SCOTTISH QUALIFICATIONS AUTHORITY

BOARD OF MANAGEMENT – 31 JANUARY 2018

For approval

Minutes of the one hundred and thirteenth meeting of the Board of Management held at 10 am on Wednesday 6 December 2017 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 G Brown, item 113/7 only
*	Mr R Stewart		
*	Dr P Thomson		
*	Ms C Wilkinson		**Observer**
		*	Mr M McVicar, Scottish Government

* indicates present

113/1 WELCOME AND APOLOGIES

The Chair extended a welcome to members of the SQA Board of Management.

Apologies were received from Mr Hagney and Dr Stewart.

113/2 DECLARATION OF ANY CONFLICTS OF INTEREST

There were no conflicts of interest raised.

113/3 PREVIOUS MEETING

i **Minutes of meeting held on 4 October 2017**

Commenting on the reference to the corporate plan, it was confirmed that the note appropriately reflected the discussion that had taken place.

The minutes were approved as an accurate record.

ii **Action Grid**

The contents of the action grid were noted, and that the one matter for action would be considered that day by the Board.

iii **Workplan**

The Board considered the draft workplan, which drew on the various areas of focus for SQA in 2018 and provided a feel for the nature of the agendas over the year ahead. One deletion was noted for the Business Systems Report under Standing Items.

It was agreed to add the annual Statement of Assurance from the Audit Committee, and to ensure that the workplan reflected the intention to bring the unaudited accounts to the June meeting of the Board with the final version being presented for approval in August.

In discussion it was confirmed that the Board would receive updates on the activities within the SQA Change Programme through the regular highlight reports, with a focussed discussion on the Assessment Futures workstream scheduled for November.

The Chair advised that he would have further thought around the emphasis of the meeting in March, and would be in touch with the Board in the New Year.

Subject to the amendments above, the Board approved the workplan for 2018.

113/4 **MATTERS ARISING**

There were no matters arising.

113/5 **CHAIR'S REMARKS**

The Chair reported that he continued to have separate and joint meetings with the Chief Executive and the Deputy First Minister. He also attended with the Chief Executive a meeting with a subset of the Teachers panel hosted by the DFM. He had also held a number of induction meetings with Board members.

Recent SQA commitments had included a session with the Executive Management Team, and a very informative and useful briefing on question paper setting; an induction on marking processes would be scheduled soon. The Chair had attended the Advisory Council, Qualifications Committee and Remuneration Committee meetings. He had been delighted to attend also the SQA Star Awards.

There had been meetings with various Scottish Government officials, including the Director of Learning and Director of Advanced Learning and Science. Initial discussions had also taken place to initiate the recruitment process for the new Board members.

Having attended a Public Bodies Board Chairs Event, the Chair also had Board training scheduled for later that week.

The Board noted the update.

113/6 **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 SQA's work in shaping the Scottish Government's Quality Action Plan for Early Learning and Childcare.

She reported on her attendance at the first meeting of the Scottish Education Council (SEC), the establishment of which had superseded the Curriculum for Excellence Management Board and its supporting structures. The SEC would act as the key forum for oversight of improvement in education in Scotland, as defined by the

National Improvement Framework. Its role would be to work collaboratively to ensure that there was a system-wide focus on improvement and to agree priorities for improvement activity and delivery. Chaired by the Deputy First Minister, it was positive to see that membership included Leads from the new Regional Improvement Collaboratives. The tier beneath the SEC comprised the existing Strategic Board for Teacher Education and a new Curriculum and Assessment Board, with Dr Stewart representing SQA on the latter.

The Chief Executive also drew attention to the recent high level roundtable discussion on the value of SQA HNDs for advanced placement university entry. This round table formed part of the discussions during the recent People to People exchange between China and UK. Delegates had included representation from China and across Scotland.

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

113/7 **SQA ACCREDITATION AND REGULATION**

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

Ms Wilkinson, 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:

▪ In light of the UK Government's decision to withdraw funding from the UK Commission for Employment and Skills (UKCES), the work on Standards and Frameworks had to be transferred to an alternative organisation, ultimately, Skills Development Scotland (SDS). SQA Accreditation had continued to support Scottish Government, the other Devolved Nations and SDS in developing a Standards and Framework programme, fit for all the devolved authorities.

