SCOTTISH QUALIFICATIONS AUTHORITY   **B115/3 i**

BOARD OF MANAGEMENT – 27 MARCH 2018   **For approval**

Minutes of the one hundred and fourteenth meeting of the Board of Management held at 2pm on Wednesday 31 January 2018 in Arrol, Lowden.

	Members		**Officers**
*	Mr D Middleton (Chair)	*	Ms J Blair
*	Dr J Brown (Chief Executive)	*	Ms M Cahill
*	Ms E Craig	*	Mr L Downie
*	Mr S Hagney	*	Ms L Ellison
*	Mrs J Handley	*	Mr J McMorris
	Dr W Mayne	*	Ms J Ross
*	Mr H McKay	*	Dr G Stewart
*	Mr R O'Hare		
*	Mr R Stewart		
*	Dr P Thomson		**Observer**
*	Ms C Wilkinson	*	Ms A Stansfield, Scottish Government

* indicates present

114/1 **WELCOME AND APOLOGIES**

The Chair extended a welcome to members of the SQA Board of Management. Apologies were received from Dr Mayne.

The Chair opened the meeting with an overview of the deliberations that had taken place in the private session of the Board. With the view to finding a balance in discussion and governance it had been agreed that core business and routine reporting could be structured and presented differently. Doing so could liberate the agenda to concentrate on more progressive and constructive issues requiring careful debate and engagement. This led naturally onto the need to engage Board members meaningfully and take benefit of their specific competencies and skills.

A review of each Committee's Standing Orders would also be undertaken, seeking clarification on the remit, purpose and constitution of each.

In taking the first steps forward, the March meeting of the Board would take the form of a strategy session, followed by an informal social gathering.

114/2 **DECLARATION OF ANY CONFLICTS OF INTEREST**

There were no conflicts of interest raised.

114/3 **PREVIOUS MEETING**

i   **Minutes of meeting held on 6 December 2017**

         113/8 i <u>RNQ Update</u>

                It had been agreed at the last meeting of the Board, to highlight any change to risks and issues in the time since the previous report. This

would be put in place with immediate effect.

Subject to this addition, the minutes were approved as an accurate record.

ii **Action Grid**

The contents of the action grid were noted, and that the two matters for action had been addressed.

iii **Workplan**

The workplan had been updated to reflect the feedback and input from Board members at the last meeting.

Referring to procurement approvals, the Board noted that the E-Marking supplier contract would be awarded by end February to facilitate valuable development time. Given the next Board was scheduled for end March, it was proposed that approval would be coordinated by email and supported by the relevant evaluation paperwork.

Agreeing to this proposal, the Board approved the workplan for 2018.

114/4 MATTERS ARISING

There were no matters arising.

114/5 CHAIR'S REMARKS

The Chair reported that he continued to have very positive and open discussions with the Chief Executive and the Deputy First Minister.

Closing on his Board member induction meetings, he had also continued with his own induction programme with Directors, including separate CBS and budget sessions, an overview of changes to Highers, and a meeting to discuss the Board workplan and meeting content. Other recent SQA commitments had included attendance at the SQA Accreditation Committee.

The Chair had also attended a very informative 'OnBoard' training session.

Touching on the Board recruitment, the Chair was pleased to advise that the process was continuing apace, with a planning timetable prepared and aiming for interviews at the end of April.

The Board noted the update.

114/6 CHIEF EXECUTIVE'S REPORT

The Chief Executive presented a full update on her activities since the last meeting of the Board, and drew attention to the various streams of activity with young people in Scotland. The work with Who Cares? Scotland continued to bring benefits to all involved, and the recent hospitality event with young chefs from Castlebrae Community High School had been an enlightening experience for the pupils involved.

She also reported on her various meetings with MSPs as part of ongoing activity to develop and build relationships.

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

114/7 **QUALIFICATIONS**

i **Revised National Qualifications (RNQ) Update**

Dr Stewart, Director of Qualifications Development, presented an update on the RNQ Programme, and was pleased to report that the status of the overall programme remained at green.

It was noted that there was no change to the risks and issues that were being monitored.

