

BOARD OF MANAGEMENT – 6 FEBRUARY 2019

Minutes of the one hundred and nineteenth meeting of the Board of Management held at 10.30 am on Wednesday 28 November 2018, in Optima.

Members

- * Mr D Middleton (Chair)
- * Dr J Brown (Chief Executive)
- * Ms E Craig
- * Ms A Davis
- * Mr S Hagney
- * Mrs J Handley
- * Dr W Mayne
- * Mr H McKay
- * Mr G Smith
- * Mr R Stewart
- * Dr K Thomson

Officers

- * Ms J Blair
- * Ms M Cahill
- * Mr L Downie
- Ms L Ellison
- * Mr J McMorris
- * Ms J Ross
- * Dr G Stewart

Observers

- * Ms A Kerr, SQA

* indicates present

120/1 OPENING REMARKS**1.1 Welcome and Apologies**

The Chair extended a welcome to all members of the Board, noting apologies had been received from Linda Ellison and the Scottish Government.

1.11 Declaration of Any Conflicts of Interest

There were no conflicts of interest declared on the agenda.

1.12 Minutes of meeting held on 24 October 2018

The minutes were approved as an accurate record subject to the following amendments.

It was agreed that it would be appropriate to note that the meeting of 24 October was prefaced with a private discussion between the Chair and members of the Board at which they were informed of the Chief Executive's intention to retire from her position during the course of 2019.

The Board were also updated on the progress to address performance issues experienced in data processing hardware.

4.5 SQA Performance Committee – to include a retrospective note that the Performance Committee did not hold its inaugural meeting as planned and the meeting is in the process of being rescheduled for early in the New Year.

1.13 **Matters Arising**

There were no other matters arising that would not be covered in the course of the agenda.

1.14 **Action Grid**

The contents of the action grid were noted.

1.15 **Workplan 2019**

The Board noted that the workplan for 2019 was in the final stages of approval and would be circulated virtually to members upon completion.

1.2 **Chair's Report**

The Chair opened with an update on the progress of the investment proposal that was submitted to Scottish Government in August to continue to modernise SQA's essential information systems infrastructure. The Chair noted that he had been maintaining contact with the Chief Executive, Lee Downie and Scottish Government to monitor progress.

The Chair's other SQA commitments had included attending the meetings of the Advisory Council, the Audit Committee and the Qualifications Committee and attending the SQA Star Awards, held at Kelvingrove Art Gallery which he reported to be a very enjoyable and inspiring evening.

The Chair concluded with his attendance at the launch of the 'Higher Vision' photography exhibition that will be on display in the Scottish Parliament building until February 2019, recommending that members attend the exhibition if they have the opportunity.

The Board noted the update.

1.3 **CHIEF EXECUTIVE'S REPORT**

The Chief Executive presented a full update on her activities since the last meeting of the Board, opening with her recent meeting with the Deputy First Minister. The Chief Executive assured the Board that the issues SQA are currently facing associated with capital investment had been brought to the attention of Mr Swinney. The Chief Executive updated the Board on the ongoing work around the replacement of hardware with a temporary solution going into place in the interim prior to taken with the introduction of a permanent system in early 2019. Additionally, work was continuing with additional contingency planning to identify and formalise actions to address issues that may arise over the coming months.

The Chief Executive emphasised that these are not scenarios that had a high probability of occurrence but assured the Board that SQA are taking appropriate action to minimise risk.

The Board expressed concern and awareness of complexity and criticality of SQA's activities and invited the Chair to discuss the issue with the Deputy First Minister at his planned meeting in December.

The Chief Executive informed the Board that the DFM had announced a decision as to future of National 4. There will be no changes to the assessment of National 4 and 'Recognising Positive Achievement' will cease to be available after this current session.

She concluded with her attendance at the preview evening of the SHINE exhibition, a touring exhibition of work produced by SQA National 1 and 2 learners. She commented that it had been a widely celebrated event by all who attended including the Deputy First Minister.

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

120/2 PAPERS FOR APPROVAL

2.1 SQA Corporate Plan 2019-22

Mr Steve Borley, Head of Strategic Planning and Governance, was welcomed to the meeting. The Board noted that a copy of the SQA Corporate Plan 2019-22 had been tabled to them at the meeting.

