. During the presentation the Committee:

- Noted that there was 27 deliverables within the Performance Framework and that they had been split into three, broad categories; 'Perform', 'Plan' and 'Progress'.

- Welcomed that each deliverable had its own Terms of Reference that defined the purpose and structure of the deliverable.

- Noted that initial feedback on the colours used to enable viewers to identify how deliverables and the associated outcomes knitted together were difficult to distinguish, and this was under review.

- Noted that SQA Accreditation were working on a parallel set of deliverables that reflect their unique role and contribution to SQA's success.

- Welcomed that the Performance Framework would be embedded over time into SQA's intranet and aligned with other documents, data, research etc.

- Welcomed that staff would be able to map personal, team and Directorate objectives to the Performance Framework to allow a greater understanding of what SQA was trying to achieve.

- Agreed that there would be significant improvements to the QPR and welcomed that there would be a 'static' end of each quarter pack, with supporting commentary to allow for focussed discussions.

- Noted that the outcomes were what SQA aimed to deliver over a three-year period. The deliverables, and associated measures, were SQA's priorities in 2020-21.

The Committee took the opportunity to thank Mr Borley and all involved in the development of the Performance Framework and the level of detail contained within all the supporting documents.

In the ensuing discussion on the Performance Framework, the Committee:

- Suggested that sub-headings could be included under the five outcomes. In response, it was advised, the EMT had considered this and agreed that it was prudent that one word was not associated to each outcome.

- Noted that there was not a separate deliverable for risks or EMT resilience as these were embedded across the deliverables.

- Noted that similarly there was not a specific deliverable for digital activities as this was embedded across all the deliverables, as this was fundamental to SQA to delivering on all its outcomes. The Committee suggested that to ensure a clear understanding of this that the narrative was revised and articulated appropriately, particularly to emphasise more on the resilience.

- Acknowledged that the development of a Data Strategy deliverable was in terms of SQA's role as a steward and provider of data.

- Suggested that within the 'Perform' deliverables there was something relating to resilience.

- Enquired why the Media Strategy was referred to as promotional and it was clarified that following consultation with the team, it was agreed to use that word to indicate assertiveness. It was suggested that the narrative was reviewed to ensure that it was not misinterpreted.

- Suggested that there be a specific deliverable on college engagement regarding empowerment.

- Suggested a more specific deliverable on international engagement.

- Welcomed the deliverable regarding progressing Best Value.

- Acknowledged that given the circumstances due to the COVID-19 pandemic some of the implementation measures had taken a little longer than initially planned.

- Noted the application to map personal, team and Directorate objectives to the Performance Framework would be monitored.

Mr Borley took the opportunity to advise that once the Performance Framework had been launched, he had contacted staff across SQA who took part in various discussions throughout the development process. Feedback was positive and had indicated that many of the ideas and prioritises that were raised had been included.

In closing the Committee commended that the Performance Framework would bring a clarity of purpose to the work of SQA.

Mr Middleton left the meeting.

6/9 FOCUS FOR NEXT MEETING

The Committee noted that the agenda for the next meeting would be established from the workplan.

6/10 ANY OTHER BUSINESS

There was no other business raised for the consideration by the Committee.

6/11 DATE OF NEXT MEETING

The next meeting of the Committee would take place on Monday 24 August 2020.

The location of the meeting was scheduled for Lowden, however, this would be reviewed nearer the time, and would follow government guidance.

Postscript: Meeting changed to MSTeams.