SCOTTISH QUALIFICATIONS AUTHORITY   **PC3/3 i**

PERFORMANCE COMMITTEE – 5 AUGUST 201 9   **For approval**

Minutes of the second meeting of the Performance Committee held on Monday 20 May 2019 at 11 am in Spey/Tay, the Optima Building, Glasgow.

Members	**Officers**	**In attendance**
* Ms E Craig (Convenor)	* Ms J Blair	███████████ SQA
* Ms A Davis	* ███████	
* Mr H McKay	* Dr J Brown	
* Mr R Stewart	* Mr S Borley	
	Ms M Cahill	
	Mr A Dickson	
	* Mr L Downie	
	* Ms L Ellison	**Observer**
	* Mr J McMorris	
* indicates present	* Dr G Stewart	███████████ SQA

2/1   **WELCOME AND APOLOGIES**

The Convenor welcomed members to the second meeting, including ███████████ from the Corporate Office, SQA.

Apologies were recorded for Ms Maidie Cahill, Mr Alan Dickson and Mr David Middleton, SQA Chair.

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

There were no conflicts of interest declared on the agenda.

2/3   **PREVIOUS MEETING**

i   **Minutes from previous meeting**

The minutes of the first meeting of the Committee held on 18 February 2019 were approved as an accurate record of the meeting.

ii   **Action Grid**

A minor typographical error was highlighted with regards to the title of the paper.

1/5 i   **Work of the Performance Committee - Corporate Planning Process and Impact on Performance Committee**

Noting that the annual plan had been included in the flow chart that detailed the strategic plan timetable, the Committee agreed that this would be circulated for information.

The Committee noted the contents of the Action Grid.

iii **Workplan**

The Convenor reminded the Committee that it had been agreed at the last meeting that areas for a deep-dive would be identified and agreed today for presentation at the next meeting.

She suggested that going forward, after the business of the Committee an agenda item was included to discuss and agree the areas, and the Committee endorsed this proposal. For the purpose of today's meeting, this would be covered under any other business (PC2/9).

The Committee noted the contents of the workplan.

2/4 **MATTERS ARISING**

There were no matters arising.

2/5 **QUARTERLY PERFORMANCE REVIEW**

The Convenor reminded the Committee that the nature and content of the QPR remained under development for 2020-21 onwards and a refined version of the current format of the report would be used until then. The Committee suggested that in the intervening period, in order to improve and focus discussion narrative could be included about measure impact and influence, the inclusion of trends on variations in year and on previous years and that the summary of the KPI's RAG status could incorporate the previous quarters RAG that underpins each Strategic Goal.

The Chief Executive led on presenting the executive summary and was pleased to advise that the overall position was at green. The following areas were covered in the course of discussion:

▪ Strategic Goal 1

The Committee agreed that there was a reasonable set of measures covering SQA's main qualifications-related development and delivery activity.

▪ Strategic Goal 4

It was highlighted that SQA had conducted a strategic stakeholder engagement to look at best practice approaches and models for strategic engagement, to understand how SQA currently engaged with key stakeholder groups and to provide options for how SQA could improve in this area. The Committee noted the significance of engagement and the importance for SQA to understand the landscape.

▪ Strategic Goal 6

The Committee questioned why the RAG status was assessed at green given the ongoing dispute between SQA management and Unite. The Chief Executive reassured the Committee that meetings between SQA management and Unite continued to take place on a very regular basis to progress the actions set out in the agreement facilitated by ACAS. The Committee noted that the dispute related to a fragment of the overall goal's performance measures and that a specific risk was included on the Corporate Risk Register.

▪ Strategic Goal 7

Discussing the performance measures that had been included, the Committee suggested that they inadequately covered the two separate functions of the goal. Reiterating that the QPR was a work in progress it was agreed that the performance measures would be reviewed in the intervening period.

As a key player in the education system, it was agreed that it was critical that SQA remain the national provider for data and statistical information on attainment. As part of the SQA Change Programme, there had been ongoing discussions regarding defining the approach, and it was noted that this area would be reviewed as part of the development of the QPR.

▪ Strategic Goal 8

The Committee questioned why the RAG status was assessed at green given that SQA was operating without the full grant funding allocation required from the Scottish Government. The Green rating reflected the year-end position, income and expenditure targets had been met and the business had been delivered in line with the Corporate Plan. It was explained that discussions continued with the Scottish Government to develop a financial model that would ensure SQA's financial sustainability. The Committee noted a risk was included on the Corporate Risk Register regarding this.

Following discussion the Committee suggested that the Goal be split into two parts; the development of a longer-term sustainable financial model and the delivery of the annual financial plan and associated investment the education and skills system.