Following the removal of units and unit assessments from session 2018-19, SQA had strengthened Higher course assessments to ensure that candidates continue to be assessed on the full content of each course. Dr Stewart was pleased to report on the successful publication of the documents summarising the changes for each individual subject, with a high level overview being published that afternoon. The Board commented on this notable achievement. A number of communication channels had been employed and responses would be tracked weekly.

The Board was assured that the cumulative effect of the assessment changes at Higher would be considered as part of Equality Impact Assessment. SQA had already carried out a full and comprehensive equality review on the revisions to National 5, the outputs of which had been reported to the Qualifications Committee last September.

In response to the Board, the Chief Executive advised that the importance of a learner's experience as they progressed through school was very much in discussion at an education system level. Considerations were taking place on how BGE was preparing learners for the senior phase and the importance of highlighting the different learner pathways and variety of qualifications that were available at SCQF levels 4, 5 and 6. At the recent meeting of the Curriculum and Assessment Board (CAB), debate had focussed primarily on perceptions of National 4 and the factors affecting that may be contributing to those perceptions.

The Board noted the update, and was pleased to note that the programme was on track.

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

Ms Blair, Director of Operations, presented a full update on the National Qualifications Certification Programme Group, reporting that overall, the key tasks leading to the certification of National Qualifications in 2018 were on track and being monitored.

The Board noted the contents of the report.

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

Ms Blair, Director of Operations, presented the report and that all key tasks leading to the delivery of HNV/Int continued to be monitored closely and were on track.

The Board noted the contents of the report.

114/8 CORPORATE AND FINANCE

i **Financial Performance Report**

Ms Ellison, Director of Finance, tabled the year to date and forecast outturn for the period ending 31 December 2017.

As at Month 9, the forecast requirement for additional grant in aid in 2017-18 was £19.837m, an increase in forecast at Q2. Officers were content that a number of options were available to manage the position into year end.

The Scottish Government had advised of an increase in the allocation of initial grant in aid for SQA in the 2018-19 budget. Although there would still be a requirement for additional grant in the course of the year the higher initial allocation would be very helpful in managing any expenditure pressures in the early part of the year. The increase in approved grant in aid was recognised by the Board as a very positive step forward.

ii **Cash Position**

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

The Board noted the position for the year based on the 2017-18 Q2 accruals forecast.

iii **Draft Budget 2018-19**

The initial draft budget for 2018-19 had been first presented and considered by the Board in June 2017. A further iteration had been presented in December, and the third draft was now before the Board for discussion. It was noted that the figures were still in draft and that a final Q0 version of the budget was in preparation and would be finalised after further challenge to the business. As with previous budgeting timelines, the final Q0 version of the 2018-19 budget would be available in April 2018.

There had been minimal change since the previous version, but the approval of increased initial grant in aid funding for SQA within the Scottish Government Budget for 2018-19, would result in a change to Table 1 increasing the level of grant in aid and significantly reducing the amount of additional grant required in the course of the year. The change would be made on receipt of the formal Budget Allocation and Monitoring Letter from the Sponsor Team. At this point, it was noted that to simplify presentation future financial performance reports would no longer reflect a consolidated position with programme grant information being reported separately.

Ms Ellison drew attention to the assumptions and risks associated with the draft. Comment was made on the risk around international awarding income, and that some very ambitious targets were in place to manage the position.

Discussion took place around the gap between NQ pricing and income. The Board was assured that a robust analysis had taken place to assess the difference and that dialogue continued with the Scottish Government on how to manage the position going forward. It was agreed that it would be useful for the Board to have sight of financial modelling work that had been undertaken to try and identify a credible pricing policy to reflect the cost of delivery.

Referring to the project expenditure for 2018-19, it was noted that the drop in forecast revenue position was, in the main, attributable to an overstatement in CBS costs.

The Board noted the third draft budget position and that a final Q0 position would be submitted to the May meeting of the Board.

114/9 BUSINESS DEVELOPMENT REPORT

Mr McMorris, Director of Business Development, presented the business development activity in all key markets as at 31 December 2017 against the Q2 forecasts.