▪ The UK Government's withdrawal from the development and maintenance of National Occupational Standards (NOS) meant that this was now led by the three Devolved Administrations.
SQA Accreditation played a central role as it retained responsibility for the quality assurance of NOS that 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.
A five year plan was being developed for the NOS Programme and an open tendering process would take place for the development programme. SDS had formed a group to look at the procurement process for 2018-19, and it was important that progress was made to take this forward. The Scottish Government was aware of the position.

▪ SQA Accreditation continued to face budget constraints, and as a result, had had to prioritise the monitoring visits undertaken. The function however, continued to deliver successfully to its statutory duties. Ongoing dialogue took place with the Scottish Government on the grant in aid requirements for current and subsequent financial years.

▪ SQA Accreditation continued to encourage policy engagement with Scottish Government and had developed an operational plan to pursue and encourage active engagement.

- SQA Accreditation was a member of the Foundation Apprenticeship Partnership Working Group, which was managed by SDS. SDS had recently launched a consultation aimed at providing a clear and comprehensive definition of an apprenticeship and its delivery in Scotland's skills system. There was discussion around the different approach being taken to apprenticeships in England compared to those within Wales, Scotland and Northern Ireland. This raised concerns around the portability of qualifications across borders. It was important for SQA to review the implications of this in Scotland and engage closely with Scottish Government on potential policy implications.

In concluding the discussion, the Board noted with concern the ongoing uncertainty around funding, along with the continuing absence of a Scottish Government policy lead for the Accreditation Function. The Chair noted that there were ongoing discussions to take this forward. It was important that SQA Accreditation was able to continue to deliver all statutory commitments to safeguard the learners in Scotland.

There was also a consensus on the achievement in defining the Regulatory Principles, which underpinned SQA's monitoring of standards and maintenance of the credibility of its qualifications. It was a powerful tool and model of which SQA could be proud.

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.

113/8 QUALIFICATIONS

i   Revised National Qualifications (RNQ) Update

In the absence of Dr Stewart, the Chief Executive presented an update on the RNQ Programme, and was pleased to report that the status of the overall programme remained at green.

All National 5 materials had been published to schedule, and a communication had been issued to centres, local authorities and partners. Cross directorate meetings had also taken place to agree the tasks and dates required in order to meet the high level milestones for Revised Highers. The Code of Practice Governance Group had also met to review and approve the revised Higher Course Assessment proposals that had been developed to date.

Ms Blair, Director of Operations, provided an update on the current position on NQ Entries for 2017-18, which now included both course and unit entry monitoring. It was noted that there was potentially a lower than expected volume of Unit entries at SCQF level 5. It was also anticipated that the current picture could change in early 2018 following the outcomes of Prelims undertaken in schools. Accurate and final presentation figures were crucial for SQA in order to ensure the appropriate Quality Assurance arrangements were in place, and the likelihood for changing entry numbers was of concern and had been flagged to Scottish Government.

The Board noted that a considerable amount of work was also underway on the revisions to Higher that would come into place for Diet 2019, and the nature of the changes would be published at a high level by the end of January. At this time, a plan would be developed and undertaken to

communicate and engage with centres on the subject-specific changes to assessment in Higher courses.

The Board noted the update, offered its support and advice where needed, and was pleased to note that despite the challenges being faced, 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. It was noted that the day before, SQA had published its statistics on Post Results Services (PRS) following the 2016-17 academic year.

Ms Blair that overall, all 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 in detail, highlighting the significant scale of certification in this area with over 150,000 Group Awards and over and above that, 250,000 Units.

The current picture showed a recovery in verification activity following the impact of the college industrial action, with a small number of activities moved into the next year's plan. Work was underway to introduce some system changes to support centres in their delivery of our QA.

The Board noted the contents of the report.

iv   **Certification 2017 – Lessons Learned**

In August 2017, SQA had successfully delivered 136,899 certificates to candidates. It was noted that the nature of National 5 would change in Diet 2018 with the units now being removed from the course.

The Board received a presentation outlining the findings of the lessons learned exercise, which had reviewed the processes to plan and deliver SQA's Procedural Programme. An overview was also presented on the improvements implemented as a result of the lessons learned exercise in 2016-17.

Led by Ms Blair, and with input from each Director, the Board learned of the findings of the review and proposed improvements for going forward. It was noted that delivery against those actions would be monitored at the weekly meetings of the Certification Programme Group.

