



**Minutes of Meeting of the Board of Directors
Held at 9.30am on Wednesday 19th October 2016
Boardroom, Bothwell Street, Glasgow**

Present:	Chris Brodie	Chairman	CB
	Steve Lamey	Chief Executive	SL
	Prof Dame Glynis Breakwell (by phone)	Non-Executive Director	GB
	Antonia Cox	Non-Executive Director	AC
	Simon Devonshire	Non-Executive Director	SD
	Natalie Elphicke	Non-Executive Director	NE
	David Gravells	Non-Executive Director	DG
	Sally Jones-Evans	Non-Executive Director	SJE
	Gary Womersley	Company Secretary	GW
	In Attendance:	David Wallace	Deputy CEO/Executive Director of Finance, Strategy & Corporate Services
Joanna Rodin		DfE	JR
Chris Jones (by phone)		Welsh Government	CJ
Sian Kerr (by phone)		Department for Economy (NI)	SK
Jacqueline Steed (Item 3.7)		Chief Digital Officer	JS
Dwayne Pascal (Item 3.7)		Head of Digital Delivery	DP
Apologies:	Geraldine Campbell	Scottish Government	GC
	Steven White	Scottish Government	SW
	Neil Surman	Welsh Government	NS

1. Chairman's Opening Remarks and Directors' Matters

CB welcomed everyone to the meeting.

SJE intimated that she had been appointed as an NxD on the Departmental Board of DfID, as well as a member of their Audit & Risk Committee – otherwise there were no declarations of interest.

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2.1 Minutes of the meeting held on 27th July 2016

Board approved the minutes of the meeting of 7th September 2016.

2.2 Matters arising from previous minutes

GW confirmed that of the twelve Actions listed, nine were marked for closure – being complete or covered in the agenda - and three remained open.

* **ACTION MB213 - SL/DW**

AC enquired re the obligation in the APRA letter re the provision of “appropriate information” by SLC. JR advised that there were currently two projects within HMG looking at the matter sector-wide. NE enquired how the two projects would seek to address the issues of sector-wide information and sign-posting over the short, medium and long-term. JR advised that the matter was being pursued as part of greater discussions re student outcomes within HMG. **ACTION MB214 – JR**. Board discussed student information and sign-posting, noting that this was a stated outcome of the Teaching Excellence Framework (TEF) and that any work by SLC would need to be conjoined with other sector stakeholders. SL noted that many of the relevant issues also formed part of his ongoing Strategy Review.

Board also noted that SLC had now received an APRA Letter on 6th October 2016 and that CB had formally responded on 18th October (both items tabled at meeting for Board members information).

3.1 CEO Report

SL presented his CEO Report.

SL and MB provided an HCL update.

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Board welcomed the evolving format of the CEO Report and the opportunity to commence deeper discussions over the piece into many of the strategic issues behind the issues reported.

* **ACTION MB215 – SL/DW.** *

* **ACTION MB216 – DW/GW**

SL updated Board re ongoing work within SLC to continually safeguard against cyber threats. The Board noted the good work and vigilance and asked that they be updated via the CEO Reports of any particular threats or attacks. **ACTION MB217 – SL/GW**

SL informed Board re the Diamond Review and noted that in order for SLC to confirm what and when SLC could deliver vis-à-vis the recommendations, work was underway to understand the scope, complexity and what this might mean in terms of a response to the Welsh Government. Any response would be caveated as SLC need full and final submission of priorities from all Government Administrations but before it can assess its overall capacity.

SL commented re the ICT Update and that it would be hoped that the majority of service issues arising would be remediated via the outcomes of his ongoing Strategy Review.

DW advised Board re the Managing People Report Update. DW informed Board re the background to the issues raised by the MIs. Board welcomed the insight given on the issues highlighted by the new MIs. SL and DG confirmed that it was intended that the People component of the Strategy Review would seek to address many of the issues flagged by the MIs.

SD commented that he very much welcomed the Repayment Information provided and that he would welcome the opportunity to spend more time exploring the root issues. SL advised that PM was due to attend the January Board.

DW provided Board with Finance Update. DW confirmed that SLC was on track financially and about to enter a period which would see a ramp up of SLC's spend profile. DW highlighted the key themes from the APRA Letter and Chair's response, noting the position with regards to longer term planning/budgets and re 'discretionary' Departmental controls.

