

BOARD OF MANAGEMENT – 8 DECEMBER 2010

For approval

Minutes of the sixty-fifth meeting of the Board of Management held at 10.00am on Wednesday 6 October 2010 in the Optima Building, Glasgow.

Members

- * Mr G Houston (Chairman)
- * Dr J Brown (Chief Executive)
- * Mr J Edgar
- * Mr W Gallagher
- * Prof A MacLennan
- Mr K McKay
- Mr R O'Hare
- * Prof J Simmons
- * Dr P Thomson
- * Mrs S Walsh
- * Ms C Wilkinson

* indicates present

Officers

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

Observers

Mr K McKenzie, Scottish Government
Ms K Dinwoodie (items B65/8 and B65/9 only)

65/1 WELCOME AND APOLOGIES

The Chairman welcomed members to the meeting, including Mr McKenzie from the Scottish Government. Apologies were received from Mr McKay and Mr O'Hare.

65/2 DECLARATION OF ANY CONFLICTS OF INTEREST

There were no conflicts of interest declared.

65/3 PREVIOUS MEETING**i Minutes of meeting held on 18 August 2010**

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

ii Action Grid

The contents of the action grid were noted.

Mr Gibson shared the developing picture on the work to progress the strategic roadmap that outlined SQA's plans to achieve SQA's vision by 2020. A framework model and key themes for the programmes going forward had been developed, and a further update would be provided to the Board in December.

65/4 MATTERS ARISING

Any matters arising would be covered in the course of the agenda.

65/5 CHAIRMAN'S REMARKS

At the previous Board meeting it had been agreed to form a sub-group of the Board for the purposes of considering any forthcoming matters of urgency that could impact on the operational effectiveness of SQA. The Chairman advised that it would be prudent to defer these discussions until the Ministerial announcement on the Scottish Government's budget for 2011-12 had taken place in November, when a clearer picture of the nature of the issues in hand would emerge.

The Chairman went on to advise the Board of:

- The recent directive from the Scottish Government Finance Pay Policy team for SQA to disclose the names and salary details of EMT members. This information would be applied to all senior civil servants within the Scottish Government. Initially this had been scheduled for publication at the end of September, but had been delayed to coincide with the publication of the same by the UK Government.
- The recent Audit Scotland Report on the role of boards, which had cited two unhelpful references to SQA (as an example of weak board performance). In response, the Chairman had written to Robert Black, Audit Scotland to express his disappointment in the tone and accuracy of the report.
- The proposed agenda for the meeting with the LTS Board on 22 November.
- Recent SQA engagements had included attendance at the National Training Awards as well as an OCPAS event, where discussion had taken place around the proposed changes to the Code of Practice for Ministerial Appointments to Public Bodies in Scotland.

Prof MacLennan updated the Board on the recent meeting of the ELL Portfolio Chief Executive and Chairs event. The theme of the day had been around collaborative working, with the outcome to develop ideas and activity for efficiencies around three themes; income generation / commercial engagement, support / advice / guidance to students and families, and early years.

65/6 CHIEF EXECUTIVE'S REPORT

Dr Brown referred to the contents of her report and highlighted specific areas of interest and progress, including the review on Higher Mental Health Care, the findings of which were expected in early November.

65/7 CFE UPDATE

i Highlight Report

The Board received an update SQA's CfE budget and planning, including progress against milestones both for SQA's delivery and the All Partner programme. The following points and actions were raised in the course of discussion:

- It was critical to complete the specification of system requirements, including time for testing; this was dependent however on policy decisions around the arrangements for fallbacks, appeals and QA models.
- It was noted that the detailed planning around the 10 Point Plan had not yet been reflected in the programme plan. It was expected to factor these in by March 2011, when the related actions would be clearer.

- There was shared concern around any reduction in funding and the resultant impact on the programme plan. Alongside this was the need for SQA to have an indicator around school readiness to deliver in 2013-14.
- Whilst there was an acknowledgement of the contingency arrangements in place, it was agreed that future slippage reporting should harness the cumulative effect on the overall programme plan.
- The Board reiterated the requirement for an independent review of the overall programme. This would provide an assurance on deliverability across all partners and enable the Board to have informed debate around SQA's position.

ii **CfE Communications**

Mr McDonald provided an overview of SQA's CfE communications plan, which reflected a range of channels to address a number of audience groups. It was noted that the Scottish Government managed the overall communication plan and that SQA was represented on the various sub groups to ensure joined up activities and consistent messaging. It was noted and confirmed that:

- All feedback was disseminated as appropriate, both within and outwith SQA, with any areas for action addressed and closed.
- The communications plan had been created in consultation with the programme deliverable owners, with all milestones assessed for potential communication opportunities.
- The Board was assured that the plan clearly promoted and articulated the role of SQA as a key partner in CfE.