Mr Borley was pleased to report that all feedback on the draft corporate plan had now been received from Board members and incorporated into the tabled plan and the final version now before the Board set out how SQA planned to achieve its strategic goals over the next three years and formed the basis for SQA's annual budget.

Mr Borley noted that late comments had been received from the Scottish Government Sponsor Department the afternoon before the meeting, indicating they would welcome further inclusions on the gender pay gap. Mr Borley highlighted that SQA are one of the leading public bodies in this area and that this is also reported in the SQA Equality Report that the Board would discuss later on the Agenda.

The Board approved the submission of the Corporate Plan to Ministers for onward submission to Parliament with the draft budget for approval.

Mr Borley left the meeting.

120/3 PAPERS FOR DISCUSSION

3.1 Accreditation and Regulation (including Annual Review)

Mr George Brown, Head of SQA Accreditation, joined the meeting.

Mr Stewart, Convenor of the Accreditation Committee, indicated that the presentation would cover the role and operational activities carried out by SQA Accreditation, along with some of the wider UK issues, and the priorities and challenges being faced in the next few years.

Mr Brown then led on a presentation, during which, the Board noted and discussed:

- SQA Accreditation has the responsibility to ensure that specific qualifications in Scotland are fit for purpose, employing a risk based strategy to regulation to maintain and improve quality.
- The National Occupational Standards (NOS) is now led by the three Devolved Administrations, Scotland, Northern Ireland and Wales.
- SQA Accreditation plays a central role as it has retained responsibility for the quality assurance of NOS, which underpin qualifications offered in the devolved nations. This was of prime importance to Scotland, most notably Scottish Vocational Qualifications (SVQs) and other qualifications that form part of the apprenticeship frameworks.
- SQA Accreditation continue to encourage engagement with Scottish Government with current discussions underway on the accreditation of qualifications in the aesthetic sector.
- As Scotland's school sector is a non-regulated environment, SQA Accreditation hold responsibility ensuring standards and quality.
- It is important to raise awareness of the value that regulation can add to qualifications. Promoting the value of this can attract other sectors that SQA Accreditation can engage with.
- SQA Accreditation had clarified the requirement for on-site assessment and observation in the workplace from the start of the next session (August 2019).

In concluding the discussion, the Board noted the importance of the regulation work undertaken by SQA Accreditation, recognising the need for understanding the operational separateness from SQA Awarding. The Chair noted that he would welcome a meeting with Mr Brown and Mr Stewart for further discussions around regulation.

Finally, the Board approved the recommendation to appoint of Mrs Lorna Trainer as the newest member of the SQA Accreditation Committee.

The Board noted the SQA Accreditation Annual Review with interest. Paying credit to Mr Brown's leadership, the Board recognised the achievements of the work of this small team.

Mr Brown left the meeting.

3.2 Front Office Programme Update

Dr Brown, Chief Executive, presented an update on the Front Office Programme, outlining the current status in the context of the overall Change programme and the wider SQA strategy and priorities.

Dr Brown highlighted that SQA are consciously not engaging in large scale activity in this area in order to focus efforts on the 'Enabling Functions' Back Office programme. The Board noted that work will continue in exploring opportunities that will shape and define the Front Office programme in parallel but it will not be fully mobilised until later in 2019.

Board welcomed and noted the update.

3.3 Quarterly Performance Review

Dr Brown went on to present the executive summary of SQA's Quarterly Performance Review (QPR), giving an overview of the performance against each of SQA's goals.

The Board noted that it was the intention that the newly established Performance Committee will focus on the status of the QPR going forward from its inaugural meeting and establish the summary to be reported into the Board.

Dr Brown reported that activity was underway to address issues that had resulted in three goals being at amber. The remainder of all strategic goals report good progress and remain on track.

The Board were assured that Brexit would have no impact on SQA in terms of international contracting, that this had been investigated and no implications were found.

The Board discussed the updated Risk Register, noting that SQA Awarding and SQA Accreditation are represented separately and, as such, there is no operational or financial overlap.

3.4 **Equality Update**

Ms Cahill, Director of Corporate Services, presented the Equality Update that had been carried over from the Board meeting on 24 October. She noted that it was an interim update on activities around equality outcomes that were agreed in February 2017 to give a flavour of the depth and breadth of the equality activity being undertaken across the organisation.

The Board welcomed the report and were pleased to see the ongoing activity in equality throughout SQA, noting that the forward facing focus on improvement activities and range of work was always impressive.

