



**Minutes of Meeting of the Board of Directors  
Held at 11.15am on Wednesday 25<sup>th</sup> November 2015  
Boardroom, London Office, 2<sup>nd</sup> Floor, Finlaison House.**

<b>Present:</b>	Chris Brodie	Chairman	CB
	David Wallace	Chief Executive	DW
	Mick Lavery (Item 4)		ML
	Willie Gallagher	Non-Executive Director	WG
	Michael Yuille (by phone)	Non-Executive Director	MY
	Rob Kennedy	Non-Executive Director	RK
	Prof Dame Glynis Breakwell (to Item 10)	Non-Executive Director	GB
	John Brown	Company Secretary	JB
	<b>In Attendance:</b>	Joanna Rodin	BIS
Neil Surman (by phone)		Welsh Government	NS
Stephen White (by phone)		Scottish Government	SW
Sian Kerr (by phone)		DELNI	SK
Mark McCardle (Item 3.2)		PWC	MM
<b>By Invitation:</b>	Derek Ross	Executive Director of Finance, Strategy & Corporate Services	DR
	Mark Cassidy	Executive Director of Customer Services and Operations.	MC
	Jacqueline Steed	Chief Digital Officer	JS
	Paul Mason	Executive Director of Repayments & Fraud	PM
	Gary Womersley	Deputy Company Secretary	GW
<b>Distribution:</b>	As Above		

## 1. Chairman's Opening Remarks and Directors' Matters

The Chairman opened the meeting and welcomed those in attendance. Apologies were noted on behalf of Ruth Elliot, BIS.

The Chairman intimated that ML would be in attendance for part of the meeting (Item 4) to allow the Board to formally thank him and recognise his contribution to SLC. The Chairman also intimated that he would intend holding a closed session of the Board to update NEDs on CEO and NED recruitment, as well as updating on his recent visit with the Minister under AOB. CB intimated that JR would seek to update Board re the Autumn Statement, under AOB, by which time the Chancellor would have announced on the matter publically.

The Chairman confirmed that there were no declarations of interest.

## 2.1 Minutes of the meeting held on 9<sup>th</sup> September 2015

The Board approved the minutes of the meeting of 21<sup>st</sup> October 2015.

## 2.2 Matters arising from previous minutes

JB advised that of the ten Actions listed, six were for closure. Two (MB 125 & MB 158) were for future meetings.

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JR further advised (MB 154) that BIS would continue to work with SLC to ensure that HEIs were kept up-to-date with regards to progress on Post Graduate Loans (“PGL”).

## 3.1 CEO Report

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DW commented that the Green Paper should feature in future Board Agendas (**ACTION MB160 - GW**) to allow the Board to examine particular aspects in more detail. \* CB commented that SLC should not formally be responding to the Green Paper consultation as SLC were actively working with BIS on this and that SLC should be feeding back input on this basis.

DW advised that SLC would continue to engage with BIS re the Green Paper but that further information would be required prior to SLC being able to confirm whether it could deliver on aspects, such as would it be permitted to work with IT Delivery Partners on technology delivery (rather than building “from scratch” on its own) and what would exact expectations (and timescales) be in respect of novel workstreams, such as having a Sharia compliant product. DW commented that more detailed discussion of Paragraphs 16-26 in the CEO Report would occur under AOB, by which time the Chancellor would have made his Autumn Statement.

RK enquired re the position stated in Paragraph 26 that Ministers had been told that SLC had said that SLC could not deliver on certain items for AY16/17 and that delivery was recommended for AY18/19. DW commented that the position as stated by certain Ministerial officials was incorrect, as work was still progressing re commissioning (particularly post the McKinsey Review) and that SLC would continue to press for more input in this regard. JR confirmed this as her understanding too.

DW directed Board to the SLC Recognition Awards in Annex Three of the CEO Report, which the Board noted and expressed congratulations and thanks to the SLC staff concerned.

The Board watched a brief presentation film re the recent SLC 25<sup>th</sup> Birthday exhibition that had been prepared by Communications. DW commented that the exhibition had been incredibly well received and commended Communications for its hard work, particularly as the whole exercise had been done with no specific budget/funding.