It was agreed to develop metrics around the effectiveness of the communications and marketing plan, in order to provide the Board with a sense of deliverables against budget and milestones.

The Board noted and welcomed the update.

Ms Dinwoodie joined the meeting.

65/8 **BUSINESS DEVELOPMENT REPORT**

Mr McDonald presented the report for the period to 31 August 2010 and provided an update of activities against the business plan:

- The overall status against objectives remained at green and on target with the exception of the objective around the establishment of the Trading Subsidiary, which continued to report at amber. In relation to this, the Board was advised that the draft Memorandum and Articles of Association had been submitted, and that SQA was awaiting feedback from the Scottish Government.
- Following Ofqual's approval for SQA to operate in the Qualification and Credit Framework (QCF), SQA had prioritised the development of a range of qualifications to go onto the QCF to enable the achievement of income in the English market.
- SQA's Strategy for Growth was under review and would be presented to the December meeting of the International and Commercial Committee. Taking cognisance of bypass implications, work was also underway to develop sales targets to 2020.

- Officers would continue to press for a timeous conclusion to the Dangerous Goods Driving Training and Dangerous Goods Safety Adviser contracts.

Mr McDonald also provided the Board with an overview of current and planned international activity, at which point members stressed the import of SQA's growth internationally, both in terms of supporting Scotland's Economic Strategy and to uphold the short and longer term activity of SQA.

The Board noted the update.

65/9 **FINANCE & CORPORATE GOVERNANCE**

i Draft Corporate Plan 2011-14

The Chief Executive presented the draft Corporate Plan, noting that it had been developed to enable focus going forward, strengthening SQA's approach in supporting CfE development whilst balancing SQA's response to the Skills Strategy.

It was suggested that it may be prudent to position the document in light of the challenges ahead, and to strengthen the current economic environment in the opening section. In response, it was agreed that these areas would be articulated in the specifics of the business area plans that would underpin the corporate plan.

The Board noted the contents of the draft plan and would consider the final draft for approval in December.

It was agreed that at a future point, the Board would interrogate SQA's priorities in light of the changing economic and public sector environment ahead.

ii Financial Report to 31 August 2010

It was noted that the format for Board reporting had been reviewed, and in addition to providing an analysis of performance against the latest forecast, performance was also compared against the original forecast and the prior year outturn.

Ms Dinwoodie presented a detailed commentary around the financial performance to 31 August 2010.

In discussion, the Board stressed the criticality to assess the potential impact of any financial restraints on SQA. This should include modelling around, inter alia, changes in the approach to Literacy and Numeracy, assumptions on the number of candidates bypassing National 4 and 5, and local authority funding. The Board was assured that budget scenarios were being developed to support dialogue with the Scottish Government.

iii Corporate Risk Register 2010-2011

The Board approved the proposals to close risk 12, which referred to gaining Scottish Government approval of SQA's objectives, and to reduce the net risk rating for two risks (4 and 17) in relation to SQA's market share.

iv **Capital Projects**

Capital Projects with a total value of over £100,000 required the approval of the Board of Management and the Scottish Government. Members had before them a tabled paper that detailed three capital projects to be undertaken within 2010-11. Each project contributed to SQA's continuous improvement activities, and the work was in line with SQA's corporate planning and road mapping strategies.

The Board was assured that an internal approval mechanism was in place, where all capital project proposals were supported by a robust analysis of deliverables and cost benefits, with final approval given by the Executive Management Team.

The Board approved the capital spend on the understanding that the funding had already been allocated within the 2010-11 budget. At this point, it was noted that the Board would receive an update on how the IS piece was coming together with the overall SQA business strategy.

Ms Dinwoodie left the meeting.

65/10 **REPORT FROM CERTIFICATION PLANNING GROUP**

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

65/11 **COMMITTEE REPORTS**

i **Advisory Council – 9 August 2010**

A verbal update had been provided at the last meeting of the Board. The Board noted the enclosed minutes, which would be approved at the next meeting of the Advisory Council.

ii **International and Commercial Committee – 8 September 2010**

Mr McDonald advised that in December, the Committee would review the three strategies that underpinned the SQA's Strategy for Growth.

iii **Qualifications Committee – 24 September 2010**

Ms Walsh provided a verbal update on the business that had been covered. It was noted that the minutes of the meeting would be presented to the next Board meeting.

It was noted that the minutes of the previous Accreditation Committee would be presented to the next Board.

65/12 **ANY OTHER BUSINESS**

There were no matters raised for consideration.

PAPERS FOR NOTING

The Board considered the following papers:

1 **Shawfair Relocation Project Update**

The current position was noted.

2 **SQA Gaelic Language Plan**

The Board noted the formal approval of SQA's Gaelic Language Plan.

65/13 DATE OF NEXT MEETING

The next meeting of the Board of Management would be held on Wednesday 8 December in the Boardroom, Dalkeith.