

## UK Shared Business Services Ltd

Minutes of the 77<sup>th</sup> UK SBS Board Meeting held at Polaris House, Swindon on Thursday 1<sup>st</sup> February 2018 commencing at 10.00am.

### Attending:

Board Members:		UK SBS Executives:	
Tim Knighton (Chairman)	<b>TK</b>	John Arnott, Corporate Services Executive	<b>JA</b>
Joanna Brigham	<b>JB</b>	Caroline Jenkins, Company Secretary	<b>CJ</b>
Nolan Smith	<b>NS</b>	Mike Rendall, Chief Technology Officer	<b>MR</b>
Neil Phimister	<b>NP</b>	Andrew Lewis, Chief Operating Officer	<b>AL</b>
Tom Taylor	<b>TT</b>	Jacqui White, Business Change Executive	<b>JW</b>
Chris Pope	<b>CP</b>	Crispin Dawe, Head of Finance	<b>CD</b>

### Apologies:

Doug Watkins	<b>DW</b>
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### A. CLOSED SESSION

A1. There was a closed session of the Board with the Company Secretary in attendance.

#### 1. WELCOME (SBS 001-18, 002-18)

- 1.1 The Chairman opened the Board meeting at 10.00am and welcomed all in attendance.
- 1.2 Apologies from Doug Watkins were noted.
- 1.3 The minutes of the meeting held on 1 December 2018 were agreed as a correct record.
- 1.4 There were no declarations of conflicts of interest relating to any matter on the agenda.
- 1.5 The Board considered the action log and the following updates were provided:
- Action 76.5 – the UKRI five year roadmap / plan was due to be considered by the UKRI Executive Committee on Monday 5 February 2018. It had not been shared with UK SBS ahead of the meeting.
  - Action 76.6 – a note to be drafted to shareholders to seek agreement for the extension of Nolan and Tim's appointments and confirm the UKRI nominated appointments post 1 April 2018.

#### 2. CHIEF EXECUTIVE REPORT (SBS 004-18)

- 2.1 The Chief Executive's report was received by the Board.
- 2.2 Discussions took place on the former-DECC (F-DECC) on-boarding project and the associated challenges, risks and timelines; this is a BEIS led project and the project team is keen to maintain the current delivery date. Discussions concluded that the project timescales are still possible to deliver but with increasing risk. The plans had

not been subject to any external assurance or validation. JB and JW were due to meet with Tim Lai (BEIS) as SRO for the F-DECC on-boarding project to highlight concerns and risks.

- 2.3 Discussions took place on UK SBS employee turnover, noting that the impact would be reduced now that UK SBS was resourcing on the basis of a clear plan (not as an entity progressing to closure) and as a more holistic working approach was adopted across the service delivery areas.

### **3. FINANCE (SBS 005-18)**

- 3.1 The management account pack covering P9 activity was received by the Board, noting a £300k underspend primarily a result of underspends in payroll costs as UK SBS operates below budget FTE. This underspend is consistent with the mid-year return to BEIS and the Exec team remained confident of a year end result within the expected 1% tolerance.
- 3.2 ROE Upgrade programme is underspent against the 2017/18 allocation and UK SBS has highlighted this to BEIS. £150K has been allocated in 2018/19 for ROE Upgrade Phase 2. Discussions took place on the North Star House dilapidations, noting that it was unlikely any of the £600k allocation from BEIS would be used by the end of this financial year. In future years, the possibility of having to pay dilapidations will be reported to BEIS as a risk.
- 3.3 JB confirmed that the GPA would be established as a permanent entity, with the UK SBS PAM employees to TUPE over on 1 April 2018.

### **3b. NON-FINANCIAL PERFORMANCE (SBS 006-18)**

- 3.6 The Board received the performance report. In answer to a question, it was confirmed that UK SBS would engage with UKRI and BEIS on the approach to review and revise targets and KPIs, using the opportunity to review end to end processes and ensure the correct measures were in place. The Executive confirmed that benchmarking data (e.g. from CO) was shared with clients and the Board when available.
- 3.7 AL confirmed that 'strategic indicator' measures within the non-financial performance report were subjective and based on client feedback, complaints and escalations. NP provided a verbal update on the recent work of the Procurement Process Enhancement Group.