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DW drew the Board’s attention to the Position re Non-Executive Director Expenses as advised upon by the Head of Legal & Corporate Services, following recent enquiries received by SLC on the issue, which the Board noted.

### **3.2 SLC Change Portfolio Update**

JS advised that she would update the Board re SLC Change Portfolio Headlines and the Stocktake Report for John Manzoni, with MM presenting on the SLC Azera Cut Over Plan.

JS advised that the DC and DRR project was progressing well and that a further audit of workstreams would be undertaken by ShEx as part of the ICR Debt Sale activity. JS further advised that PGL delivery continued as planned and that despite zero contingency, as a result of late commissioning and funding approvals, SLC remained confident that the service could launch in June, assuming no further scope changes. JS also assured the Board that the Repayments HE Reforms project to deliver on variable interest rates remained on track and that the DMI service had moved into a stabilisation phase.

MM presented the Board with a project plan for Project Azera and talked through key workstreams, milestone points and contingency arrangements. Board Members enquired as to any difficulties experienced to date and MM gave examples of individual issues faced. CB thanked MM for his presentation and his assistance to SLC.

JS continued by advising re the Stocktake Report for John Manzoni and updated as per the presentation pack to the Board. Members enquired about and discussed ongoing challenges and stressed the need for challenges re commissioning (as identified by the McKinsey Review) to be moved forward, including the issue of potential SLC IT Delivery Partners to be clarified. CB thanked JS and her staff for progress to date, notwithstanding the difficulties discussed.

### **3.3 McKinsey Review Update**

JR gave a verbal update on progress following the McKinsey Review, saying that this would be without prejudice to recent discussions with SLC on the matter.

JR intimated that there was broad overall support within BIS for the McKinsey Review but that this was on an issue-by-issue basis. JR considered it important that the review recommendations were translated into a plan of action and agreed between BIS and SLC. JR stated that Ministers (and Special Advisers) were keen to know about the review, in particular with regards to Repayments and the political challenges – there being commitment to an action plan and good progress made already re commissioning and also the recent Governance Workshop. JR stated that deliberations re an IT Delivery Partner would be the next item for consideration by Ministers, as in order to address the McKinsey Review it was important to deliver on the issues raised by it. CB stated that it was vital that delivering this workstream included SLC/JS and was brought back to Board.

### **3.4 DTTS: Sourcing for Success (Confidential)**

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### **3.5 Update on response to Cyber Attacks**

PB spoke to a presentation to Board re SLC's capacity to respond to Cyber Attacks, following on from particular queries raised by Members previously following recent coverage re difficulties experienced by TalkTalk in that regard. It was also stated that similar queries had also been raised with SLC by HMG, including the Office of the Prime Minister.

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\* PB advised that work to mitigate against Cyber Attacks would be ever-continuous in order to keep up with evolving threats.

CB thanked PB for the presentation and him and his staff for their ongoing efforts.

### **3.6 AY15/16 Cycle Update**

MC updated on SLC progress on delivery of the AY15/16, stating that circa 1.2m applications had been received by SFE and 68.5k by SFW, with circa £4.4bn having been paid out by SLC, with calls to SLC being at 93% of last years figure of 4.3m.

MC intimated that work would continue in respect of the AY16/17 Cycle preparation, from late February to May 2016.

CB thanked MC and his staff for all their efforts, noting that Ministers had also commented on the successful delivery of the AY15/16 Cycle by SLC.

### **3.7 Loan Sale Update**

PM updated on the ICR Loan Book Sale by ShEx, \*

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### **3.8 Stakeholder Review**

DR gave a précis of the Board Stakeholder Review Update noting the positive feedback from stakeholders. The only key area that went against the general trend was stated as being DSA stakeholders, it being noted however that the comments made were largely attributable to a misunderstanding of SLC's role in being a service delivery vehicle for BIS, who were responsible for the relevant policy creation.

DR intimated that SLC would continue to work with all stakeholders. CB commented that the stakeholder feedback was very encouraging and looked forward to further feedback in future.