DW updated Board re the intended move by SLC to join CSPA Alpha. *

Board noted the CEO Report.

3.2 Main Board Risk Review

DW introduced the Main Board Risk Review.

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DW noted that whilst certain risks would be covered in the CEO Report and also at ARC, it was still intended, for good governance, to continue to present a Risk Report (in the present format) to Board.

DW advised that since the last Main Board Risk Review, key changes were:-

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Board discussed the general dynamic re how Board could get an insight on an ongoing basis re operational risk – as it was often these that “cropped up” – as opposed to the high level strategic issues. NE advised that ARC was looking at this issue.

Board noted the Main Board Risk Review.

3.3 Update from Remuneration Committee held on 7th September

DG provided a verbal update of the Remuneration Committee held on 7th September 2016.

DG advised that SL had presented Phase 1 of his ELT Review – which involved the designation of a new ELT post, Executive Director – Change & Programme Management – as well as associated amendments to remuneration. DG confirmed that SL intended to bring forward Phase 2 in November.

DG also advised that the Chair had intimated that, for governance reasons, he would not attend the Remuneration Committee as a matter of course, but where required. DG confirmed that the Chair had been asked also to consider appointing a third NxD to Remuneration Committee, to assist future quoracy. DG said that future discussion was intended re potential changes to the Committees Terms of Reference, on which he would keep Board updated.

Board noted the Remuneration Committee Update.

3.4 Update from Audit Committee held on 7th September

NE provided a verbal update of the Audit & Risk Committee held on 7th September 2016.

NE intimated that the Committee was keen to make FTSE comparisons with the current scope and style of external audits, as well as consider audit and non-audit fees received by KPMG, from SLC.

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NE advise re progress by Internal Audit, by noting some slippage but that it was intended that completion of Internal Audit reports was anticipated to be on/ahead of schedule by the December Committee.

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NE confirmed that Committee was keen to be more involved in the root cause analysis of complaints and reviewing a “Top 10” of Corporate Risks, as well as the process and timetabling of SLC’s APRA Letter.

NE confirmed that she would carry out discussions re the best location for Security Information Risks, whether standalone or as part of the greater Corporate Risk report.

NE reported that the Quarterly Legal Report had been well received by the Committee for the organisational insight it gave and that Committee looked forward to being able to review further in future.

3.5 Future Board Scheme

GW introduced the Future Board Scheme Report

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Board approved SLC participating in the Future Board Scheme. **ACTION MB218 – GW**

3.6 SLC Strategy Update & Review

SL presented his SLC Strategy Update & Review.

SL provided an overview of the intended timeline, draft Strategic Objectives, draft Component Summaries and anticipated next steps. SL confirmed that whilst he was engaging with various stakeholders, matters would be presented to the SLC Board for final sign-off and approval.

Board enquired how the process would develop alongside the finalising of SLC’s budget for FY17/18. *

Board further enquired re how the process would evolve with current workstreams re the Framework Agreement, which if required could be reviewed further after completion of the Strategic Review. **ACTION MB219 - GW**

Board discussed aspects of the draft Strategic Objectives and draft Components. Board intimated that it was keen to be able to discuss both whilst still draft. SL confirmed that a workshop for this purpose had been diarised for December. **ACTION MB220 – SL/GW**

Board noted the SLC Strategy Update & Review.

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4. AOB

CB confirmed that he and SL were due to meet the Minister of State for Universities, Science, Research and Innovation. CB also confirmed that he and SL were due to attend the HEFCE AGM on 20th Oct.

CB advised that he would also meet with the Permanent Secretary on 1st November.

CB asked JR for an update re NxD recruitment. JR confirmed that this was being progressed within DfE/HMG. CB reiterated that he considered it appropriate that the SLC Board have an appropriate University Vice-Chancellor as a member and the benefits of this. GB endorsed this view. **ACTION MB221 – CB/JR**

CB reiterated that in light of the relatively recent appointment of the new NxDs, SLC had agreed not to carry out its next Board Effectiveness Review until next summer.

5. Date of Next Meeting

The Board noted that the next meeting would take place in London on Wednesday 22nd November 2016 at 10am.

The Board meeting closed at 13.20PM.

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.