

UK Shared Business Services Ltd

Minutes of the 78th UK SBS Board Meeting held at Polaris House, Swindon on Wednesday 28 March 2018 commencing at 10.20am.

Attending:

Board Members:		UK SBS Executives:	
Tim Knighton (Chairman)	TK	John Arnott, Corporate Services Executive	JA
Joanna Bringham	JB	Caroline Jenkins, Company Secretary	CJ
Nolan Smith	NS	Jacqui White, Business Change Executive	JW
Neil Phimister	NP	Crispin Dawe, Finance Director	CD
Tom Taylor	TT	Richard Semple, incoming Chief Executive	RS
Chris Pope	CP		
Doug Watkins (dialled in)	DW		

Apologies:

Mike Rendall, Chief Technology Officer	MR
Andrew Lewis, Chief Operating Officer	AL

A. CLOSED SESSION

A1. There was a closed session of the Board with the Company Secretary and incoming Chief Executive in attendance.

1. WELCOME (SBS 013-18, 014-18)

1.1 The Chairman opened the Board meeting at 10.20am and welcomed all in attendance, particularly Richard Semple, the incoming Chief Executive starting on 1 May 2018.

1.2 Apologies from MR and AL were noted.

1.3 The minutes of the meeting held on 1 February 2018 were agreed as a correct record.

1.4 TT declared two interests in respect to items on the agenda:

- TT was responsible for the agreement of budgets within BEIS, and therefore UK SBS' budget.
- TT was responsible for providing assurance to the BEIS Accounting Officer.

There were no further declarations of conflicts of interest in relation to items on the agenda.

1.5 The Board considered the action log and the following updates were provided:

- Action 77.1 – To be considered under agenda item 6.
- Action 76.1 – The cyber security presentation was scheduled for the May Board meeting.

2. CHIEF EXECUTIVE REPORT (SBS 016-18)

- 2.1 The Chief Executive's report was received by the Board.
- 2.2 The Property Asset Management (PAM) team TUPE transfer to the Government Property Agency had completed on 1 April 2018. JA confirmed there was minimal residual risk concerning continued access to Oracle for financial / accounting purposes for a short period of approx. 3 months as agreed with BEIS.
- 2.3 A combined shared service strategy engagement approach with the Cabinet Office to be considered at the tripartite workshop on 24 April 2018.

3. AUDIT COMMITTEE UPDATE (SBS 017-18)

- 3.1 NS introduced the report and highlighted the key discussions that took place at the Audit Committee meeting on 8 March 2018.

4. FINANCE (SBS 018-18, 019-18 and 020-18)

- 4.1 The management account pack covering P11 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 was consistent with the mid-year return to BEIS and the Executive team remained confident of a year end result within the expected 1% tolerance.
- 4.2 The Board conveyed their thanks to the UK SBS Finance team for delivering to budget in 2017/18, with underlying performance remaining at a good standard.
- 4.3 The Board agreed that it was appropriate for the financial statements to be prepared on a going concern basis and noted that the NAO were not proposing to include an emphasis of matter paragraph. UK SBS had received a provisional budget allocation letter from BEIS; the Board confirmed that they did not consider there to be any material uncertainty.
- 4.4 UK SBS was in the process of confirming charges with those clients not included within the BEIS provisional allocation letter. UKRI funding was currently received directly from BEIS; tripartite consideration to be given to the process and arrangements to agree budgets in the future.
- 4.5 Non-BAU programme costs were being finalised. Capital item bids, coordinated with UKRI to avoid duplication, were due to be submitted to BEIS the following week.
- 4.6 Discussions took place on UK SBS costs and potential opportunities for savings. The 2018/19 budget document to be updated to indicate how the corporate overhead budget was allocated across the service delivery areas.

Action:

- **CD to update the 2018/19 budget to reflect the corporate overhead cost allocation across the service delivery areas.**

4b. NON-FINANCIAL PERFORMANCE (SBS 021-18)

- 4.7 The Board received the performance report. JB outlined the work underway to address the ISS resourcing issue noted within the report. Clients had previously been

informed of the possible impacts of UKRI day one activities on service delivery performance; the need to manage client expectations was recognised.