### **3c. RISK (SBS 007-18)**

- 3.8 The Board considered the corporate risk register. Discussions took place with regard to continued service provision to the Department for International Trade (DIT) in the context of the Cabinet Office Shared Service Strategy and potential implications on UK SBS ownership. The Board agreed that current owner process standardisation should not be hindered by non-owner organisations.

#### **Actions:**

- **The Executive Team to re-evaluate the risk relating to ongoing provision of services to DIT including consideration of any implications arising from the Cabinet Office Shared Service Strategy.**

#### 4 CABINET OFFICE SHARED SERVICE STRATEGY (SBS 008-18)

4.1 JB introduced the report and provided a short presentation. The following points were noted:

- Government departments were expected to comply with the strategy. Each department (incl. BEIS) would need to decide the approach to their ALBs.
- The design of standard processes, services and reports would sit within the cross-government shared services governance structure. It was noted that the workstream to standardise finance processes was further advanced than the HR workstream.
- There was a need to understand the timelines for transfer and where BEIS and UKRI were in relation to the overall pipeline of activity.
- A key element of the strategy was the separation of technology and service.
- The risks and opportunities to UK SBS were highlighted.
- Discussions took place on potential UK SBS cost savings that could be achieved through the implementation of the Strategy; it is important that savings in end to end process (retained and shared) are identified and realised.

#### 5. BUSINESS PLAN 2018-2021 (SBS 009-18)

5.1 The Board received the draft 2018 – 2021 Business Plan; an updated version to be sent ex-committee to reflect the feedback provided at the meeting.

##### Actions:

- **Board members to email any further comments on the draft Business Plan to CJ.**
- **CJ to update the draft Business Plan and circulate ex-committee for agreement.**

#### 6. PORTFOLIO UPDATE - UKRI

6.1 AL provided a short presentation and the following points were noted:

- Clarification on the term 'greenfield' was provided. The potential impacts on UK SBS were discussed.
- It was not yet clear who would be providing support to Greenfield users post 1 April 2018.
- UK SBS were managing late requests to change day one requirements, considering them in the context of risk and resourcing levels and delaying where appropriate.
- The UKRI programme Board met on a weekly basis.
- UKRI internal delegations had not yet been established. Concern was noted on the governance / delegations for decision making within UKRI and the outstanding unresolved issues ahead of day one. UK SBS was highlighting any risks to delivery to UKRI.

##### Actions:

- **A letter to be drafted from UK SBS to UKRI to provide an update from a UK SBS perspective, highlighting the status, risk and mitigations to day one delivery.**

#### 7. CYBER SECURITY UPDATE

7.1 MR provided a short presentation and the following points were noted:

- Discussions took place on the level of assurance regarding cyber security required by UK SBS; the Board agreed for the Audit Committee to consider appropriate assurance options at their next meeting.
- The Board agreed for all correspondence and Board papers to be sent under the 'Official' marking and unencrypted, unless they were considered commercially or personally sensitive.

**Actions:**

- **MR to submit a paper to the next Audit Committee meeting to outline industry best practice, standards and options for UK SBS cyber security assurance.**
- **JA to assess potential options for the secure circulation of Board papers (with a presumption that most papers were not sensitive and could be sent without encryption)**

**8. GOVERNANCE (SBS 010-18 and SBS 011-18)**

- 8.1 The Board endorsed the proposed changes to the constitutional documents and agreed to recommend to shareholders not to hold an AGM in March 2018. A shareholder meeting will be arranged for later in the year (likely after completion of Q1).

**9. NEXT BOARD MEETING**

- 9.1 The items to be considered at the next Board on 28 March 2018 were noted as:

- Annual Governance Statement
- People development and employee engagement
- Going Concern
- F-DECC transition

**10. ANY OTHER BUSINESS**

There were no further items of business.

Board closed at 12.40pm

**Next meeting: 28 March 2018**