



**Minutes of Meeting of the Board of Directors
Held at 10.30am on Wednesday 9th September 2015
Boardroom, 100 Bothwell Street, Glasgow**

Present:	Mr Chris Brodie	Chairman	CB
	Mr Mick Lavery	Chief Executive	ML
	Mr Willie Gallagher	Non-Executive Director	WG
	Mr Michael Yuille	Non-Executive Director	MY
	Mr Richard Banks	Interim Non-Executive Director	RB
	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 Neil Surman (by phone)	Welsh Government	NS
	Ms Sian McCleave (by phone)	DELNI	SMcC
	Mr Huw Morris (by Phone)	Welsh Government	HM
By Invitation:	Mr David Wallace	Deputy Chief Executive	DW
	Mr Mark Cassidy	Transformation Programme Director	MC
	Ms Jacqueline Steed	Chief Digital Officer	JS
	Mr Paul Mason	Executive Director of Repayments & Fraud	PM
	Mr Derek Ross	Executive Director of Operations & Customer Services	DR
	Rachel Taylor	BIS	RT
	Rowena Robson	BIS	RR
	Jonathan Dimson	McKinsey & Company	JD
Apologies:	Mr Stephen White	Scottish Government	SW
	Joanna Rodin	BIS	JR
Distribution:	As Above		

1. Chairman's Opening Remarks and Directors' Matters

The Chairman opened the meeting and welcomed those in attendance. The Chairman advised the Board of Joanna Rodin's recent accident and asked that RE pass on the Board's best wishes and hopes for a speedy recovery.

The Chairman confirmed there were no declarations of interest.

2.1 Minutes of the meeting held on 29th July 2015

The Board approved the minutes of the meeting of 29th July 2015.

2.2 Matters arising from previous minutes

ML advised that following the formal closure of the SLC Transformation Programme, the Board would be invited to review progress on developing the revised change portfolio at the November Board meeting. It was agreed to close Action Point 138 on that basis.

RE advised that an update on progress with evaluating the Apply Once proposal will be brought to the October Board meeting.

3.1 CEO Report

ML referred to the detailed report in the Board Papers and began by highlighting the positive feedback on the SLC's improved performance that was referred to in the recent letter from Mr John Manzoni, Chief Executive of the Civil Service. He also referred the Board to the recent announcement that the SLC has been shortlisted for the Customer Contact Association Excellence Award for 2015 in the 'Most Effective Training Programme' category.

CB commented on the downward trend in the overall number of customer complaints received and PM advised the Board on the impact HMRC'S recent difficulties in handling student loan repayments has had on the level of complaints in the Repayments and Fraud Directorate.

The Board noted the awards made under the SLC Recognition Scheme and ML was very pleased to advise the Board of Louise Chapman's 'Paralegal of the Year' award from the Law Awards of Scotland.

ML then referred to the recent Supreme Court Judgment in the Judicial Review case of Tigere-v-Secretary of State for Business, Innovation and Skills. CB asked that the Board receive an update at the October meeting on the impact this may have on the SLC. **ACTION MB146 – ML**

ML invited PM to provide the Board with an update on the Loan Sale project. PM confirmed the project was moving forward as planned *.

The Board then discussed the level of input required from the Company in advising on the Loan Sale.

ML next provided the Board with an update on the Major Projects Authority's view on the closure of the Transformation Programme *.

DW provided the Board with an update on the SLC pension schemes, including the plans for the continuation of an auto-enrolment scheme after the transfer of the SLC's main scheme into the Civil Service Pension Scheme.

* **ACTION MB147 - DW**

3.2 Change Portfolio & Transformation Programme

CB welcomed Mark Cassidy to the meeting.

ML opened the discussion and advised that the SLC Transformation Programme is expected to be formally closed following completion of the Major Project Authority's Exit Review.

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The Board then reviewed the MPA Action Plan and discussed the governance arrangements around SLC input to decisions on this at the BIS/SLC Steering Board. GB asked that consideration be given to ensuring that all the Board Member's views are taken into account when these decisions are made.

ML next updated the Board on the benefits delivered by the Transformation Programme. He confirmed there had been an increase in benefits from £85.5m to £94.2m. This had been assured by PwC.