2/6 STRATEGIC BEST VALUE AND EFFICIENCY PROGRAMME

Ms Ellison advised that work was underway to develop a programme of corporate end-to-end Process Reviews. On finalisation this programme would be presented to the Committee. The Committee noted that it was anticipated that three or four initiatives each financial year would be selected, and these would be closely linked to the Audit Scotland recommendations on the approach to best value.

The Committee discussed the merits of using external consultants to facilitate the work on streamlining processes and it was noted that a number of members of staff were experienced in Lean Engineering and related areas.

2/7 DRAFT ANNUAL REPORT AND ACCOUNTS 2018-19 - SECTION A - PERFORMANCE REPORT

SQA is required, at the end of each financial year, to produce a combined Annual Report and Accounts document and preparation of the document is governed by the guidance contained within the Financial Reporting Manual (FReM), and is subject to independent review by Audit Scotland.

The Annual Report and Accounts is divided into three sections, and Section A (Performance Report) was presented to the Committee for review, as part of its remit to monitor progress and the successful delivery of SQA's corporate objectives. Section B (Accountability Report) and Section C (the unaudited Annual Accounts

2018-19) would be presented to the Audit Committee for review at its meeting in June. The SQA Board would then approve the full document prior to submission to Ministers and the Scottish Parliament.

Mr Borley provided a detailed overview of Section A and advised that based on recommendations from Audit Scotland a new key issues and risks section had been included, that included details on the significant risks affecting SQA in 2018-19. The risk appetite rating of 'Open' had been adjusted to 'Balanced' to ensure the context was understood in the public domain.

The Committee suggested a number of minor amends to Section A of the Annual Report and Accounts for 2018-19.

2/8   PERFORMANCE FRAMEWORK: OUTCOMES AND STRATEGIC DRIVERS

Mr Borley explained the progress to date on establishing a performance framework, and the development of converting the three-year outcomes into deliverables by defining and agreeing the strategic priorities that would underpin each of the outcome statements. The priorities would give the cross-functional groups tasked with proposing deliverables with sufficient translation of the outcomes in order that the deliverables aligned to strategy and not simply a collection of tactical preferences.

Following discussion at the SQA Board in March, the Committee were presented with a proposed set of outcomes and the following was captured during discussion:

- Mission Statement

  ❖ Suggested that if possible, this be combined into one, shorter sentence.
  ❖ Welcomed that SQA was future proofing the statement by not limiting recognition to qualifications, but to skills and knowledge.

- Outcome and Strategic Priorities

  ❖ Deliver a credible qualifications system - Suggested that narrative be included around SQA responding to ever changing demands.
  ❖ Sustainable financial model outcome - Suggested that narrative on procurement savings and Best Value be included.
  ❖ People outcome – As SQA has a unique culture, it was suggested that narrative on motivation be included.

The Committee noted that work would continue on the development of a robust corporate framework model.

2/9   ANY OTHER BUSINESS

Deep-dive

The Convenor opened discussion to identify an area for the deep-dive at the next meeting, and the following areas were suggested:

- SQA Change Programme

  It was highlighted that SQA had invited the Office of the Chief Information Officer (OCIO) to conduct an independent review of SQA's Enabling Functions

Programme (part of SQA's Change Programme) and this had provided formal assurance for the Programme. SQA's internal auditors, Scott-Moncrieff, had also conducted an audit in this area and this would be presented to the Audit Committee in June.

- Time recording and cost allocation

  Following a successful pilot, this would be rolled out on a phased basis across the business. It was agreed that until this was successfully embed within SQA it would not be deemed timely and appropriate to explore.

- International

  The Committee noted the achievement of the targets for the last financial year and the recent press coverage of SQA's International work. As part of the strategic planning process, it was important that the Committee reviewed the current status and the plans going forward for this area of business. This was especially important given the strands within the overall Strategic Goal, namely;

  - ❖ To help create additional income to reduce the burden on the public purse.
  - ❖ To support the Scottish Governments international agenda.
  - ❖ To learn from and engage with other education and skills systems.

The Committee then went on to agree that in preparation a specific question/set of related questions should be agreed. This would then allow EMT to develop a response(s), and ultimately form the deep-dive. In addition, it was agreed that when identifying areas for deep-dives it was imperative that areas included in the performance framework should be explored. However, if an immediate issue arose then the deep-dive should focus on the area(s) where it was felt there was insufficient clarity. It was anticipated that ultimately, an environment where the Committee could add value through discussion would be created.

In closing the Committee agreed that they would meet offline to discuss and agree a specific question/set of related questions for the focus of the deep –dive at the next meeting.

2/10 **DATE OF NEXT MEETING**

The next meeting of the Committee would take place on Monday 5 August in Arrol, Lowden.