



**Minutes of Meeting of the Board of Directors
Held at 9.30am on Wednesday 27th January 2016
Boardroom, Glasgow Office, 100 Bothwell Street, Glasgow**

Present:	Chris Brodie	Chairman	CB
	David Wallace	Chief Executive	DW
	Willie Gallagher	Non-Executive Director	WG
	Michael Yuille	Non-Executive Director	MY
	Rob Kennedy (by phone)	Non-Executive Director	RK
	Prof Dame Glynis Breakwell (by phone)	Non-Executive Director	GB
	Gary Womersley	Company Secretary	GW
In Attendance:	Ruth Elliot	BIS	RE
	Joanna Rodin	BIS	JR
	Neil Surman (by phone)	Welsh Government	NS
	Jonny O'Callaghan	DELNI	JO
By Invitation:	Derek Ross	Executive Director of Finance, Strategy & Corporate Services	DR
	Mark Cassidy	Executive Director of Customer Services & Operations.	MC
	Jacqueline Steed	Chief Digital Officer	JS
	Paul Mason	Executive Director of Repayments & Fraud	PM
	Pat Brady (Item 3.2)	Chief Information Security Officer	PB
	Christine McAllister	Head of Corporate Communications (Observer)	CM
	Jacqueline Young (Item 3.6)	Finance Director	JY
Apologies:	Sian Kerr	DELNI	SK
	Stephen White	Scottish Government	SW
Distribution:	As Above		

1. Chairman's Opening Remarks and Directors' Matters

The Chairman declared that he had joined the Management Committee of the Public Chairs' Forum and the Guardian Public Leaders Network 2016 Editorial Advisory Board.

The Chair also welcomed Christine McAllister, Head of Corporate Communications, announcing that she would be attending Board meetings as an observer going forward.

2.1 Minutes of the meeting held on 16th December 2015

Board noted that the last sentence of 3.11 of the minutes of the meeting of 16th December 2015, be amended to read, "Board noted the BIS SLC Steering Board Update". Board also agreed that 4 (II) of the December minutes be amended to read in the first sentence, "CB commented that following previous organisational health survey feedback, comments had been noted in respect of the possibility of the Board visiting the Llandudno Junction office". Otherwise Board approved the minutes of the December meeting.

2.2 Matters arising from previous minutes

GW intimated that of the eight actions listed, five were for closure (MB166 being merged with MB168). In respect of MB 165, GW advised that Les Ebdon (OFFA) and Anne Spinali (ShEx) were due to attend the February Board, with other identified guests still to confirm the most suitable dates.

*

3.1 CEO Report

DW presented his CEO Report to the Board.

DW advised Board of the further stocktake meeting that had occurred on the 18th December and of the response received from John Manzoni on 5th January 2016. * DW stated all parties had positively engaged and it was likely that a further session would take place.

DW noted that fuller updates were being provided re CLAM, Data Encryption and DR & DC Consolidation.

DW updated on ICT Sourcing for Success, stating that matters were progressing slowly, due to multi-stakeholder interest but that such input was no bad thing. DW assured Board that just because any company was successful in the current process, this would not automatically bar them from further future involvement with SLC via separate procurement exercises, so it was hoped no parties would have been deterred by this aspect.

DW confirmed that development for the PGL delivery was continuing and that the RAG status had improved to Amber/Green based on agreed minimum viable product for launch.

*

* **ACTION MB170 - CB**. * **ACTION MB171 - CB**

DW directed Board to the SLC Recognition Awards which the Board noted and expressed congratulations and thanks to the SLC staff concerned.

DW updated Board on the high-level performance headlines of the current 15/16 Application Cycle. DW asked Board to record and minute a thanks to MC, DR, JS and all staff concerned for the very good performance. Board agreed and CB also congratulated staff.

*

DW informed Board of on-going actions being pursued by way of seeking to continuously improve staff engagement and the workstreams being developed under the “Bright Ideas” initiative. DW confirmed that CB had agreed to speak/present at the next (March) Manager’s Conference.

DW highlighted recent assistance provided by SLC to UKAR. Board noted the letter of thanks that had been received from the Chief Executive of UKAR and welcomed the example of inter-government cross working.

DW advised Board that SLC had been short-listed as a finalist for three marketing awards, which Board welcomed.

*

Board noted the CEO Report.

3.2 SLC Change Portfolio Update (including *, Security/Data Encryption Strategy and DR/DC Consolidation

JS presented her SLC Change Portfolio Update to the Board.