JS then provided the Board with updates on work to deliver Project Azera, the Security Programme, and the Disaster Recovery and Data Centre Consolidation project. The Board noted this report and CB thanked JS for her work on improving the SLC's IT Infrastructure. He advised the Board that he had met with JS' management team the previous day and received a presentation on the 'road map' they are using to deliver the change required. CB suggested that the 'road map' is shared with the Non-Executive Directors. **ACTION MB148 – JS.**

MC left the meeting at this point.

3.3 McKinsey Review

CB welcomed Jonathan Dimson from McKinsey & Co, and Rachael Taylor and Rowena Robson from BIS to the meeting. NS also joined the meeting at this point.

JD opened the discussion by explaining the review process adopted by McKinsey. He confirmed that the Board's previous comments on the initial report produced by the Review team were now reflected in the latest version of the report that would be reviewed by the Minsters. *

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CB summarised the discussion and thanked JD for his contribution to the Board's discussion on the McKinsey Review report. He also stressed that, while in favour of the further action on the themes explored in the report, the Board would expect careful management of the implementation of the recommendations as this must not be allowed to disrupt the delivery of mission critical tasks, such as Project Azera, CLASS replacement, Security, Disaster Recovery and Data Centre Consolidation.

JD, RT and RR left the meeting at this point.

3.4 AY 15/16 Cycle Update

DR provided the Board with the latest position regarding the processing of applications for student finance for the AY15/16 year. He reported that processing of applications was ahead of the level achieved at this point last year and despite some problems with IT and telephone systems, performance targets were being achieved.

CB thanked DR for this report and asked him to pass on the Board's thanks to all staff involved in delivering this level of service.

3.5 AY 16/17 Commission Update

ML opened this discussion by highlighting to the Board some of the difficulties experienced in finalising the commission for AY 16/17. He reminded the Board that the SLC's position was subject to a number of caveats and assumptions. *

* **ACTION 149-DW**

GB commented on the difficulties late changes to the AY 16/17 commission could cause for the Higher Education Institutes, particularly around the introduction of Post Graduate Loans. She asked that robust arrangements were put in place to keep the HEIs informed. RE agreed to raise this with Ben Coates, the PGL Programme manager. **ACTION 150- RE**

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WG suggested that the Board review the latest thinking on the procurement options for a delivery partner as part of the update on the McKinsey Review at the October Board meeting. **ACTION 151- RE**

SMcC left the meeting at this point.

3.6 Target Operating Model/Process Management Framework Update

ML referred to the update on the TOM/PMF that he had presented to the June Board and was pleased to report that the TOM has now been substantially completed and new process maps have been developed for 60% of the delivery processes. Work has also started on the Repay Service Management Pathfinder Project.

3.7 Finance Update

The Board noted the position as stated in the Finance Report.

3.8 Extension of System Development Partner Contract

MY requested that the Board discuss this paper prior to approving the contract extension.

Following a review of the process involved in this procurement exercise and clarification of some conflicting comments in the paper, the Board approved the extension of the existing four Systems Development Partner contracts *.

* **ACTION 152- DW**

3.9 Operational Recruitment Contract Award

The Board approved the award of a contact for operational recruitment services to Manpower UK Ltd
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3.10 Main Board Risk Review

The Board noted the Risk Report. MY advised that a 'deep dive' was being conducted on the risks facing the Company at the Audit Committee meeting on 9th September 2015.

3.11 BIS SLC Steering Board meeting held on 4th September 2015

ML provided the Board with a brief update on the BIS/SLC Steering Board meeting held on 4th September. The Board noted the update and the contents of the paper included in the Board pack.

4. AOB

CB provided an update on the recruitment of Non Executive Directors.

As this was RB's final attendance at a Main Board meeting, CB wanted to record the Board's appreciation for RB's contribution to the SLC. CB considered RB to have been a great asset to the Board and would have liked him to continue to serve a longer term as a Non-Executive Director. As that was not possible, CB wanted to thank RB for his commitment to the Board over the past six months. RB responded, by stating that he had enjoyed his time at the SLC and wished the Company well in the future.

5. Date of Next Meeting

The Board noted that the next meeting would take place in Glasgow on Wednesday 21st October 2015 at 09.30am.

The Board meeting closed at 13.00pm

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.