



**Minutes of Meeting of the Board of Directors
Held at 11.00m on Tuesday 24th February 2015
SLC Office
15-17 Furnival Street, London, EC4A 1AB**

Present:	Mr Chris Brodie	Chairman	CB
	Mr Mick Lavery	Chief Executive	ML
	Mr Michael Yuille(By phone)	Non-Executive Director	MY
	Mr Rob Kennedy(By phone)	Non-Executive Director	RK
	Prof Dame Glynis Breakwell	Non-Executive Director	GB
	Mr John Brown	Company Secretary	JB
In Attendance:	Ms Ruth Elliot	BIS	RE
	Mr Ben Coates	BIS	BC
	Mr Neil Surman	Welsh Government	NS
	Mr Stephen White (By phone)	Scottish Government	SW
By Invitation:	Mr David Wallace	Deputy Chief Executive	DW
	Mr Mark Cassidy	Transformation Programme Director	MC
	Ms Jacqueline Steed	Chief Digital Officer	JS
	Mr Derek Ross	Executive Director of Operations & Customer Services	DR
	Mr Paul Mason	Executive Director of Repayments & Fraud	PM
Apologies:	Mr Chris Jones	Welsh Government	CJ
	Mr Willie Gallagher	Non-Executive Director	WG
Distribution:	As Above		

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

The Board meeting commenced at 11.55am.

3. Chairman's Opening Remarks and Directors' Matters

The Chairman opened the meeting by welcoming Ms Ruth Elliot (Director, Student Finance Delivery, BIS) to her first meeting of the SLC Board. Ms Elliot has taken over the SLC Assessor role for BIS from Polly Payne & Ruth Hannant.

4.1 Minutes of the meeting held on 27th January 2015

The Board approved the minutes of the meeting of 27th January 2015

4.2 Matters arising from previous minutes

The Board noted the written update issued with the Board papers and agreed with the recommendation that 10 actions should be considered closed. JB confirmed that a further update on cyber security would be given to the March Audit Committee.

BC advised that the request to exclude the SLC's activities on MSL deferments from regulation by the FCA had gone to the Treasury Minister and suggested that further work on the FCA application be put on hold until the Ministerial response was received.

5.1 CEO Report

ML introduced his report and provided the Board with an update on the work being led by DR and Jaqueline Young (Finance Director) to improve the end to end payment process, including the introduction of additional safeguards to reduce the risk of a security breach having an impact on service delivery.

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ML confirmed that the second instalment of the AY14/15 payments had been made and customer feedback on the AY14/15 application cycle remained very positive. The most recent customer satisfaction survey results have risen from 82% to 85%. He also advised the Board that the AY15/16 Student Finance England full-time application service had been launched on 26th January. The AY15/16 full-time application services for Wales and Northern Ireland were launched on 23rd February. CB welcomed this good news.

ML then made the Board aware of an issue with some of the student finance information on Gov.UK. This followed the migration from HMRC's website to Gov.UK. ML advised the Board that SLC was working with GDS to address these problems and they expected to resolve the issue by March.

An update was then provided by ML on the transition of students' accounts from the Welsh Local Authorities to Student Finance Wales. The LA Transition Project was successfully completed on 6th February and the Board acknowledged the hard work and commitment of all of those involved, particularly in the SLC office at Llandudno Junction.

The Board next discussed the Public Accounts Committee report on Alternative Providers. This report was published on 23rd February and SLC will work with BIS colleagues to ensure an appropriate response to the PAC findings and recommendations.

ML also advised the Board that SLC had been asked to suspend fee payment to five Alternative Providers. These instructions were implemented in advance of the payment of the second instalment of fees.

ML advised the Board that discussions continue around the options for the delivery of Post Graduate Loans. These discussions are expected to confirm the timescales for delivery and the options for managing repayments.

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5.2 Corporate Governance Programme

JB introduced this final report on the Programme. The paper outlined the progress to date with the individual projects and recommended that the Main Board endorse the Programme Board's decision to formally close the Programme. The Board agreed this recommendation and confirmed that the Chairman should write to the Minister to advise him that the actions described in the Written Ministerial Statement on Smith Lawson have now been completed. CB asked JB to prepare a letter for his signature on behalf of the Board. **ACTION 091 – JB**

MY then thanked JB, Gary Womersley, the Assurance Services Team and the BIS Sponsorship Team for their work on the Programme.

5.3 SLC Steering Board

CB referred to the papers that had been circulated prior to the Main Board meeting and provided a brief update on the issues discussed at the SLC Steering Board on 12 February. CB requested that the agenda and papers for future SLC Steering Board meetings be circulated to the Main Board. **ACTION 092 – JB**

5.4 Change Portfolio & Transformation Programme

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

ML opened the discussion by providing the Board with an update on the Transformation Programme. This presentation covered the benefits already delivered, the impact of the delay in the approval of the new business case, the commercial discussions with HCL, the Security Programme, and the Major Project Authority review.

