

BOARD OF MANAGEMENT – 31 OCTOBER 2012

For approval

Minutes of the seventy-eighth meeting of the Board of Management held at 11.30 am on Wednesday 31 October 2012 in Esk/Forth, Optima.

Members

- * Mr G Houston (Chairman)
- * Dr J Brown (Chief Executive)
- * Mr J Edgar
- * Mr W Gallagher
- * 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
- * Ms L Ellison
- * Mr R Gibson
- * Ms K McCallum
- * Mr J McMorris
- * Ms J Ross
- * Dr G Stewart

Observers

- * Mr M McVicar

The formal meeting of the Board had been preceded by a meeting with Sarah Smith, Director of Learning, and had included a full and robust discussion on the strategic direction of SQA. It was agreed that the SQA Executive Management Team would continue to engage in detailed discussion with Scottish Government officials to explore the matters raised and develop a plan to take the work forward.

78/1 WELCOME AND APOLOGIES

The Chairman welcomed members to the meeting, including Mr McVicar from the Scottish Government. Apologies were noted from Mrs Walsh.

78/2 DECLARATION OF ANY CONFLICTS OF INTEREST

There were no conflicts of interest declared.

78/3 PREVIOUS MEETING**i Minutes of meeting held on 15 August 2012**

The minutes were approved as an accurate record.

ii Action Grid

The contents of the action grid were noted.

iii Workplan 2012

The contents of the workplan were noted.

iv Workplan 2013

The contents of the workplan were noted.

78/4 **MATTERS ARISING**

77/7i **NQ Certification 2012**

The Board was updated on discussions with UCAS and the actions that had been put in place to address the issues around the results embargo. A formal response was expected from UCAS in the New Year, and would include an outline of the approach and considerations that would be taken in the future.

Engagement also continued with Robert Gordon University and the University of St Andrews, with meetings scheduled to take place in January 2013. It was noted that a further update would be provided at the January meeting of the Board.

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

78/5 **CHAIRMAN'S REMARKS**

The Chairman reported that he had been reappointed for a period of four years.

He also updated the Board on his recent SQA engagements, including attendance at the NDPB Chairs Event on 1 October, when a clear expectation for public bodies to discuss opportunities for collaboration and Community Planning had been communicated.

The process for the recruitment of two new Board members continued to progress, with a number of planning meetings having taken place, and the interviews scheduled to take place on 20 and 21 February 2013.

78/6 **CHIEF EXECUTIVE'S REPORT**

The Chief Executive referred to the contents of her report and highlighted specific areas of interest and progress. She drew attention to the very important programme of work underway to continue to ensure the quality and standards of qualifications.

Further to the contents of the report, the Chief Executive updated the Board on recent engagement with the Scottish Public Services Ombudsman (SPSO). A proposal had been made to introduce a new two stage complaints handling procedure, and SQA had reached agreement on how to apply different channels of communication according to the nature of the complaint.

She also drew the attention of the Board to the increase in the number of candidates undertaking National Qualifications in Gaelic across a number of subjects as students progressed into the senior phase

78/7 **CfE UPDATE**

Dr Stewart presented the update on SQA's progress against milestones and reported that the overall programme status remained on track. This however had not been without its challenges, and the Chief Executive alerted the Board to the significant concern around the ability of SQA staff to sustain the current levels of effort and work.

An update was also provided on those aspects of the programme reported at amber, and the Board endorsed the corrective actions that were being put in place. It was reported that Advanced Higher Unit Specifications had been published that day, according to schedule however, there had been an insufficient level of feedback from practitioners on the draft specifications, and this would impact on progress with a number of subjects. SQA would need to pursue further practitioner engagement and feedback to allow documents to be amended prior to final publication. In light of this, officers were considering how to support better the Advanced Higher qualifications development, and the ongoing risk to this work had been appropriately reported to the CfE Implementation Group.

In discussion, the Board noted with concern the difficulties with workloads and converging deadlines, and supported the Executive in investigating alternative ways in which work pressure could be alleviated in order to ensure SQA's ability to deliver.

78/8 2012-13 BUDGET – QUARTER 2 FORECAST UPDATE

Ms Ellison presented the current financial position as informed by the Quarter 2 (Q2) forecasting exercise. There was a reported deficit of £0.2m, a favourable movement of £0.2m from the Q0 forecast position. It was confirmed that this position included payment of staff progression costs, and the cost of the development and implementation of Post Result Services.

