



**Minutes of Meeting of the Board of Directors
Held at 11:00am on Thursday 28th June 2018
SLC Boardroom, 100 Bothwell Street, Glasgow**

2.1

Present:	Chris Brodie	Chair	CB
	Antonia Cox	Non-Executive Director	AC
	Mary Curnock Cook	Non-Executive Director	MCC
	Natalie Elphicke	Non-Executive Director	NE
	David Gravells	Non-Executive Director	DG
	Andrew Wathey	Non-Executive Director	AW
	Simon Devonshire	Non-Executive Director (by phone)	SD
	Peter Lauener	Chief Executive Officer	PL
	David Wallace	Deputy Chief Executive Officer	DW
	Mike Blackburn	Chief Financial Officer	MB
	Gary Womersley	Company Secretary	GW
 In Attendance:	 Sinead O’Sullivan	 DfE	 SO
	Paula Crofts	DfE	PC
	Leah Fitzgerald	Scottish Government	LF
	Chris Williams	Welsh Government	CW
	Chris Jones	Welsh Government	CJ
	Jonny O’Callaghan	NI Dept for Economy (by phone)	JO
	Bernice McNaught	Executive Director, Repayments & Counter-Fraud	BM
	Derek Ross	Executive Director of Operations	DR
	Peter Robinson	Corporate Planning & Performance Manager (part)	PR
	Colin Brack	Board Secretary (Secretariat)	CBR
	Anne Ward	Board Effectiveness Observer	AW
	Nigel Caroll	Head of Software Development (Item 3.5)	NC
	Alun McGlinchey	Chief Information Security Officer (Item 3.5)	AM

1. Chairman's Opening Remarks and Directors' Matters

CB welcomed everyone to the meeting.

The Chair excused the members of ELT *

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ELT members returned to the meeting.

There were no declarations of interest. However the Chair informed the Board that he was stepping down, as planned, from a number of education sector roles and that while this will reduce his access to valuable intelligence and information on the sector, he was comfortable that both MCC and AW would fully support the Board in this regard.

2. Minutes of Previous Meeting and Matters Arising

2.1 Minutes of the meeting held on 23rd May 2018

The minutes of the SLC Board meeting held on 23rd May 2018 were approved as a true and accurate record.

2.2 Matters arising from previous minutes

GW reported in relation to point 3.2.5 that DfE would be writing in due course to Non Executive members on Director's indemnity and that future revisals to the Framework Document would clarify the matter.

In relation to Board Effectiveness, all members were encouraged to complete the online questionnaire by the scheduled deadline on 29th June 2018.

AC enquired regarding the meeting with Philip Augar. PL updated the Board on the recent discussion and documentation shared with P Augar and asked the Board to note that it had been a very good meeting. P Augar understood very well the challenges faced by SLC in delivering government policy. PL had offered him access to SLC, to experience, first-hand our customer service.

3. Board Directors' Reports / Priority Business / Company Performance

3.1 CEO Report

PL presented the CEO Report and highlighted the following key matters:

3.1.1 The Government Digital Service's assessment of Part-time loans technology

DW advised that SLC had received the GDS's assessment of the PTML supporting technology. *

3.1.2 Nurses Overpayment

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DR reported that 217 individuals had in fact been affected, considerably lower than the figure initially reported and all were now in resolution.

PL stated that it was an important that SLC, in conjunction with shareholders, learn from these experiences and tackle them robustly when they arise, closing them down and hopefully avoiding unnecessary escalation. *

3.1.3 HMRC System Change

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3.1.4 Assessment Resource

DR reported that as a result of SLC's inability to compete in the recruitment market, the required assessment resource levels had not been achieved. Consequently, the projected speed up in processing, and commensurate reduction in call volumes, were not expected to meet the target set in this regard. It is fully expected that call queues will be higher and that the customer experience will not improve as result. He emphasised that this was not a service delivery issue, applications are being processed in good time, and in fact, the actual attempt to accelerate recruitment had contributed to ensuring that SLC had sufficient processing resource to meet service levels.

The Board noted the position, recognising that this evidenced how pay impacted on SLC's ability to recruit.

