

UK Shared Business Services Ltd

Minutes of the 80th UK SBS Board Meeting held at Polaris House, Swindon on Thursday 26 July 2018 commencing at 10.15am.

Attending:

Board Members:		UK SBS Executives:	
Tim Knighton (Chairman)	TK	Mike Rendall, Chief Technology Officer	MR
Richard Semple	RS	Caroline Jenkins, Company Secretary	CJ
Neil Phimister	NP	Andrew Lewis, Chief Operating Officer	AL
Tom Taylor	TT	Jacqui White, Business Change Executive	JW
Graham McAlister	GM	Crispin Dawe, Finance Director	CD
Ruth Elliot	RE		
Doug Watkins (dialled in)	DW		

Apologies:	
Nolan Smith	NS

A. CLOSED SESSION

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

1. WELCOME (SBS 048-18, 049-18)

- 1.1 The Chairman opened the Board meeting at 10.15am and welcomed all in attendance.
- 1.2 The minutes of the meeting held on 24 May 2018 were agreed as a correct record.
- 1.3 The Board received the action log, noting that action 78.2 would be closed as part of the UKRI Business Continuity exercise scheduled to take place in the summer.

2. CHIEF EXECUTIVE REPORT (SBS 051-18)

- 2.1 The Chief Executive's report was received by the Board.
- 2.2 Discussions took place on the UK SBS change review process, noting that an internal review on the process and associated governance was underway to ensure effective prioritisation and resource allocation, particularly in light of the volume of change expected over the next three years. RS outlined the relationship between the BDA and UK SBS change process.
- 2.3 BEIS and UKRI pay settlements were expected to be above 1%. The Board agreed for the Executive team to explore funding options for the UK SBS pay settlement and to develop an efficiency narrative to share with clients.

Action:

- **UK SBS pay mandate to be considered at the September Board meeting, with the Board to meet as REMCOM.**

- **An efficiency approach and narrative to be considered by the Board at the November meeting.**

3. AUDIT COMMITTEE UPDATE

- 3.1 GM provided a verbal update on the key discussions that took place at the Audit Committee meeting on 18 July 2018.
- 3.2 The Board noted the work completed to date on achieving ISO 27001 accreditation and the proposed costs of the additional activities required. Whilst the significance of achieving accreditation was recognised, the Board agreed that there was a need to balance cost and necessity of the work.

Action:

- **Recommendations on the work to be completed and estimated costs of implementation to achieve ISO 27001 to be considered by the Board.**

4. FINANCE (SBS 052-18)

- 4.1 The Board received the P3 management accounts pack. £2m of 2018/19 non-BAU projects remained unfunded; some work was continuing at risk.
- 4.2 There was a need to ensure that the work to evaluate potential new solution options was not being duplicated. CD confirmed that both UKRI and BEIS were informed of the non-BAU programmes and projects and associated costs.
- 4.3 It was noted that the new spending review process would allow for improved forward planning of both BAU and programmes.

Action:

- **TK / RS to write to owners in September if funding for new solution evaluation work has not been received, highlighting the associated tolerances and risks.**

4b. NON-FINANCIAL PERFORMANCE (SBS 053-18)

- 4.4 The Board received the performance report and the following points were noted:
- Decisions on whether or not to replace hardware that may fall out of support ahead of the new solution implementation did not currently involve clients / owners. The Board agreed that the BDA may be best placed to consider the replacement of hardware in the context of the new solution.
 - There was a need to understand client requirements and expectations of service, particularly with regard to disaster recovery.
 - Public sector budget / salary limitations and a competitive labour market had led to some difficulties in recruiting specialised roles; alternative ways of resourcing were being considered.
 - An HR strategy was underway.
 - Work was underway to include more qualitative data within the performance pack. The full refresh of KPIs would be presented to the Board at the November meeting.
 - There was a steady turnover of lower grade employees across all service areas. The extended hours working pattern within HR service delivery had been successfully implemented.

- A site strategy review had been commissioned with a view to understand the local labour markets.

Action:

- **An update on the site strategy review to be considered at the November Board meeting, if appropriate**

4.5 The Board received the risk register.

5. ANNUAL REPORT AND ACCOUNTS (SBS 054-18)

5.1 The Audit Committee had received the 2017/18 Annual Report and Accounts and recommended them to the Board for approval.

5.2 The Board confirmed that it considered it appropriate for the Annual Report and Financial Statements to be prepared on the going concern basis; it has reviewed the Company's business for post balance sheet events and found none; approved the UK SBS Annual Report and Financial Statements for 2017/18 and the Letter of Representation that is to be sent to NAO; and authorised the CEO to sign, on behalf of the Board, both the Letter of Representation and the Annual Report and Financial Statements for 2017/18.

6. UK SBS STRATEGY (SBS 055-18)

6.1 RS introduced the report and the draft vision and mission statements. A piece of work to review the current PACT values had been commissioned and would be brought back to the September Board meeting for consideration. The Board agreed the vision and mission statements.

6.2 The PESTLE and SWOT analyses were agreed by the Board, subject to minor amendments.

6.3 Discussions took place on the culture and skills base of the organisation and the ways in which these may change to adapt to future needs.

6.4 The Board agreed to the inclusion of a new risk on the risk register in relation to the mismatch between strategic intent, client demand and funding of change.

7. UPDATE ON FORMER DECC ON-BOARDING (SBS 056-18)

7.1 AL introduced the report, noting that UK SBS was responsible for the delivery of a number of projects that formed part of the BEIS led programme. The risks from a UK SBS perspective were highlighted.

7.2 UK SBS had recently been asked to increase the scope of projects delivered; work was underway to understand the full requirements in order to re-evaluate available resources and timelines for implementation. It was agreed that any risk to the successful delivery of the F-DECC on-boarding should be avoided, with additional work that was not part of the original project to be re-scheduled to de-risk implementation. It was noted that the October pay run was the critical element for delivery.

8. BUSINESS DESIGN AUTHORITY UPDATE (SBS 057-18)

- 8.1 AL provided an update on the work of the Business Design Authority (BDA), noting that a common set of objectives had now been agreed. The BDA was leading on the evaluation of the new solution and development of associated business cases, with clients gathering their service requirements and UK SBS undertaking a technical analysis.

9. DIRECTOR, BOARD AND AUDIT COMMITTEE EVALUATION (SBS 058-18)

- 9.1 The Board agreed to the Director, Board and Audit Committee evaluation framework and the Director training session to be held on the same date as the September Board meeting.

10. NEXT BOARD MEETING

- 10.1 The items to be considered at the next Board on 27 September at BEIS in London 2018 were noted as:

- Update on F-DECC transition
- Pay mandate (Board to meet as REMCOM)
- Annual Governance Review
- UK SBS Strategy including values
- BEIS Mid-Year financial review

11. ANY OTHER BUSINESS

- 11.1 There were no further items.

Board closed at 12.15pm

Next meeting: 27 September 2018