

**Minutes of Meeting of the Board of Directors
Held at 9.30am on Tuesday 25 March 2014
Bothwell Street, Glasgow**

Present:	Mr Chris Brodie	Chairman	CB
	Mr Mick Lavery	Chief Executive (by phone)	ML
	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
	Mr Chris Andrew	Company Secretary	CA
In Attendance:	Mr Matthew Hilton	BIS	MH
	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 Gordon Simpson	CIO & Director of Transformation	GS
	Ms Taroub Zahran	People and Transformation Director	TZ
	Doreen Charlton	Cyber Security Engagement (item 5.1 only)	DC
	Malcolm Dawson	Cyber Security Engagement (item 5.1 only)	MD
	Pete Maxted	ICT Operations Director (item 5.1 only)	PM
	Martin Campbell	Design Authority Manager (item 5.1 only)	MC
	Apologies:	Prof Dame Glynis Breakwell	Non-Executive Director
	Mr Neil Surman	Welsh Government	NS
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 noted apologies from GB and NS.

4.1 Minutes of meeting held on 26 February 2014

The Board approved the minutes of the meeting of 26 February 2014.

4.2 Matters arising from previous meetings

The Board noted the update. Actions MB985 and MB195 were both re-opened. It was agreed that the source of the original action would be signposted more clearly in future reports **Action MB207 – CA.**

5.1 Cyber Security Awareness Session

CA introduced DC and MD, who were attending the meeting to introduce the Cyber Security Engagement Programme being run by the National Archives. DC provided a brief overview, and then MD gave a short overview of the benefits of the Programme. There then followed a short question and answer session, during which the Board discussed the importance of raising staff awareness and of ensuring that the appropriate controls are in place to support secure working.

The Chairman suggested that a response to the '5 Questions for the Board' could usefully be prepared for the April Board meeting, with a fuller Cyber Security update being presented to the May Board **Action MB208 – CA/DW.** The Chairman then thanked DC and MD for their presentation.

5.2 Sustain Update

DR and GS introduced this report, which was unstarred by the Board. There was a discussion on the update relating to the imaging stabilisation work, and the Board noted that this work was currently subject to the approval of funding. DR confirmed that while this had resulted in a delay to implementation, contingency plans were currently in place. The Board noted the report.

5.3 CEO Report

ML introduced his report. DW provided an update on ICR related matters. * **Action MB209 – DW/ML.**

DR provided a brief update on EU/A2 cases. DW then provided an overview of the latest position regarding the SLC Retirement and Death Benefits Scheme.

The Board noted its appreciation for the successful completion of the Mortgage Style Loans sale.

5.4 Corporate Risk Report

DW provided an overview of the report. It was agreed that the current position regarding the SLC Retirement and Death Benefits Scheme should be added to the risk register **Action MB210 – DW.** The Board then noted the report.

5.5 Complaints Update

DR gave a brief introduction to this report, which was unstarred by the Board. He confirmed that a declining profile in the overall number of complaints was expected year on year. The Board then noted the report.

5.6 Final Corporate and Business Plan for FY 2014-15

ML and DW introduced this report. The Board approved the Corporate and Business Plan, subject to a final review of the document before it was finalised with the aim of removing any unnecessary repetition **Action MB211 – DW.**

5.7 Final Budget for FY 2014-15 and Medium Term Financial Plan

DW provided an overview of the proposed budget for FY 2014-15 and the latest position on the related funding gap for FY 2014-15 (reported as a total gap across Admin and Programme budgets of £8.3 million), which the Board then considered in some detail alongside the draft Annual Performance and Resource Agreement. Following this discussion, the Board agreed to approve the budget for FY 2014-15 and the Medium Term Financial Plan, subject to the Company reviewing the funding gap with BIS, with regular and transparent financial reporting required in year (from May), and with a close watch being maintained on the achievability of the planned savings that are built into the budget **Action MB212 – DW.**

It was noted that if it is not possible to close the gap through BIS (and Wales) identifying additional funding, then the Company would need to consider alternative options, including making service level reductions or finding additional efficiency savings. It was also noted that regular discussions with the Devolved Administrations would be required during the year.

The Board then noted the proposed move from 0845 telephone numbers, which it recognised was an important change. MH confirmed that this change was a priority for BIS, and that it was a reasonable request for the Department to make of the Company. The Board then approved this change, noting that this decision would increase the scale of the funding challenge for FY 2014-15,

and would also have an impact on other priorities for investment, with a need to manage a number of pressures and priorities 'in year'. It was agreed that a list of priorities for potential investment should form a regular part of the Finance report from May onwards **Action MB213 – DW.**

5.8 Final Draft Annual Performance and Resource Agreement (APRA) for FY 2014-15

This item was discussed in conjunction with agenda item 5.7 above, and it was agreed that the members of the Board would provide comments to the Chairman and ML on the draft APRA after the Board meeting, with a view to comments being fed back to BIS in early April **Action MB214 – AII/CB/ML.**

5.9 Final Draft Repayment Strategy

ML introduced this report, and thanked DE for his feedback. He requested that any further feedback should be provided after the Board meeting, so that he would be able to bring back a final version for approval at the April Board meeting **Action MB215 – AII/ML.** TZ then provided a brief update on the planned process and timetable for the appointment of the new Executive Director.

5.10 Final Draft Counter Fraud and Error Strategy

ML introduced this report, and it was agreed that following any further feedback being provided after the Board meeting, he would then bring back a final version for approval at the April Board meeting **Action MB216 – AII/ML.**

5.11 Finance Update

DW briefly spoke to this item, which was unstarred by the Board. He confirmed that there was a fairly good level of confidence that the forecast March expenditure was in line to be achieved by the end of the month.

6. AOB

There were no items of any other business.

7. Date of Next Meeting

The Board noted that the next meeting would take place in Glasgow on Tuesday, 29 April 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.