

## BOARD OF MANAGEMENT – 17 AUGUST 2017

For approval

Minutes of the one hundred and tenth meeting of the Board of Management held at 10am on Wednesday 21 June 2017 in Esk/Forth, Optima.

**Members**

- \* Mr G Houston (Chairman)
- \* Dr J Brown (Chief Executive)
- Ms E Craig
- \* Mr S Hagney
- \* Mrs J Handley
- \* Dr W Mayne
- \* Mr H McKay
- \* Mr R O'Hare
- \* Mr R Stewart
- \* Dr P Thomson
- \* 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**

- \* Mr A Bruce, Scottish Government
- \* Ms F Robertson, Scottish Government
- \* Ms A Stansfield, Scottish Government

110/1 **WELCOME AND APOLOGIES**

The Chairman welcomed members to the meeting, including from the Scottish Government: Fiona Roberson, Director of Learning, Andy Bruce, Deputy Director, Curriculum, Qualifications and Gaelic and Anna Stansfield, Head of National Qualifications Team. Apologies were noted from Eleanor Craig, Jean Blair and Gill Stewart.

110/2 **DECLARATION OF ANY CONFLICTS OF INTEREST**

There were no conflicts of interest raised.

110/3 **PREVIOUS MEETING**i **Minutes of meeting held on 10 May 2017**

The minutes were approved as an accurate record, with one minor amendment for clarification.

ii **Action Grid**

The contents of the action grid were noted.

110/4 **MATTERS ARISING**

There were no matters arising.

110/5 **CHAIRMAN'S REMARKS**

The Chairman reported that he had met that morning with Fiona Robertson, Director of Learning. He also updated the Board that the recommendations for the

appointment of the new Chair were currently with the Deputy First Minister for consideration. At that time, it was intended for the appointment to take effect from 1 October.

## 110/6 CHIEF EXECUTIVE'S REPORT

The Chief Executive presented an update on her recent engagements. Opening with some positive news, the Chief Executive was pleased to report that the DVSA had confirmed that the current contractual arrangements would be extended. The Board noted that any related income would not take effect until the next Financial Year.

Having presented the report in full, discussion moved onto the recent Scottish Government publication of *Education Governance: Next Steps*, (the Education Governance Review) which set out proposals for the reform of school education. The Board noted that Officers had been actively progressing the actions expected of SQA. With regard to the activity around communications and engagement, it was highlighted that for SQA, this extended beyond the NQ arena and into the vocational and contracting markets. As part of the SQA Change Programme, work was already well underway in this area, and several focus group events had taken place with teachers, which had identified actions that would be taken forward.

Discussion moved onto the broader recommendations of the Education Governance Review and Scottish Government officials outlined that the paper very much focussed on collaboration across the education system and how to build capacity for improvement. In response to the Board, it was explained that the consultation on the Education Bill in autumn 2017 would help clarify the role and functions of all partners in the education system and how together, they would deliver the intent of the document.

The Board noted the content of the Chief Executive's Report.

## 110/7 QUALIFICATIONS

### i Revised National Qualifications (RNQ) Update

The Chief Executive presented an update on the RNQ Programme, and was pleased to report that the status of the overall programme was now at amber.

In the course of discussion, it was confirmed that SQA had published and communicated changes to Assessment in National Courses. The SQA Liaison team had met with Headteacher groups in all Local Authorities to discuss the changes and garner intelligence to assist SQA in developing its targeted communication to teachers.

The Board noted that SQA continued to receive significant feedback on the aggressive timetable to deliver RNQ, with requests for SQA to delay introduction of the changes, which of course, fell outwith the control of SQA. There had also been increasing requests from practitioners for the provision of further support materials, which would not be possible in light of the time frame and other commitments associated with certification.

The Board noted the contents of the report and was pleased to note that the programme was on track.

ii **Report from the NQ Certification Programme Group**

The Chief Executive presented a full update on the National Qualifications Certification Programme Group and was pleased to report, that overall the programme for certification 2017 was on track.

The college industrial action by EIS-FELA had caused disruption to the completion of verification activities. The Board was assured that SQA continued to monitor this and work closely with centres to complete quality assurance activity and certification to schedule.

Already working towards next year's Diet, it was confirmed that the 2018 Examination timetable would be published at the end of that month.

The Board noted the contents of the report, and was reassured that arrangements were in place to manage areas of risk.

iii **Report from HN, Vocational and International (HNV/Int) Certification Programme Group**

The Chief Executive presented the report in detail, providing updates on those factors rated at amber. Again, the college industrial action had affected progress, particularly around visiting verification activity and college resource to release staff. SQA continued to review the situation and was working closely with colleges to assist and avoid any risk of incomplete certification in August.

The Board noted the contents of the report and mitigating actions in place.

110/8 **FINANCE**

i **Financial Performance Report**

Mrs Ellison, Director of Finance, tabled and presented in detail, the year to date and forecast outturn for the period ending 31 May 2017.

During the course of discussion, it was noted that:

- Income figures were assumption based.
- Work was ongoing to identify the staffing implications and additional costs required to support RNQ implementation.
- Additional capital was reported on account of the approval of the Spend to Save proposal.

The Board discussed the importance of agreeing the SQA budget with Scottish Government and reflected on the continuation of the fixed charge being made to Local Authorities for delivery of National Qualifications. Members highlighted that further discussion should take place with government to explore and agree a longer term funding model for the organisation and that this would be best undertaken during the 2018-19 budget setting process.

The Board noted the financial position as presented.