3.1.5 Content of CEO Report

MCC highlighted examples of where the content (11.4) could be improved to ensure that the Board members received more pertinent material for consideration. PL acknowledged that the report required improvement and that he and ELT members would work together on this matter. *

3.1.5 Leadership Development Programme

DG highlighted the ongoing programme and asked if a means to measure impact was in place. PL and DR confirmed that the Operational Excellence Programme contained the ability to evaluate impact and Board would be updated in due course.

3.1.5 Welsh Pay Business Case

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3.2 CFO Report

MB introduced his report.

3.2.1 Financial Report

MB informed the Board that this was the first management board financial report of the new financial year and was very much in accordance with expectations. Under-spends were the norm at this point in the FY and nothing unusual was arising in actual spend. The Board noted the position.

3.2.2 Annual Performance and Resource Agreement (APRA)

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3.2.3 Draft Annual Report and Accounts (ARA) FY 2017-18

MB informed the Board that the Audit & Risk Committee had completed their consideration of the latest version of the ARA.

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The Chair thanked MB and NE for the work on the ARA.

3.2.4 Corporate Performance Dashboard

PR joined the meeting and presented the second edition of the dashboard.

The Chair agreed that this was a great step forward in presentation of performance measures and that it should develop to include APRA measures and the forthcoming 3 year strategy.

AC inquired as to how/if the McKinsey performance proposals had been incorporated. MB advised that the schematic they had proposed had very much been adopted but some of the indicators were deemed to be of lesser value and thus excluded. MB advised that the dashboard was still subject to further review with DfE and ELT. PL concurred, stating that the DA's also needed to input and both trend information and incentivisation on the loan-book needed to be considered for inclusion.

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PC advised that DfE would be sharing with HM Treasury for input and expected they would seek strong KPI's linking to APRA expectations and that UKGI suggestions may also inform development.

The Board welcomed the continuous improvement in respect of the Corporate Performance Dashboard.

3.3 Risk Report

GW identified that a new risk * had now been added * but in general there was little movement in the register.

The Chair highlighted the need for continuing red risks to be better identified to the Board as this suggested that mitigations were not having the required impact. GW confirmed that the age analysis exercise, reported to the previous Board, was still ongoing.

NE informed the Board that the Risk Management Framework currently in development will bring these to the fore as part of an objective to bring more focus at senior level through a more dynamic risk assessment at Directorate level and reporting mechanism.

3.4 Repayment Guide

BM introduced the report on the newly developed guide.

The Board discussed the proposed Repayment Guide at length and concluded that while it was fit for purpose based on the specification set, and did assist SLC in providing more transparent student information, it required more consideration. *

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3.5 Technology Deep Dive

AT and colleagues from the Technology Group presented to the Board.

AT outlined the core Technology Strategy programmes; Stabilisation, Innovation, Cloud, Security and Mobility. In particular he highlighted the "red line" principles underpinning it; the target operating model; group vision; finance and the key risks; challenges, and the commitment.

NC highlighted the CLASS upgrade to ensure stabilisation and the plan to move to a modern architecture through incremental changes, unbolting specific elements of CLASS and replacing them with proprietary solutions where possible e.g the general ledger, to better meet digital customer needs, improve data analytics and to enable SLC to respond quickly to policy change.

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AMC highlighted some recent external data security examples and explained to the Board plans to further improve the external portals to stabilise these from security threats and to remove out of support software. He highlighted recent staff awareness initiatives designed to ensure that staff understood system security.

SD welcomed the strategy, the fact it had been Gartner reviewed and suggested that it was important to bring it to life for technology staff and to avoid de-prioritisation.

The Board welcomed the deep dive and requested clearer timescales and milestones, more clarity and focus on stabilisation, decommissioning old and commissioning new technologies.

Sourcing of suppliers was identified a key issue to tackle, as was the total cost of ownership and the need for the Board to receive a cost/benefit analysis and more information on the benefits and risks of adopting cloud solutions, given the change of approach in this regard.

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4. AOB

The Chair re-iterated the importance of the Board Effectiveness review and asked all participants to complete the questionnaire exercise.

5. Date of Next Meeting

The next meeting of the SLC Main Board will take place in Darlington on Wednesday 25th July at Memphis Building, Darlington.

There being no other business, the Chairman thanked everyone for attending and the meeting closed at 1:35pm.

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.