

**Minutes of Meeting of the Board of Directors  
Held at 9.30am on Tuesday 29 April 2014  
Bothwell Street, Glasgow**

<b>Present:</b>	Mr Chris Brodie	Chairman	CB
	Mr Mick Laverty	Chief Executive	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
	<b>In Attendance:</b>	Mr Matthew Hilton	BIS
Mr Stephen White		Scottish Government	SW
Mr Chris Jones		Welsh Government (by phone)	CJ
<b>By Invitation:</b>	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
	Mr David Thomson	Business Imp Manager (item 5.4 only)	DT
	Ms Jacque Smith	OD Manager (item 5.4 only)	JS
	<b>Apologies:</b>	Prof Dame Glynis Breakwell	Non-Executive Director
Mr Neil Surman		Welsh Government	NS
<b>Distribution:</b>	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. It was noted that due to a conflict of interest (as a Trustee of the Company's pension scheme), CA would leave the meeting for agenda item 5.12, and that the members of the Executive Leadership Team would stay for this item (while noting that they were scheme members).

#### 3.1 Board Effectiveness Review 2014

CA introduced the paper, and following a short discussion it was agreed that the review would be managed in-house to avoid additional cost, and also that the questions would be reviewed to avoid any unnecessary duplication **Action MB001 – CA**

#### 4.1 Minutes of meeting held on 25 March 2014

The Board approved the minutes of the meeting of 25 March 2014, noting that the first part of action MB208 (on cyber security) would now be completed at the May Board meeting.

#### 4.2 Matters arising from previous meetings

The Board noted the update. With regard to MB188 (Accounting Officer responsibilities), ML and MH provided an update following their recent discussions, noting that a way forward had now been agreed in principle, but that the action would be kept open until work was complete. With regard to

MB195 (review of contracts) it was agreed that a further update would be provided at the mid-May Audit Committee meeting **Action MB002 – CA.**

### **5.1 CEO Report**

ML introduced his report. It was noted that not all SAM licencing matters had been concluded by 25 April as indicated in his report, and it was agreed that a further update would be provided on this matter in May **Action MB003 – GS/CA.**

The Board discussed the update on the imaging project, and it was noted that a number of mitigating steps had been taken pending approval of the business case by BIS and the Cabinet Office. The Board was concerned that the delay would mean that additional costs relating to the provision of onsite support would be incurred during the peak of the AY 2014/15 application cycle. It was agreed that the imaging stabilisation paper being presented to the next meeting of the BIS HEDA Board would be shared with the Board for information **Action MB004 – DW.**

ML noted the positive start to the SFE AY 2014/15 application cycle, and the fact that call volumes were currently down against projected levels, which could in due course lead to budget savings. He also noted the successful launch of the SFW AY 2014/15 service at the start of the month, which had been well received by the Welsh Government.

\* **Action MB005 – DW.**

ML noted the publication of the Corporate and Business Plan for FY 2014-15, and the Board recorded its thanks to Maggie Wightman, who had co-ordinated this work for the Company.

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The Board was very pleased to note the recently announced winners of the Employee Contribution of the Year and the Team Contribution of the Year Awards, and passed on its congratulations to all of the prize winners, including first prize winners Colin McKinnon and Frances Gilmore and her team.

The Board then noted that the final version of the Annual Performance and Resource Agreement letter for FY 2014-15 had now been received. It was agreed that a formal response should be prepared for issue by the Chairman **Action MB006 – DW.**

Finally, the Board was pleased to recognise the very positive improving trend in the Scorecard performance for FY 2013-14, and congratulated the Company and the management team on this result.

### **5.2 Repayment Strategy**

ML introduced this paper. The Chairman then explained the importance of measuring the return on investment of various initiatives to improve the yield on the loan book. The Board and MH agreed that this was a good step forward, and the Strategy was then approved.

### **5.3 Counter Fraud and Error Strategy**

ML introduced the Strategy, which was then approved by the Board.

### **5.4 Transformation Programme Update**

GS introduced this item, and the Board then considered the People and Process Roadmap in some detail, with an overview provided by DT and JS. It was noted that the overall Transformation Roadmap would now be baselined, meaning that it would be subject to change control going forward. It was agreed that a regular report tracker would need to be put in place, with high level

milestone updates underpinned by a bottom up detailed plan, so that the Board can see the progress that is being made. It was noted that these updates should also include regular reports to track the level of resources being utilised by the Programme, with any material shortfalls being highlighted.

At the end of this discussion, the Transformation Roadmap was approved, following which the Chairman requested that a longer Board session should be arranged in the near future, to allow the members of the Board to see the work that is being delivered in the Cerium Building **Action MB007 – GS/CA.**

The Chairman thanked DT and JS for their contribution to the presentation.

#### **5.5 Business Plan for FY 2013-14 Year End Report**

DW introduced this item, and the Board noted the results that had been achieved. It was agreed that in future years the Company should seek to align the Scorecard and Business Plan measures, so that one consolidated report and set of RAG results can be produced.

#### **5.6 Managing our People Year End Report for FY 2013-14**

TZ introduced this report, which was noted by the Board.

#### **5.7 Audit Committee Report**

MY provided an overview of the last meeting of the Audit Committee at the end of March 2014. Following a brief discussion on the summary of outstanding audit actions, it was agreed that a fuller report should be brought to the May Board, following the mid-May Audit Committee meeting **Action MB008 – CA.**

#### **5.8 Update on Non-Accrual of Interest**

DW introduced this report. \* **Action MB009 – DW.** \* The Board thanked DW for this helpful update.

#### **5.9 Finance Year End Report**

DW introduced this report, which after a short discussion on the operating budget overspend for the year, was noted by the Board. It was also noted that the content and format of the report was currently being reviewed, and it was agreed that the Interim Finance Director would seek views from the members of the Board **Action MB010 – DW.**

#### **5.10 Washington Street Data Centre Contract**

The Board approved this contract.

#### **5.11 Contingent Labour One Contract**

After a short discussion, the Board approved this contract.

[CA then left the meeting.]

#### **5.12 SLC Pension Scheme Update**

DW introduced this report and highlighted that this was to provide an update to the Board on the most recent correspondence between the Pensions Regulator, the Company and the Trustees. He advised the Board that they last received an update at the December 2013 meeting. \* DW confirmed that he would keep the Board aware of any developments following the Pension meeting on 9 May.

### **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 London on Tuesday, 27 May 2014 at 11.00am.

**The Board meeting closed at approximately 13.00pm.**

## **8. Board Closed Session**

The Board meeting was followed by a short demonstration of the new Optimus solution that was provided by Thoughtworks and SLC.

**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.**