*** ACTION MB172 – PM**

Otherwise, Board noted the Summary Portfolio Headlines.

*

*

*** ACTION MB173 – PM**

*

PB updated Board re ongoing deliberations within SLC on security and the formulation by SLC of a Data Encryption Strategy. Board noted the Security/Data Encryption Update.

*

Otherwise, Board noted the DR/DC Update.

3.3 McKinsey Review Update

JR intimated that work on the McKinsey Review was being ‘renamed’ as ‘SLC 2020’ where progress was being monitored by RAG status. JR explained that of the five areas of the review by McKinsey, four - Governance; Commissioning; IT/Programme Management; and Repayments were all progressing and currently assessed as Amber. Organisation Health was noted as being Amber/Red, as although matters were considered to be improving, it would be some time until survey returns could confirm this.

JR updated that Governance proposals were now before the Minister and it as anticipated that a substantive report could be provided at the February Board. JR advised that work was continuing to progress on Commissioning, with prioritisation requiring to match the 85/5/5/5 stakeholder split, with matters to be confirmed in the APRA letter at the end of the financial year.

Board noted the McKinsey Review Update.

3.4 AY 16/17 Commission and AY 17/18 Commission

DR advised Board re AY16/17 Policy Stability and AY17/18 Commission.

*

*

DR informed the Board that the impact of AY16/17 late commission was still a cause for concern in relation to the AY17/18 commission and program work. DR further informed that SLC still did not have indicative BIS funding allocations and that the initial funding envelope for the Welsh Government may not fund the operational service and potential required level of change. Board were informed that no issues were envisaged in relation to DEL and Scottish Government.

Board noted the AY16/17 Policy Stability and AY17/18 Commission report.

3.5 NAO/PAC review of Alternative Providers

DR updated Board re the NAO/PAC Review of Alternative Providers, and additional actions and SLC's work following the Review.

DR advised that good progress had been made and that improvements to CLAM/CLASS would also cover many of the actions required from the Review. DR confirmed that there were no delays concerning Registration with Award Bodies and that the process was working well. DR advised of progress made under the Detecting Fraud action and PM updated that a new manager had been appointed to the Head of Counter Fraud Services. DW commented that the appointment of an internal candidate to the role, following a competitive exercise, was a good news story for SLC.

Board noted the NAO/PAC Review of Alternative Providers Report and the progress made since the publication of the NAO report and PAC hearings.

3.6 Finance Report – including Monthly Report, SLC Budget Setting Process FY16/17 & ERP Business Case

DR provided a Monthly Finance Report, which was noted by Board.

DR updated re the SLC Budget Settings Process for FY16-17, which was noted by Board.

DR reported on the Business Support Services Change Programme – ERP Business Case. CB welcomed the thoroughness and clarity of the Business Case and that it should be used as a template for future submissions. DW commented that BIS had also been impressed similarly by the Business Case.

DR advised that the Business Case was an essential move rather than upgrade current systems which were no longer fit-for-purpose and out of support. DR explained the potential of the new system which could provide Ledger, HR and Procurement needs, whilst enhancing management and governance controls and link in with PMF.

Board approved the Business Support Services Change Programme – ERP Business Case.

3.7 Pension Scheme Update (Confidential)

*
*
*
*
*

3.8 BIS SLC Steering Board Update from meeting held on 20th January 2016

Board noted the Agenda of the BIS SLC Steering Board for 20th January 2016.

3.9 Update from Audit Committee held on 16th December 2015

MY updated Board verbally re the December Audit Committee. MY noted that the position re GIAA had been covered earlier at Board. MY intimated that it was anticipated that Internal Audit should be able to provide a suitable opinion in respect of work carried out by them over the year.

Board noted the verbal update of the December Audit Committee.

3.10 Main Board Risk Review, incorporating SLC Information Risk Appetite Statement

DR informed Board re the Main Board Risk Review, incorporating SLC Information Risk Appetite Statement.

Board noted the Main Board Risk Review and approved the SLC Information Risk Appetite Statement.

4. AOB

CB updated Board re the current status of new NED recruitment. Board were advised that there was still no definitive news or timescales re appointments. CB reiterated that the draft letter asking for MY, WG & RK tenures to be extended would be sent, which also asked for a period of overlap between outgoing and incoming members by way of induction.

5. Date of Next Meeting

The Board noted that the next meeting would take place in London on Wednesday 24th February 2016 at 11.00AM.

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.