



**Minutes of Meeting of the Board of Directors  
Held at 11.00m on 28<sup>TH</sup> October 2014  
1 Victoria Street, London**

<b>Present:</b>	Mr Chris Brodie	Chairman	CB
	Mr Mick Lavery	Chief Executive	ML
	Michael Yuille	Non-Executive Director	MY
	Willie Gallagher	Non-Executive Director	WG
	Rob Kennedy	Non-Executive Director	RK
	Prof Dame Glynis Breakwell	Non Exec Director	GB
	Mr John Brown	Interim Company Secretary	JB
<b>In Attendance:</b>	Mr Mathew Hilton	BIS	MH
	Mr Ben Coates	BIS	BC
	Mr Stephen White	Scottish Government (by phone)	SW
	Mr Neil Surman	Welsh Government (by phone)	NS
	Mr Chris Jones	Welsh Government (by phone)	CJ
<b>By Invitation:</b>	Mr David Wallace	Deputy Chief Executive	DW
	Mr Mark Cassidy	Transformation Programme Director	MC
	Ms Jacqueline Steed	Chief Digital Officer	JS
	Mr Derek Ross	Director of Operations & Customer Services	DR
	Mrs Heather Laing	Head of Counter Fraud Services	HL
	Mrs Lorna Brown	Head of Commercial	LB
	Mrs Claire McGhee	Head of Marketing	CM
<b>Observer:</b>	Ms Polly Payne	BIS	
<b>Distribution:</b>	As Above		

### 1/2. Board Closed Session (Non Executive Directors only)

The Board meeting commenced at 11.45am.

### 3. Chairman's Opening Remarks and Directors' Matters

The Chairman welcomed everyone to the meeting. He introduced Heather Laing who was representing the Fraud and Repayments Directorate and Polly Payne from BIS who was attending as an observer. Ms Payne will be taking over from Mathew Hilton as BIS Director for Higher Education. She shares this role with Ruth Hannant.

CB Advised the Board that he has joined the Boards of the Brighton and Sussex Medical School and JD Classics.

On behalf of the Board, the Chairman went on to congratulate DR and his team on the successful delivery of the AY 14/15 applications. He also noted the award of PSN Compliance Certificate and thanked everyone involved for their contribution to achieving this accreditation. CB then praised the SLC's approach to countering fraud which has been described by the Cabinet Office as a very good example for other government departments to follow.

#### **4.1 Minutes of the meeting held on 9<sup>th</sup> September 2014**

The Board approved the minutes of the meeting of 9<sup>th</sup> September 2014.

#### **4.2 Matters arising from previous minutes**

The Board noted the written update issued with the Board papers.

BC provided an update on MB042, advising that the work on the protocol between the Accounting Officer and BIS was almost complete. CB advised that this should be finalised prior to the PAC hearing of the NAO report on Alternative Providers. RK suggested the final draft of the protocol document should be circulated in advance of the Board meeting. **ACTION MB052 - BC**

#### **5.1 CEO Report**

ML introduced the report. Updates on the Transformation Programme, AY 2014/15 and AY 2015/16 application cycles were included in the report but would be discussed later in the meeting. ML reported good progress with the next phase of transition of the Welsh students' database. The acquisition of the Wrexham database was completed. CB commented that at their recent meeting the Welsh Minister had been very complimentary about the service SLC was providing. NS added that the Minister was delighted with the professionalism and enthusiasm of the SLC staff in Llandudno Junction.

ML advised the Board of progress being made to clear long standing Audit actions. Good progress had already been made and a final update would be provided at the December Audit Committee meeting. MY asked to see the plan developed to clear these actions prior to the Audit Committee meeting. **ACTION MB053 – ML**

The Board were pleased to note the continuing use of the Recognition Awards Scheme and CB asked that their congratulations be passed on to the individuals and teams that received awards in September.

ML then provided an update on the ongoing recruitment to fill the ELT and SMT vacancies: CB provided an update on the recruitment of two non Executives Directors. MY reminded the Board of the need to appoint NXDs early enough to allow for a reasonable overlap with retiring Board members.

ML went on to describe the Secretary of States visit to Bothwell Street on the 3<sup>rd</sup> of October. Among the issues raised were 'Apply Once' and the data sharing with DWP. BC advised that he had written to Lord Freud, the DWP Minister and awaits his reply. \*

ML introduced a short paper by DW that gave the Board an update on the discussions between, SLC, BIS and the Pension Scheme Trustees. Following an in-depth discussion of DW's paper, the Chairman confirmed that the Board were in agreement with how these issues were being taken forward and thanked DW, JM and BIS colleagues for all their work on this.

