



**Minutes of Meeting of the Board of Directors
Held at 9.30am on Wednesday 21st October 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 Rob Kennedy	Non-Executive Director	RK
	Prof Dame Glynis Breakwell (by phone)	Non-Executive Director	GB
	Mr John Brown	Company Secretary	JB
	In Attendance:	Ms Ruth Elliot (by phone)	BIS
Joanna Rodin		BIS	JR
Mr Neil Surman (by phone)		Welsh Government	NS
Mr Huw Morris (by phone)		Welsh Government	HM
Mr Stephen White		Scottish Government	SW
Ms Linda Meldrum		DELNI	LM
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
	Gary Womersley	Deputy Company Secretary	GW
Distribution:	As Above		

1. Chairman's Opening Remarks and Directors' Matters

The Chairman opened the meeting and welcomed those in attendance.

CB advised the Board of his appointment as Vice Chairman of the Committee of University Chairs. MY advised the Board of his appointment as a member of the Board of Management of Glasgow Clyde College. MY has also been appointed Chair of the Clyde College Audit Committee.

The Chairman confirmed there were no declarations of interest.

2.1 Minutes of the meeting held on 9th September 2015

The Board approved the minutes of the meeting of 9th September 2015.

2.2 Matters arising from previous minutes

CB referred to his letter to the BIS minister of 18th September and asked that he be kept informed of any ongoing concerns around delays in the AY16/17 commissioning process.

MY referred to the proposal to transfer the SLC Internal Audit function to the Government Internal Audit Agency. He advised that he has received information that suggests the original timetable included in the proposal may have to be extended due to capacity issues at GIAA.

RE advised the Board of the progress being made to consider the 'Apply Once' proposal.

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* **ACTION MB153 – RE**

CB asked for an update on the introduction of Post Graduate Loans and GB expressed concerns about the lack of formal communications with the HE Institutions on this matter. RE confirmed that the Government's response to the consultation process was still being developed. BIS would work with SLC to provide communications to both HE Institutions and students once the Government's response was available. GB asked that the HE Institutions be advised of the current timetable on the introduction of Post Graduate Loans. **ACTION MB 154 – RE**

CB provided the Board with an update on the CEO recruitment and the appointment of an interim CEO.

3.1 CEO Report

ML referred to his report in the Board papers and began his update by confirming that the SLC Transformation Programme had been removed from the Government Major Projects Register at the end of September 2015. The final Major Project Authority report on the Transformation Programme will be reviewed by the BIS/SLC Steering Board. ML also confirmed that good progress was being made with CLAM, Azera, Disaster Recovery and Data Centre Consolidation projects.

ML then went on to advise the Board that the Cabinet Office had renewed the Company's Public Services Network Connection Compliance Certificate on 18th October 2015. CB commented that this was a reflection of the good work being done by the CDO and the SIRO and their teams to ensure that the appropriate standards of information security were being maintained.

MY agreed that as the Board's Cyber Security Champion he was pleased to note this achievement and agreed this reflects well on the people involved and the progress being made to deliver the SLC Security Programme.

ML then advised the Board of progress being made with the preparation for the AY16/17 Application cycle and the latest target date for the launch. WG noted the progress made and suggested that the target launch date be kept under review. CB asked that he receive a briefing paper on the preparation for the AY16/17 launch in time for his meeting with the BIS Minister in November.

ACTION MB155 - DW

ML then brought to the Board's attention the recent award of the Welsh Government's 'Innovation and Reducing Complexity' award to the SLC. This was for the successful delivery of the Modernisation of the Student Finance Wales programme. The Board noted this significant achievement and the other individual awards made under the SLC's own recognition scheme.

ML was also pleased to report that the company had retained its Silver Status as an Investor in People.

ML then invited GW to provide the Board with an update on the recent Supreme Court judgement in the case of Tigere –v- Secretary of State for Business Innovation and Skills. *

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MY asked for an update on the challenges recently faced by the Commercial team. PM responded by reassuring the Board that Mike Blackburn, the recently appointed interim Commercial Director, has increased the staffing levels and is taking further action to develop the Commercial team's capability.

RK requested an update on the proposal changes to the SLC Pension Schemes and DW referred to the progress made with the transfer of existing members into the Civil Service Pension Scheme. DW shared the latest thinking on the options for temporary staff and the use of the auto-enrolment scheme going forward.

3.2 Change Portfolio & Transformation Programme

CB welcomed Mark Cassidy to the meeting.

ML opened the discussion on the Transformation Programme by confirming that the lifecycle benefit figure for the Programme has been assured by PwC and signed off by BIS as £94.1m. This represents a significant return on the investment of around £50m that was made in the Programme.

MC then provided the Board with details of the work to develop the model office approach for Post Graduate Loans and the work undertaken to test the latest level of functionality. Positive feedback had been received from the staff involved in the PGL user testing. Further work will be required once the policy on PGL has been confirmed following the consultation process.