The Board was advised of a potential liability in relation to an increase in taxation rates likely to be imposed on SQA business in China. At approximately £0.3m, it was confirmed that this had been provided for in full in the Q2 forecast. Discussion took place around impact of this on SQA's cashflow, and the Board was assured that the matter was being monitored closely and that there would be ongoing dialogue with Scottish Government officials.

The Board approved the budget for 2012-13 as informed by the Q2 forecast.

78/9 BUSINESS DEVELOPMENT REPORT

The Board noted the business development activity in all key markets as at end September 2012 and received a full and comprehensive update on activity. It was recognised that the uncertainties continued around the impact of college regionalisation and that ongoing engagement with colleges was in place to monitor and assess the volatility in entry patterns.

Discussion took place around the need for SQA to understand better and improve on cost allocation and recording methods. It was agreed that the Board would receive an update in January on the project work underway to address this.

The Board noted contents of the report.

78/10 DRAFT CORPORATE PLAN 2013-16

The Board was presented with the draft corporate plan, which remained broadly consistent with previous years, with shifts in emphasis in certain areas to reflect SQA's organisational progress and current operating environment.

The plan was reviewed in detail, and the Board presented a number of suggestions and areas for improvement. This included the importance of broadening the narrative to reflect the changing operating environment for SQA, particularly in light of the discussions rehearsed at the Board earlier that day.

In his capacity as Convenor of the Advisory Council, Prof Simmons' recorded the discussion at the Advisory Council on the achievability of income targets and the need to consider the associated implications for SQA activity.

78/11 COURIER SERVICES

The Board considered the award of contracts for five different Lots over four suppliers. The contracts had an approximate total value of £1.8m over three years, and would cover both general and specific courier services to SQA. It was confirmed that a full and robust procurement exercise had been conducted. The Board approved the award of the contracts for remit to the Scottish Government for further authorisation. Clarification was sought on how the appointment of two suppliers would work operationally, and it was agreed to report back on this to Board offline.

78/12 REPORT FROM THE CERTIFICATION PROGRAMME GROUP

The Board noted the contents of the report. It was acknowledged that SQA was monitoring CfE activity and to ensure no impact on the delivery of in 2013.

78/13 COMMITTEE REPORTS

i Audit Committee – 23 July 2012

A verbal update had been provided to the last meeting of the Board and the Board noted the contents of the minutes.

ii Advisory Council – 27 August 2012

The Board noted the contents of the minutes.

iii Advisory Council – 22 October 2012

Further to the earlier update in the course of the Board meeting, Prof Simmons provided a brief overview of the other business considered. The minutes would be presented to the next Board.

iv International and Commercial Committee – 7 August 2012

A verbal update had been provided to the last meeting of the Board and the Board noted the contents of the minutes.

v International and Commercial Committee – 24 October 2012

Mr O'Hare provided an update on the business covered in the meeting held in the previous week, which had included a continued focus on cost allocation, and discussion around resource and capability to meet and deliver growth targets.

vi **Qualifications Committee – 26 September 2012**

Dr Stewart provided a verbal update in the absence of Mrs Walsh. Of particular note had been an item on regulatory audits, which falls under the remit of the Qualifications Committee - to ensure monitoring and implementation of the actions. As part of this work, SQA would be included in a review of Functional Skills Delivery along with 15 other Awarding Bodies to assess delivery performance levels.

vii **Accreditation Committee – 11 September 2012**

Ms Wilkinson updated the Board on business covered, advising that a significant amount of time was being paid to Universal Services and SQA Accreditation's relationship with the other UK bodies. The Committee had also approved the SQA Accreditation Annual Report 2011-12, which was presented to the Board that day for information.

78/14 **ANY OTHER BUSINESS**

The Board was advised that the staff opinion survey had received a pleasing 87% response rate. Ms Cahill provided a brief overview of the findings, and reported that a fuller update would be presented to the December meeting of the Board.

There were no matters raised for consideration.

The Board noted the CSR Annual Review.

78/15 **DATE OF NEXT MEETING**

The next meeting of the Board would be held on Wednesday 5 December, in Arrol, Lowden.