ML then referred to the work by PWC on the treatment of expenses for tax purposes. Some of the issues raised in PWC'S report to the Remuneration Committee were not restricted to the SLC and also applied to the other BIS partnership organisations, Therefore, BC agreed to investigate and report back at the next meeting. **ACTION MB054 – BC**

ML referred to his update on the NAO Review of Alternative Providers, advising the Board that the first draft of the NAO report had been received on 27<sup>th</sup> October. If this report is referred to a full PAC hearing, the date of the hearing will be 15<sup>th</sup> December.

## **5.2 Commercial Strategy Update**

CB welcomed Lorna Brown to present the latest SLC Commercial Strategy. LB confirmed that the strategy had been developed with the input from BIS and Central Commercial Services. Following a discussion on the contracts, including the resources to ensure delivery, the Board approved the Commercial Strategy. CB thanked LB for her work on developing the SLC approach to procurement and as she is leaving the company, wished her well in the future.

## **5.3 Counter Fraud & Error Reduction Strategy**

MY questioned the approach to allocating resources to the counter fraud work, bringing to the Board's attention the high level of return that investing in this strategy brings to the SLC. HL responded and advised that work is underway to develop a resources model that will inform any bid for additional resources

## **5.4 Corporate Governance Programme**

The Board noted this report. CB asked that a date be confirmed for the Board away day to discuss the Board Effectiveness Review. **ACTION MB055 – JB**

## **5.5 Transformation Programme Update**

CB welcomed Mark Cassidy, Transformation Programme Director to the meeting.

MC joined ML in presenting and update on the Transformation Programme Reset. This included details of the key challenges and problem areas the Programme faces, the actions being taken and the support provided by BIS, GDS and HMT. The update also covered the current financial position and benefits status.

MC provided the Board with the latest position in respect of programme management, portfolio governance and project delivery.

The potential to include an independent non-executive director on the Programme Board was also discussed as this had been raised with the Chairman by the Minister. It was agreed that this should be explored further with the Minister. **ACTION MB 056 - BC**

The Board also discussed the governance arrangements for moving the Company forward into the Digital environment. These arrangements include input from SLC, GDS and BIS.

\*

CB summarised this review of the Transformation Programme and confirmed the need to continue the work on re-prioritisation and re-scheduling while working with BIS to ensure the appropriate governance arrangements are in place to take the Programme forward. \*

## **5.6 Security Programme**

JS presented a paper on the SLC Security Programme that described progress in remediating the existing IT system deficiencies, and in developing effective governance arrangements going forward. She also advised the Board of progress being made to finalise the business case for the additional resources required to deliver the Programme. These additional resources will be required to ensure the necessary level of security is maintained in future as SLC goes through Transformation.

## **5.7 Risk Report**

The Board noted this report. It was agreed that the Corporate Governance Programme's review of SLC risk management should consider how to create more opportunity for the Board to contribute to the identification of strategic, business and reputational risks. **ACTION 057 - JB**

## **5.8 AY 2014/15 Processing**

DR presented his review of 2014/15 processing. This was one of the regular updates the Board has received on processing and customer service activity for the 2014/15 cycle. DR reported that SLC operations were ahead of the 2013/14 profile despite application volumes for this year being up 5% year on year. AY 2014/15 is the Company's most successful year following the re-structuring of student finance delivery in 2009.

CB asked DR to pass on the Board's thanks and congratulations to all the managers and staff involved in delivering these exceptional results.

## **5.9 AY 2015/16 Launch**

Claire McGhee joined the meeting to deliver a presentation on the campaign to launch the 2015/16 application cycle. This campaign is aligned to the SLC vision and mission and was developed in-house. CB thanked CMcG for her presentation and encouraged Board members to take up CMcG's offer of a more detailed presentation of her team's work.

## **5.10 FY 14/15 Quarterly Report**

The Board noted this report.

### **5.11 Central Document Services Outsourcing**

The Board noted this paper.

### **5.12 Managing People Report**

DW invited the Board to send him any comments of this report by email. **ACTION MB058 – Board Members**

### **5.13 Financial Report**

DW presented an update on the SLC financial position in 2014/15. This included details of movements between budgets and the forecasting of end of year expenditure. Details of the Transformation Programme costs and the overall SLC savings plan were also reviewed by the Board.

### **5.14 Payment Approvals**

The Board approved the changes proposed for payment authorisation contained in this paper.

### **5.15 Audit Committee Report**

MY provided a brief update on the latest Audit Committee meeting. He also asked the Board to consider extending the appointment of the independent external member for a further two years. The Board approved this appointment.

## **6. AOB**

There was no other business considered.

## **7. Date of Next Meeting**

The Board noted that the next meeting would take place in Glasgow on Tuesday, 25<sup>th</sup> November at 9.30am.

**The Board meeting closed at 14.30pm**

**NB: Where asterisks appear within a numbered item, these sections have been excluded from the minutes before placing on the website as the subject under discussion falls within one or more of the exemptions contained in Part II of the Freedom of Information Act 2000 and can be reasonably withheld.**