The following points were covered in conversation:

- Centres must seek approval for delivering some of SQA qualifications and late applications continue to be received. These applications were essential for SQA to ensure all resources were in place to successfully deliver its qualifications. It was crucial for centres to be more prompt in their submissions in order to ensure that there are no detrimental impacts on learners in either delivery or certification.

- This year again saw both a high volume and number of late requests for assessment arrangements. This had an impact on SQA's ability to deliver and on our quality assurance processes. In order to ensure that no candidate was disadvantaged, SQA would need to reiterate to centres the importance of submitting accurate and timely data.

- An additional finding had highlighted the need to review the way in which travel and accommodation was provided for appointees undertaking work on behalf of SQA, and supporting QA and marking events. This was particularly important given SQA's reliance on external venues.

- During the course of the last session, SQA had recorded an increased incidence of verbal abuse to staff taking enquiries from customers. Whilst SQA was cognisant of remaining helpful and empathetic, it also had a responsibility to reduce the risk of any form of abuse to staff. SQA had reiterated its zero tolerance approach through a message on the website and had issued guidance to staff as to how to deal with a situation, should it arise.

The Board welcomed the continuing collaborative approach across the business to ensure a clarity in addressing the challenges and opportunities ahead.

113/9 **CORPORATE AND FINANCE**

i **Quarter 2 (Q2) Forecast Update**

Mrs Ellison, Director of Finance, presented the Q2 forecast update reflecting the amalgamation of recent submissions from the business, reducing the additional core grant in aid requirement to £19.1m. The reduction in the Q2 forecast against the Q0 forecast was in the main, attributable to increased income from the Rest of UK (RoUK).

Presenting the report in detail, she was pleased to draw attention to the settlement fee and funding relating to one supplier. It was also noted that discussions were underway with the Scottish Government around the need for additional capital funding to support the Change Programme in FY 2017-18.

SQA had also received an updated Budget Allocation and Monitoring (BAM) letter and for completeness, the financial report had included a comparison table setting out the movement in letters.

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.

113/10 **BUSINESS DEVELOPMENT REPORT**

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

Presenting the report in detail, and in particular, highlighting the strong results in SQA's construction portfolio and recent successful progress in contract operations.

The Board noted the contents of the report and that overall, awarding and contracts were in line with expectations.

113/11 **SQA CHANGE PROGRAMME 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:

▪ Front office projects were moving out of the definition stage allowing SQA to identify areas of focus for future delivery.

▪ Back office activities were moving forward and a genuine and measurable stability could be seen in the underlying technology platform. CBS Phase 1 had gone live and was performing well. The project kick off meeting for CBS Phase 3 had taken place at the end of November.

▪ As part of the KPI status, he was pleased to report on the positive move from a flat to an improving trend within issues that were tracked through the programme plan, notably as a result of the resolution of issues with staff accommodation.

▪ Work was progressing on the prioritisation of projects, including how these dovetailed into SQA's wider programme and governance models; a revised approach and structure was being developed to introduce more cohesion across projects, an arena for more focused discussions, and clarity on accountability and ownership. The new model would be implemented across SQA in the New Year. It was agreed that in recognition of this progress, the RAG status should be appropriately updated from High to Medium in the Programme Issues log.

The Board noted the contents of the report.

113/12 **CORPORATE**

i **Corporate Risk Register**

Ms Cahill, Director of Corporate Services, presented the status of the Corporate Risk Register, highlighting that it reflected those changes as recently endorsed by the Audit Committee in November.

To be specific, this included the closure of two risks which had now been addressed. The Board also endorsed the proposal from the Audit Committee to update mitigating actions under Risk 23 to mirror that the pressures on staff were being felt across the business, and did not concentrate solely in the Qualifications Directorate.

The Board noted the contents of the Corporate Risk Register.

ii   **SQA Corporate Plan 2018-21 and Draft Budget 2018-19**

Ms Cahill was pleased to report that all feedback on the draft corporate plan had now been collated and addressed. 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. In response to the Board, it also included some structural changes to the layout, tone and style of the Corporate Plan to improve its accessibility.

The Board welcomed these changes, the inclusion of the new Strategic Goal to address SQA's commitment to improve communication with stakeholders, and the overall concise structure of the plan.

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

The Board was presented with, and discussed in detail, the assumptions of the draft of the budget for 2018-19, which had indicated an increase in total grant requirement when compared to 2017-18.