* CB asked that the Board receive details of the resources required and available to deliver the HCL contract, are included in the next update on the Change Portfolio. **ACTION MB156 -ML/MC**

ML next referred the Board to the paper on the CLAM and SAM projects that had been provided by JS. He confirmed that the work on identifying the end to end requirements for replacement of the CLASS system functionality was now complete. A further update on this, including details on pilots and prototypes and costs would be provided to the November Board meeting. **ACTION MB157 – JS**

WG thanked ML, MC and JS for their work on taking the Transformation Programme forward and suggested that the Board meet with the staff directly involved in making the Transformation Programme a success in order to pass on their appreciation of their hard work and contribution to the benefits delivered. CB agreed and asked that this be arranged to follow the next Board meeting being held in Glasgow. **ACTION MB158 – JS/MC**

3.3 McKinsey Review

JR referred to the update report on the McKinsey Review included in the Board papers and described the work being undertaken by BIS to plan for the implementation of the recommendations in the report.

GB thanked JR for this update but expressed concerns over how the views of the Board would be taken into account as this initiative was progressed. GB would like assurance that the Board would have an opportunity to input further to the discussions around governance. NS shared these concerns and added that the views of the Devolved Administrations must be taken into account when considering how to take the McKinsey Review forward. *

JR noted the Board's and the representatives of the Devolved Administrations' concerns and suggested that BIS arrange a workshop immediately following the November Board meeting to explore in more detail the options and issues around the governance of the SLC. **ACTION MB159 - JR**

3.4 AY 15/16 Cycle Update

CB invited DR to provide the Board with his views on the delivery of the 15/16 Application Cycle.

DR confirmed that this had been a good year in terms of processing, customer services and cost reduction. Over 1.5 million applications had been received and the bulk payment for the first instalment of tuition fees had been successfully made.

CB asked DR to pass on the Board's thanks to all concerned for their efforts in making AY15/16 the most successful year yet.

3.5 AY 16/17 Commission Update

DW provided the Board with an update on the AY15/16 commission of SLC, policy stability, and the emerging AY 17/18 commission. The Board then reviewed the latest developments in the HE Core (including the grants to loans change), HE DSA consultation, Post Graduate Loans and FE requirements.

DW next updated the Board on the timing of the discussions on the AY 16/17 commission and the impact any further delays in the completion of these discussions could have on delivery.

On behalf of the Board, CB thanked DW for this update and asked that the Board is kept apprised of developments.

3.6 Communications Strategy

Following a brief discussion on the SLC brand and the potential for rebranding at some point in the future, the Board noted the Communications Strategy.

3.7 Repayments Update

PM presented his paper and provided the Board with an update on the Repayments change programme that has been developed to deliver the Repayments Strategy. This included an in-depth review of the segmentation of the loan book, including the geographic distribution of the loans due for repayment. The Board discussed the proposal prioritisation of loan collection initiatives and reviewed a summary of the action plans to improve the efficiency and effectiveness of the SLC Repayment Directorate.

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3.8 Target Operating Model/Process Management Framework

ML reported that good progress was being made with the work on the TOM and the PMF. He advised that the TOM Framework (incorporating the PMF) was now complete and supported by the FY15/16 implementation roadmap. An implementation plan for FY16/17 will be designed in parallel with the Corporate and Business Plan process.

ML confirmed that the implementation of the PMF is on track, with the Delivery Process Mapping, Repayments Pathfinder and People Process Pathfinder activities progressing according to plan. The PMF is now driving simplification and process re-engineering leading to improved efficiency and controls and a reduction in costs.

In response to questioning from WG, ML explained that the institutionalisation of the PMF approach would be delivered by the introduction of the service management structure supported by process mapping and the digital delivery Teams.

CB welcomed the introduction of the TOM/PMF and asked that the Executive Team work towards completion of the PMF implementation by the end of FY2015/16.

3.9 Finance Update

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

3.10 Pension Scheme Investment Strategy

Following a brief discussion of the paper presented by DW, the Board approved the Pension Scheme Trustees' revised investment strategy.

3.11 Update from the Audit Committee on 9th September 2015

MY referred to the draft minutes of the Audit Committee meeting on 9 September that were included in the Board papers. He went on to provide the Board with an overview of the Audit Committee's 'deep dive' into risk and their discussions on the proposal transfer of the SLC Internal Audit function to the GIAA.

MY also highlighted to the Board the Audit Committee's response to the Internal Audit report on the SLC procurement activities.

3.12 Legal & Compliance Update

At MY's suggestion GW had been invited to present an updated version of the Legal & Compliance report that the Audit Committee had received on 9 September.

GW's presentation covered the broad range of issues handled by the Legal & Compliance team in the previous quarter, including FOI applications, Data Protection issues, Loan Book Sale advice and the Tigere case. On behalf of the Board, WG thanked GW for his report and asked him to pass on the Board's thanks to the Legal & Compliance team for the good work that they do to support the Company.

3.13 Main Board Risk Review

The Board noted the October 2015 Risk Report.

4. AOB

CB provided the Board with an update on his planned meetings with the BIS Minister and with the Welsh Minister. This included an outline of the topics he expected to cover at these meetings.

CB also provided the Board with details of the progress being made to recruit new Non-Executive Directors.

The Board also discussed the 'Women on Board' initiative, (which CB introduced and recommended) on how the Company might respond to this proposal.

WG asked that the start time of the Remuneration Committee meeting scheduled for 25th November be brought forward to 10AM. **ACTION MB160 - JB**

5. Date of Next Meeting

The Board noted that the next meeting would take place in London on Wednesday 25th November 2015 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.