The Board discussed the use of outcomes in the programme of work, noting that the employment of measures by which to monitor performance and achievement in these areas may be useful, while ensuring that sight is not lost of all the work going towards achieving the outcomes. Ms Cahill noted that progress measures would be included in the impact report in 2019.

The Board acknowledged that the full and formal report for publication would be brought for approval in April 2019, noting that they looked forward to reviewing the excellent work being done.

3.5 **Financial Performance Report**

Mr Alan Dickson, Head of Finance, joined the meeting.

Mr Dickson presented the year to date position and forecast outturn for the period ending 31 October 2018.

Highlighting an additional requirement of £12.043m at Q2, it was clarified that this excluded Programme Grant and Capital Grant which are agreed with the Scottish Government and funded separately. Scottish Government was aware of, and was working with SQA, to meet the additional grant requirement. In response to the Board, it was also clarified that the increased costs relating to CBS Phase 3 had related to changes in approach.

The Board noted the financial position as presented.

3.6 **Draft Budget 2019-20**

Dr Brown presented the second draft of the budget position, noting that the figures are still in draft form and reconcile to the medium term financial plan that is currently being developed and will come in front of the Board in February 2019.

Dr Brown informed the Board that an extension had been agreed with the Scottish Government for submission to allow for approval of the final budget position at the first Board meeting of 2019 in February.

The Board noted the update.

120/4 **PAPERS FOR INFORMATION**

4.1 **Qualifications Delivery**

4.11 **NQ Certification Programme**

The Board noted the contents of the National Qualifications Certification Programme Group report.

4.12 **HN, Vocational and International Certification Programme**

The Board noted the contents of the HN, Vocational and International Certification Programme Group report.

4.13 **RNQ Programme Report**

The Board noted the contents of the RNQ Programme report and that the programme was sitting at green.

4.2 **Change Programme Highlight Report**

The Board noted the report on progress against the various workstreams of the SQA Change Programme. Mr Downie, Director of Business Systems highlighted that work was progressing in close collaboration with the Chief Digital Information Officer from the Scottish Government.

4.3 **Business Development Report**

The Board noted the Business Development activity in all key markets as at P7 (31 October 2018) against Q2 forecasts.

4.4 **Corporate Risk Register**

Ms Cahill, Director of Corporate Services, presented the current status of the Corporate Risk Register, highlighting those changes as a result of deliberations at the recent meeting of the Audit Committee.

The Board discussed and noted the Corporate Risk Register.

4.5 **Cash Position**

The Board noted the position for the year based on the 2018-19 Q2 accruals forecast, accepting it as an assurance on the current position.

4.6 **Annual Complaint Handling Report**

The Board noted the contents of the Annual Complaint Handling report, commenting that it was an interesting and useful paper.

It was noted that SQA Accreditation complaints are not included in this report and that any such complaints are reported to the Accreditation Committee.

4.7 **SQA Sustainability Report**

The Board noted the SQA Sustainability Report, recognising it as a high level synopsis of the more detailed report that is presented to the Scottish Government.

4.8 **Committee Reports**

4.81 **Advisory Council – 29 August**

Mr Hagney had previously updated members on the business of the Advisory Council and the Board now noted the minutes.

4.82 **Advisory Council – 29 October**

Ms Handley provided a verbal update on the business of the last meeting, which had included updates including Corporate Parenting, the SQA Change Programme and Cyber Security.

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

4.83 **Audit Committee – 5 November**

Mr McKay provided a verbal update on the business of the last meeting, including a detailed presentation from Scott Moncrieff and discussions around assurance mapping. Mr McKay was pleased to report that Audit Scotland are happy with progress.

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

4.84 **Qualifications Committee – 19 September**

Dr Thomson had previously updated members on the business of the Qualifications Committee and the Board now noted the minutes.

4.85 **Qualifications Committee – 21 November**

Dr Thomson provided a verbal update on the business of the last meeting, including the plan under development to take appropriate research work forward for publication.

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

120/5 ANY OTHER BUSINESS

Ms Eleanor Craig recorded her thanks to members of the Board and SQA for their understanding and support regarding the circumstances around the postponing of the Performance Committee's inaugural meeting.

There were no other matters raised under any other business.

120/6 DATE OF NEXT MEETING

The next meeting of the Board would take place on Wednesday 6 February 2019 at 10am in Optima.