### **3.9 Counter Fraud Services Update**

PM advised Board re the Counter Fraud Services Update, commenting on increased performance of over 40%, with every £1 spent on counter fraud now realising benefits of £24 rather than the scorecard target of £17. PM attributed a large element of the increased success on the ongoing trend towards analytics and had been achieved notwithstanding significant resource having been spent on the multi-agency investigation into Favours Creche.

PM commented that SLC was appreciative of all the work done with the team by Heather Laing which had moved the team forward considerably.

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PM notified Board re ongoing training for all investigative staff and managers.

### **3.10 Update on PAC hearings on Repayments**

PM updated Board re implementation of PAC (& NAO) recommendations re Repayments, in particular on the key themes of Forecasting; Targeting; Data Sharing; Data Analytics; and Quality of Service. PM advised that whilst pilot projects were being used on an exploratory basis, the key emphasis was improving BAU activity as a whole.

PM stated that SLC had met with NAO who were pleased with progress and that work had now commenced on new KPIs.

CB commented that he was very pleased with the report and progress in general and that this is what had originally been hoped for when agreement was made to appoint an Executive Director – Repayments & Counter Fraud.

DW advised that it was intended to bring a report to Board updating on Alternative HEI Providers, once the issue had been discussed at PAC.

### **3.11 Finance Report**

The Board noted the November 2015 Finance Report.

### **3.12 Managing People quarterly Update**

The Board noted the Managing People Report, covering Quarter 2 – July to September 2015.

### **3.13 Proposed Main Board & Committee dates from April 2016 until March 2017**

The Board approved the Board and Committee dates for the period April 2016 to March 2017.

### **3.14 Board Effectiveness & Non-Executive Director Induction**

JB stated that a written report would be presented to the December Board. JB also advised that the procurement of Boardpack was progressing which should allow SLC to commence the circulation of Board and Committee papers, in 2016.

### **3.15 Workflow Project Business Case**

The Board approved the Workflow Project Business Case Report.

### 3.16 SLC Steering Board Update from meeting held on 23<sup>rd</sup> & 26<sup>th</sup> October 2015

The Board noted the Minutes from the October BIS SLC Steering Board. DW commented that he had just started attending the Steering Board but suggested that in future both Steering Board Agendas and Minutes were included in the SLC Board pack, with which Board agreed. **ACTION MB161 - GW**

### 3.17 Main Board Risk Review

The Board noted the November 2015 Risk Report.

## 4. AOB

DW updated Board re the recent Ministerial meeting on 17<sup>th</sup> November. Items discussed included:-

- Ongoing technical and policy work;
- Emerging AY17/18 workstreams and policy hangover from AY16/17, DA positions and challenges re Sharia, grant funding and variable fees;
- The 20 year technical debt/investment deficit and need for a strategic delivery partner;
- BIS desire to work with the DA's

DW intimated that the Minister was very supportive and appreciative re SLC's continuing to deliver in challenging circumstances.

JR advised Board re the Autumn Statement and the Chancellor's announcements re consultation on maintenance loans for part-time students and maintenance loans for FE. PGL had been stated as being for Masters courses, for those under 60 and would be portable. JR also updated re savings announced for HEFCE, changes for funding for nurses, midwives and allied health professionals and confirmed that the repayment threshold of £21k had been confirmed for 5 years to April 2021.

DR commented re pertinent points from paragraphs 16-26 Of the CEO Report. \*

JS updated Board re difficulties experienced in IT Recruitment, with current difficulties of recruiting in this regard being exacerbated by GDS requirements. CB stated that he would raise the dynamic at the Steering Board **ACTION MB162 - CB** and that such situations should be addressed by workstreams following on from the McKinsey Review.

CB thanked ML for his leadership and taking SLC forward over the last 3 years. CB commented that he had been impressed by ML's integrity, transparency and resilience and that ML was leaving SLC with a significant legacy. ML thanked CB for his words and stated that his time at SLC had been extremely enjoyable, particularly his engagement with the Board/CB and that he wished everyone well for the future.

## 5. Date of Next Meeting

The Board noted that the next meeting would take place in Glasgow on Wednesday 16<sup>th</sup> December 2015 at 9.30AM.

**The Board meeting closed at 14.30pm**

**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.**