The Board noted that because the planning for any revision to National 4 was not yet defined, the overall grant requirement did not factor in any associated costs or *estimated* impact on resources and budget.

In discussion, the Board commented that:

- The operational risks increased incrementally every year, as a result of the income associated with no price increases for national qualifications in Scotland.
- It would be advisable to clarify the pay policy for appointees with Scottish Government and that any additional funding, if required, would be met.
- It was noted that the income pipeline showed positive movement.
- It was also noted that it was important to continue to have robust programme management for the change programme to ensure defined delivery and monitoring of spend.

The Executive agreed to take these comments on board and it was agreed that at the January meeting, Board members would be asked to approve the draft budget for submission with the corporate plan to the Scottish Government. The Board noted that as in previous years a final Q0 version of the 2018-19 budget would be prepared in April 2018.

Other: Although the figures were accurate it was agreed that the paper should be amended to reflect the correct use of brackets where appropriate in the Table references.

113/13 **COMMITTEE REPORTS**

i & vi   **Audit Committee – 31 July and 20 November**

31 July 2017

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

Mr McKay provided an update on business of the Committee, when a need to reschedule some work and timing of reports had been identified.

Usual consideration of the Quarterly Performance Review had shown officers to continue in their refinement both of the reporting pack, and the KPIs within. The Committee had also considered a number of Scott-Moncrieff Performance Improvement Review audits, and Mr McKay reported on each, along with the recommendations and the positive assurances provided by the internal auditors.

Mr McKay also took the opportunity to draw attention to the Audit Scotland 2016-17 Annual Audit Report, where there had been recommendations pertaining to Board meetings and public accessibility to the Board, and, the role of the Audit Committee and the Board in ensuring that non-Executive members were effectively scrutinising and challenging KPIs and SQA performance. This was duly noted by the Chair, who would ensure discussions would take place to address the actions required.

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

ii & v   **Advisory Council – 4 September and 6 November**

4 September 2017

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

6 November 2017

Mr Stewart provided an update on the business of the last meeting, which had included a very helpful presentation and discussion on the progress with the Assessment Futures workstream of SQA's Change Programme, an update on Results Services, and discussion of the Corporate Plan.

Key advice for the Board from the Advisory Council included that:

- SQA should continue to adopt a supportive approach in its communications, ensuring it was able to gauge any response and respond quickly as required.
- When issuing direction or guidance SQA communications should always include an explanation of the background and purpose.
- The Board should consider assessment futures thinking in its strategy development.

In closing his report, Mr Stewart was delighted to announce that two new members had been appointed to the Advisory Council, with representation from ADES and SCIS. It was hoped they would be able to accommodate the next meeting in February.

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

iii **Accreditation Committee - 26 September**

Ms Wilkinson had previously updated members on the business of the Accreditation Committee and the Board now noted the minutes.

iv & viii **Qualifications Committee – 27 September and 29 November**

27 September 2017

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

29 November 2017

Dr Thomson updated the Board on the considerations of the last meeting, which had included:

- The annual overview of attainment statistics.
- The annual monitoring report on Equality and Inclusion in qualification design, assessment and QA, where some excellent and commendable work had been undertaken over the last few years.
- The external verification plan for 2017-18 along with plans for current session. Another beneficial report, it had been interesting to see the percentage of non-accepted outcomes, and that levels of verification would increase in NQ, and elsewhere.

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

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

Mr O'Hare reported on the business of the last International and Commercial Committee, when as well as taking consideration of the standing item on the sales and pipeline reports, members had received an update on the SQA Change Programme. There had also been a focussed and strategic discussion on SQA's international markets, including some useful comments and feedback from members.

The Committee had also reiterated the need to engage external representation onto the Committee, and Officers had been actively seeking potential members for some time now.

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

113/14 **ANY OTHER BUSINESS**

i **Remuneration Committee – 6 December 2017**

The Remuneration Committee had convened that morning to discuss the interim reports on members of the Executive, and SQA's approach to succession planning

There were no other matters raised.

113/15 DATE OF NEXT MEETING

The next meeting of the Board would take place on 31 January 2018, venue and timings to be confirmed.

Later: Meeting to take place in Arrol, Lowden. Lunch available from 1.15pm with a Board member only discussion over lunch, commencing at 1.30pm.