Presenting the report in detail, he highlighted the particular challenges being experienced in international markets, and the impact that had had on other markets and on awarding income for 2018-19. Mr McMorris also provided a supplier update in relation to a UK contract and how it was being managed.

The Board noted the contents of the report and the testing time ahead.

114/10 SQA CHANGE PROGRAMME REPORT

i Highlight Report

Mr Downie, Director of Business Systems, presented the report on progress against the various workstreams of the SQA Change Programme, providing an update on key movements and main headlines since the last meeting of the Board. As part of this, the Board noted that the Assessment Futures and Customer Channels work was nearing completion of its first phases, and that CBS Phase 3 was progressing at speed.

The Board noted the contents of the report.

ii Back Office Programme: Technology Change

Mr Downie led on a presentation during which he provided the historical context of the work in hand, outlined the challenges of the core APS system and actions being put in place to address the inherent risks. He also took the opportunity to update the Board on the recent changes to the governance arrangements for the Programme Board.

The Board welcomed the comprehensive review, and on discussion:

- It was evidently clear that SQA must replace its legacy platforms and applications. Given the urgency, and SQA's lack of resource and capacity to deliver this in-house, it would be necessary to rely on external specialist technical expertise and capability.
- The Board agreed on the criticality for SQA to understand its data infrastructure and to have clarity of communication paths and services between users - internal *and* external - processes, applications etc.
- Staff. The Board was comforted to learn of staff buy-in, appetite for change, and commitment to deliver on these important workstreams. It was recognised that there would a longer term impact on skillset and resource levels given the move into a digital future.
- This programme of work was not 'Business as Usual' but was instead around building a core infrastructure that would enable SQA to continue to deliver and improve its services in the future. The Board agreed that the current underinvestment in technology could not be sustained and supported the work underway in developing a business case that would be taken to Scottish Government.

The Board fully supported the work in hand to create enabling platforms and digitally transform the organisation, with the end point to enable SQA to deliver an efficient and effective service for its customers and staff.

On a closing note, it was suggested and agreed that the future culture of SQA could be a meaningful and valuable topic of consideration for the Board.

114/11 **CORPORATE RISK REGISTER**

Ms Cahill, Director of Corporate services, presented the status of the Corporate Risk Register.

In light of the recent Carillion collapse, and other supplier news covered in earlier discussions, it was agreed to assess whether there was any impact on SQA business and supply chains.

The Board noted the contents of the Corporate Risk Register.

114/12 **COMMITTEE REPORTS**

i **Advisory Council – 6 November**

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

ii **Audit Committee – 20 November**

Mr McKay had previously updated members on the business of the Audit Committee and the Board now noted the minutes.

iii **International and Commercial Committee – 20 November**

Mr O'Hare had previously updated members on the business of the

International and Commercial Committee and the Board now noted the minutes.

iv **Qualifications Committee –29 November**

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

Dr Thomson proposed the co-opted appointment of Mr K Thomson, Principal, Forth Valley College onto the Qualifications Committee. This was endorsed by the Board and would take effect from summer 2018.

v **Accreditation Committee – 9 January**

Ms Wilkinson updated members on the business of the Accreditation Committee, highlighting that a number of matters had been raised for consideration around how to measure the impact of some goals within the operational plan. Steps to address this would be taken forward by officers. It was noted that the Accreditation Committee had also endorsed the addition of a new risk in relation to impermissible workplace assessments of some students undertaking Foundation Apprenticeships.

The Board noted the update, and endorsed the appointment of a new co-opted member, Elaine Hutton, Director of Learning and Skills, Ayrshire College onto the Accreditation Committee with immediate effect.

vi **Accreditation Committee and Accreditation Coordination Group Standing Orders**

The Board approved the Standing Orders for the Accreditation Committee and Accreditation Coordination Group.

114/13 **ANY OTHER BUSINESS**

There were no matters raised.

114/14 **DATE OF NEXT MEETING**

The next meeting of the Board would take place on Tuesday 27 March 2018, at 12.30pm in Optima

Later: The Board would meet at 12pm for an informal sandwich lunch with members of the Accreditation Committee.