

Minutes of Meeting of the Board of Directors
Held at 9.30am on Wednesday 26 February 2014
Bothwell Street, Glasgow

Present:	Mr Chris Brodie	Chairman	CB
	Mr Mick Lavery	Chief Executive	ML
	Prof Dame Glynis Breakwell	Non-Executive Director	GB
	Mr Michael Yuille	Non-Executive Director	MY
	Mr David Edelman	Non-Executive Director	DE
	Mr Willie Gallagher	Non-Executive Director	WG
	Mr Rob Kennedy	Non-Executive Director	RK
In Attendance:	Mr Ben Coates	BIS	BC
	Mr Stephen White	Scottish Government	SW
	Chris Jones	Welsh Government (by phone)	CJ
By Invitation:	Mr David Wallace	Deputy Chief Executive	DW
	Mr Derek Ross	Operations & Customer Services Director	DR
	Mr Les Campbell	Finance and Administration Director	LC
	Mr Gordon Simpson	CIO & Director of Transformation	GS
	Ms Jenifer Stirton	Marketing & Communication Director	JS
	Ms Taroub Zahran	People and Transformation Director	TZ
	Ms Lynn Lyle	Senior Executive Secretary (minutes)	LL
	Ms Faith Staniforth	HCL (item 5.3)	FS
	Mr Martin Campbell	Design Authority Manager (item 5.3)	MC
	Ms Maggie Wightman	Corporate Planning Manager (item 5.4)	MW
Apologies:	Mr Chris Andrew	Company Secretary	CA
	Mr Neil Surman	Welsh Government	NS
	Mr Matthew Hilton	BIS	MH
Distribution:	As Above		

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

The Board meeting commenced at 10.15am

3. Chairman's Opening Remarks and Directors' Matters

The Chairman welcomed everyone to the meeting, and extended his warm thanks to GB during her time as Interim Chair. He also noted his thanks to ML, WG, GS, CA and the Transformation Programme team on their hard work regarding the HCL contract. The Chairman then acknowledged CA's 15 year Anniversary with the Company. He advised that this would be LC's last Board meeting and passed on his thanks, wishing him well in the future. He noted apologies from CA and NS.

4.1 Minutes of meeting held on 28 January 2014

The Board approved the minutes of the meeting of 28 January 2014, subject to one minor amendment.

4.2 Matters arising from previous meetings

The Board noted the update.

5.1 CEO Report

ML introduced his report. He noted that the CDS project was proceeding more slowly than expected, due to resourcing issues, but advised the Board that the Company is continuing to work with Williams Lea. ML advised that he would keep the Board updated on this matter. He also confirmed that DR will now be the SRO for this project.

ML passed on his personal thanks WG, GS, CA and the Transformation Programme team for their work on the HCL contract.

He advised that the BIS Commissioning and Assurance Board (CAB) was held on the 17 February, which had been attended by DW. DW stated that the purpose of this Board was for BIS to clarify of the expectation of the workload that the Company has to fulfil. * **Action MB196 – DW.**

ML highlighted that at the end of last year Marketing & Communications had applied for the Matrix IAG Standard for the Student Finance Information Team as part of their benchmarking and continuous business improvements plan. The assessment took place last week and the team had passed the Matrix assessment with flying colours. He asked that the good work undertaken by the team be acknowledged by the Board.

DR provided a verbal update on the latest position regarding EU (A2) nationals. *

ML then stated that circa 50k SFE applications had so far been submitted for AY 2014/15, with circa 70k in the portal, and that the Company had been able to amend early defects without any system downtime.

ML advised that an email had been issued to all staff regarding the Pension Scheme and the planned redesign of the benefits structure, with discussions currently taking place with both the Trustees and with BIS. The Board then queried whether the Pension Regulator had signed off the scheme, and LC advised that the Trustees were currently in discussion with the Regulator on this matter.

ML confirmed that following on from the recommendations arising from the PAC Report, the Company is currently focusing on the priority actions. The Chairman advised that he was meeting with Permanent Secretary later in the week and would be emphasising the importance of repayments.

The Chairman then requested that the Board should consider how they wish to be appraised generally on progress during the year. ML confirmed that this would happen as a matter of course, with a matrix of responsibility and reporting being put in place when the new Executive Leadership team is in place. The Board stated that it would be beneficial to receive a view from the new Executive Leadership team when in place, regarding what they deem to be 'mission critical' **Action MB197 – ML.**

5.2 Remuneration Committee report

GB provided a verbal update on this report and advised that meetings had been held on the 28 January and 13 February, with the core purpose of the meetings being in relation to the new Executive Leadership team. She confirmed that following on from legal advice, BIS sponsor team approval and approval at the BIS SROC meeting; the four new roles were approved/matched.

GB wanted to pass on a personal thank you to both TZ and ML, following the positive feedback received from the BIS SROC meeting.