JS then described the high level strategy that has been proposed for SLC's key ICT platforms, including the development of a digital channel with customer portal and assess, pay and repay services. The strategy also includes building a resilient banking platform that delivers core functions, including account management, interest rate calculation and ledger management. The Board endorsed this approach.

JS went on to describe the progress being made to appraise the options for contingency plans for the Programme. She went on to share the current thinking around the emerging contingency plans for the banking platform. The Board accepted the recommended phased approach to developing contingency plans for the banking platform.

CB enquired about the resources available for contingency plans and JS acknowledged that this would have to be considered when the APRA for 2015/16 was being drawn up. CB asked that JS provide the next meeting with more detailed indicative costs of the contingency plans for the banking platform and an estimate of the resources required to support this work. **ACTION 093 – JS**

GB then questioned whether or not the development of contingency plans would put at risk any live services but JS was able to confirm that no live data was being used in the initial phases of the work on contingency plans.

SW left the meeting at that point.

JS then presented an update on the SLC's Disaster Recovery capability. This presentation highlighted those areas where the existing policies and processes require updating. JS also described the work in place to mitigate the risks identified in this area. Following a discussion on the details of the paper on Disaster Recovery, CB asked that a further paper with detailed, costed proposals on the improvements to the SLC's Disaster Recovery capability be brought to the next meeting. This paper should include reference to the SLC's Data Centre Strategy. **ACTION 094 – JS**

RK and MC left the meeting at this point.

5.5 Target Operating Model & Process Management Framework

ML presented a paper on the Executive Leadership Team's work to develop a Target Operating Model (TOM) for the SLC. The paper also describes the introduction of a Process Management Framework (PMF), currently the most developed element of the TOM.

ML went on to explain that the TOM has three dimensions; People, Process, & Technology. The PMF groups the SLC's processes into three categories; Leading, Enabling, & Delivery. As delivery processes play the largest part in the overall service delivery, work on the PMF so far has concentrated on these processes.

ML highlighted the benefits from this approach as improving customer experience, improving controls and reducing costs. CB asked that further updates on the TOM and the PMF should be brought to the Board at regular intervals. **ACTION 095 – JB**

5.6 Risk Report

The Board noted the February Risk Report. CB provided an update on the progress being made to fill the existing and anticipated vacancies for Non Executive Directors. GB asked for confirmation of the period of appointment of interim NEDs. **ACTION 096 – JB**

NS suggested that the risk score for Disaster Recovery should be reviewed, given the information in JS's earlier presentation to the meeting. **ACTION 097 – JS** CB suggested that the Board should conduct a 'deep dive' into the risk assessment of critical areas and proposed that the 2015/16 Board Schedule should allocate more time for this. **ACTION 098 – JB**

5.7 Repayment Strategy Update

PM introduced his paper on the Repayment Strategy. As the recently appointed Executive Director for Repayments & Fraud, PM has started an in depth review of the SLC approach to Repayments.

This work has highlighted the need for more investment in data analytics to understand the relationships between inputs and outcomes, including what can influence customer behaviours. GB agreed with this approach and suggested assistance may be available from some of the universities where a degree of expertise had been built up in this subject. DW suggested that one of the Universities in Glasgow may be willing to support this work. PM agreed to consider how SLC could take these suggestions forward. **ACTION 099 – PM**

CB then raised the question of fair and ethical treatment of customers in repayment and emphasised the need for PM's review of the strategy to consider this issue. CB also advised that it was important that all the issues raised by the NAO and PAC were addressed by the Repayments Strategy. PM confirmed that his review of the Strategy would consider these issues.

5.8 People Insight Survey 2014

DW presented the high level results from the 2014 Survey. He advised that results at Directorate and group level were being distributed and the leadership and management teams were now working with staff to develop actions plans to address the issues raised by the Survey. These actions plans will be consolidated and brought back to the Board in April.

ML commented that there were links to be made between some of the issues raised by the Survey and the new service model approach being developed through the TOM / PMF.

DW also described the work conducted by BMG Research to benchmark the SLC results against other public sector organisations, including ones going through transformational change similar to the SLC. GB counselled against putting too much weight on this benchmarking exercise and DW agreed to discuss this further with GB. **ACTION 100 – DW**

5.9 Draft Corporate & Business Plan (FY15/16)

DW referred to the latest draft of the FY15/16 Plan and advised the Board that any further comments should be sent directly to him. He confirmed that the final version of the Plan would be brought back to the Board for sign –off.

5.10 Annual Performance & Resources Agreement (FY15/16)

DW provided an update to the Board on the work to agree the Annual Performance & Resources Agreement (APRA) for FY15/16.

This exercise will not only identify the resources required to support the delivery of the SLC 'Business As Usual', but also the investment required in the Change Portfolio & Transformation Programme. The work on the APRA will include an assessment of the SLC's capacity in terms of change implementation in FY15/16. The Board will be provided with the latest position on the APRA at the March Board. **ACTION 101 – DW**

5.11 Finance Report

The Board noted this paper.

5.12 Lockheed Martin Contract

The Board approved the award of this contract *

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 31st March at 9.30am.

The Board meeting closed at 15.00pm

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.