## ii **Cash Position**

Mrs Ellison Director of Finance, presented the cashflow, provided to the Board as an assurance on the current position.

The Board noted the position for the year based on the 2017-18 Q0 accruals forecast.

## 110/9 **BUSINESS DEVELOPMENT REPORT**

Mr McMorris, Director of Business Development, presented the business development activity in all key markets as at 31 May 2017 against the Q0 plan.

In response to the Board, Mr McMorris confirmed that any commitment to contracts activity was underpinned by an extensive evaluation of upfront costs, resource needs and SQA's capacity to deliver. The Board was reminded that resources employed in SQA's income generating activities were distinct from those that were required to deliver on the organisation's commitments in Scotland.

The Board noted the contents of the report along with an update on trademarking.

## 110/10 **SQA CHANGE PROGRAMME REPORT**

The Chief Executive presented the update on progress against the various workstreams of the SQA Change Programme.

Updating the Board on each strand of the Programme, she was pleased to report that overall the programme was on track.

The Programme Board continued to meet bi-weekly and review the Programme in detail. Recent considerations had included an agreement to apply a phased approach for HN and VQ processes. An internal working group was in place to trial the approach, aiming to deliver early winter for implementation in the next session.

As the Board was aware, SQA had faced significant and ongoing challenges with the implementation of CBS1, which were being recorded on the risk register and managed through the Change Programme and by the appropriate directorates. The Board welcomed that a paper on the lessons learned would be presented to the next meeting.

The Board noted the contents of the report.

## 110/11 **CORPORATE RISK REGISTER**

Ms Cahill, Director of Corporate Services, presented the status of the Corporate Risk Register (CRR), highlighting those changes as a result of changes in status and deliberations of the Executive Management Team.

The Board endorsed the proposal for the Audit Committee to consider the de-escalation of two risks at its next meeting in July.

Discussion took place around Risk 32 associated with insufficient appointees and whether given it was a recurring risk, was the proposed reduction in probability rating

appropriate. It was noted that the risk was also reported in two separate directorate risk registers, and should it be required, would be escalated to the CRR at the appropriate time. The Board endorsed this approach.

The Chief Executive also apprised the Board on the status of one other risk relating to a supplier.

The Board noted the contents of the Corporate Risk Register

## 110/12 CORPORATE PLANNING

### i **Outputs of Strategy Workshop**

The Board had before them the outputs of the workshop that had been facilitated by Mr Woods on 10 May 2017 and recorded that it was an accurate reflection of the discussions.

### ii **SQA Strategic Goals 2018-21**

Ms Cahill presented the goals for the three year period ahead, which essentially reflected SQA's current priorities. Taking account of the recent Education Governance Review, a further goal would be added around the development of a strategic communications and engagement strategy. This was endorsed by the Board.

The Board noted the strategic goals for 2018-21.

### iii **Draft Budget 2018-19**

Mrs Ellison presented the draft budget for 2018-19, which used the 2017-18 Q0 forecast as the baseline. It was noted that in the absence of any planned price increases in Scotland, the most significant impact on the 2018-19 position would be SQA's success in retaining and increasing its contract activity. This income was uncertain at the current time and formed an element of the risks associated with the proposed draft budget. Mrs Ellison continued to outline the remaining forecast assumptions, issues and risks, as detailed in the paper.

During discussion, the Board recommended that the budget assumptions should also reflect the risks association with any movement in pay policy.

The Board noted the indicative 2018-19 finance position.

#### **Framework Document**

*(This item had not been recorded formally on the agenda, but was raised at this point in the meeting.)*

The Chief Executive tabled and presented the most current version of the Framework Document, reviewed by the Board earlier in the year, and now approved by the Deputy First Minister.

In discussion, it was suggested and was agreed that it would be helpful to expand on the roles and responsibilities of Board members.

## 110/13 COMMITTEE REPORTS

### i **Advisory Council – 13 March 2017**

Mr Stewart had updated members on the business of the Advisory Council at the last meeting of the Board.

The Board noted the enclosed minutes.

### ii **International and Commercial Committee – 22 May 2017**

Mr O'Hare, Convenor of the ICC, referred to the minutes enclosed, highlighting again the usefulness on the themed discussions of the Committee. Recent focus had been on the sales strategies and marketing, which had shown some very credible work in place.

The Board noted the minutes.

### iii **Audit Committee – 22 May 2017**

Mr McKay presented an update on the business of the last meeting. Covering those areas of significance, he reported that strategic goal one had remained at red due to the Revised National Qualifications (RNQ) Programme and the on-going challenges around SQA and Appointee resource. There had also been discussion on the CBS project, when it had been agreed for the Board to have sight of the lessons learned from Phase 1. As mentioned previously in the meeting, it was intended to bring this to the next meeting of the Board.

The Board noted the update and that the minutes would be included in the next bound set of Board papers.

### v **Advisory Council – 5 June 2017**

Mr Stewart updated the Board on the business of the last meeting, when members had received a live presentation on the Scottish Government Insight Tool. A short discussion had also taken place around communications in relation to RNQ changes, when the importance of clarity in messaging, and the sources of that information, was brought to the fore.

The Board noted the update and that the minutes would be included in the next bound set of Board papers.

## 110/14 ANY OTHER BUSINESS

There were no matters raised.

## 110/15 DATE OF NEXT MEETING

The next meeting of the Board would be rearranged from 23 August 2017.  
*Later.* Meeting date set for 17 August 2017, in Esk/Forth, Optima.