5.3 Transformation Programme Update

This update was introduced by GS. He advised that FS was in attendance on behalf of HCL, and she provided a high level overview of the Core System Replacement Programme. FS advised that HCL is working with the Company to ensure that the timescales are met. The Board asked FS what her biggest concern about delivery was, and FS advised that scope creep was the biggest concern. GS confirmed that the Programme will deliver to timescale and that Transformation team is in place to protect the scope of the project. The Board thanked FS for attending and providing a high level overview.

GS advised that training of staff in relation to Business Transformation regarding cultural change was currently being progressed by TZ along with Gillian Forrest, Programme Director, who are building up a staff training programme.

DR then provided a high level overview of the key findings arising from the site visits and the performance benchmarking report. GS then confirmed the process for achieving contract signature, and advised that the signing of the contract would take place before the end of February. He provided a recap of 2013 to date and where the Programme is today. The Board then queried Deloitte's role as a sub-contractor to the consortium led by HCL, and asked whether this created a conflict of interest given they are currently the Company's IT Auditors. GS advised that would be looked into, and the Audit Committee advised accordingly **Action MB198 – GS/CA.**

MC then introduced the Transformation Roadmap, confirming the scope of the work and the forward plan for the technical implementation. He highlighted to the Board that during the transitional period, operational teams will be using two systems for a period of time, prior to the move to the new system. ML advised that there have been significant changes to the Roadmap and that it was continuing to evolve and improve. The Board asked whether any policy changes from the Government have a compelling impact on this project. ML advised that this would require amendments to the Roadmap and that the Company is aware that HM Government policies can change. It was noted that an updated Roadmap incorporating the business implementation would be presented to a Board meeting in the near future **Action MB199 – GS.**

GS then confirmed that a build/buy decision had been agreed as part of the Cabinet Office conditions for approving the Programme, with five components in total, two of which are being bought, with the option of building/buying the other three.

The Chairman stated it would be beneficial to have three standard reporting tables monthly covering Programme costs, benefits and people resources. GS confirmed work is being done on these, with the aim of reporting with effect from the 1 April to the Board **Action MB200 – GS.**

GS then provided an overview of the Governance Model and highlighted that the primary purpose of the Governance structure is to ensure that the Programme stays on track and delivers benefits as set out in the Transformation Business Case.

MY stated that on the Finance and Benefits slide under the budget breakdown section for FY 2014-15, the costs do not add up correctly. GS confirmed that this is an error, for which he apologised, saying that he would confirm the correct figure after the meeting **Action MB201 – GS.**

ML advised that the monthly Finance Report would incorporate Transformation costs going forward **Action MB202 – LC.**

The Board thanked MC for attending to provide the high overview of the Roadmap.

5.4 Draft Corporate and Business Plan for FY 2014-15

ML introduced the draft plan and advised that this is a work in progress at present, highlighting that the Company had not previously had a three year Corporate Plan. He confirmed that this would be on the agenda for the March Board meeting for approval, and introduced MW to the Board, advising that she was in attendance to capture any immediate feedback. The Board noted that it would be beneficial to draw out the aspects which are 'mission critical' as a Company, to, rationalise the number of objectives where possible, highlight benefits arising from Transformation, define the intended audience, make the risk section more informative, and consider where best to place the general information on the Company **Action MB203 – DW.** The Devolved Administrations were asked by the Board if they had any initial feedback. SW, from the Scottish Government, advised his initial thoughts were positive, but would consider this further and discuss with colleagues. The Board were advised that should they have any further comments on this document that they should advise DW and MW by 5 March.

The Board thanked MW for attending the meeting.

5.5 Draft budget for FY 2014-15 and Medium Term Financial Plan

LC introduced this report, and summarised the key highlights set out in the covering paper. He highlighted that the Company is working with BIS to narrow the current funding gap. The Board stated that it would be beneficial for more detailed explanation of the main movements from FY 2013-14 to 2014-15 to be presented in March **Action MB204 – LC.** CJ also mentioned a current £2.5m funding gap related to Wales. LC advised that he would investigate this further and confirmed that an update would be provided at the March meeting **Action MB205 – LC.**

5.6 Finance Update

The Board noted this report.

5.7 Procurement Savings Target

The Board noted this report.

6. AOB

The Chair highlighted the planned Main Board dates from April 2014 until March 2015 and the proposed dates for the meetings being held in London, which were contained in the information pack. The Board queried the timings of the Board meetings being held in London, and also the July 2014 Board meeting, as it was scheduled to take place during the Commonwealth games in Glasgow. The Chair advised that this would be looked into further **Action MB206 – LL/CA.**

7. Date of Next Meeting

The Board noted that the next meeting would take place in Glasgow on Tuesday, 25 March 2014 at 9.30am.

The Board meeting closed at approximately 13.00pm.

8. Board Closed Session

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.