- 4.8 Discussions took place on the balance and method of collating the quantitative and qualitative data presented within the performance report. It was recognised that all KPIs had previously been compiled and agreed with clients, however there was a need to review and agree new measures where appropriate to ensure ownership of the measures by all three parties. This was predicated on a requirement for clients to articulate the level and quality of service they expect.
- 4.9 The Board agreed to carry forward the current KPIs to the 2018/19 financial year, pending a broader review of metrics, clarity on the quality of service expected by clients and a complete review of KPI measures.

4c. RISK (SBS 022-18)

- 4.10 The Board considered the corporate risk register, noting that most of the risks were covered in further detail at other items on the agenda.
- 4.11 The UKRI Audit Committee were likely to request assurance on UK SBS Cyber Security and Disaster Recovery capabilities.
- 4.12 The UK SBS Audit Committee would be considering the cost benefit analysis of obtaining ISO accreditation in relation to cyber security assurance at their May meeting.
- 4.13 The Board considered and agreed the Risk Management Strategy.

Actions:

- **MR to compile a briefing note to provide assurance on UK SBS Cyber Security and Disaster Recovery Capabilities for consideration by the UKRI Audit Committee.**

5. FORMER DECC ONBOARDING (SBS 023-18)

- 5.1 This item was considered as part of the closed session.

Actions:

- **A face to face meeting to be arranged with the appropriate people from UK SBS and BEIS at a senior level to consider the issues raised and resolve them as a matter of priority.**

6. SERVICE PROVISION TO THE DEPARTMENT OF INTERNATIONAL TRADE (SBS 024-18)

- 6.1 The Board considered the report. Discussions took place on the current ownership model and the implications of DIT ownership, the continuation of service provision via BEIS (Crown to Crown arrangement) and the change in risk profile in light of the Cabinet Office Shared Service Strategy.
- 6.2 The Board agreed for the DIT off-boarding programme to continue as planned, with DIT to approach BEIS and UKRI directly as owners if they sought alternative options.

7. ORACLE LICENSING (SBS 025-18)

- 7.1 JW introduced the report and updated the Board on the current position.
- 7.2 The Board agreed to proceed with Option 2, with JW to revert back to the Board should the costs not fall within the original financial envelope.

Actions:

- **UK SBS to write to the Oracle Crown Representative to outline the current position and identify any opportunities for assistance.**

8. GENERAL DATA PROTECTION REGULATIONS (SBS 026-18)

- 8.1 The Board received the update report and agreed the main objective stated within the PID, subject to one minor amendment.
- 8.2 The Audit Committee to consider a clear, defined plan for GDPR compliance, outlining completed and outstanding actions, with deadlines, at their May meeting. It was noted that where there were technical constraints, alternative controls would need to be implemented.
- 8.3 The Data Protection Bill was being debated within Parliament; the PID to be refreshed against the Bill once Royal Assent had been received.
- 8.4 GIAA would complete a further internal audit on UK SBS GDPR compliance and progress against plans in 2018/19.

Actions:

- **An update to be provided at the next Board meeting to outline the aspirations of the plan for implementation and compliance.**

9. BEIS AND UKRI WORKSHOP – 24 APRIL 2018 (SBS 027-18)

- 8.1 The Board agreed the agenda for circulation to owners.
- 8.2 It was agreed that JB should attend and that the session should be externally facilitated.

Actions:

- **The 'strawman' papers to be sent to the Board for consideration ahead of the circulation to owners / workshop attendees.**

10. GOVERNANCE (SBS 028-18, 029-18 AND 030-18)

- 10.1 The Board approved the latest draft (v0.3) of the Annual Governance Statement and delegated authority to the Chair, Audit Committee Chair and Chief Executive to finalise the draft ahead of submission to BEIS on 16 April 2018.
- 10.2 The Board approved the updated draft constitutional documents and agreed to recommend them to shareholders for approval.
- 10.3 The Board considered the updated Corporate Scheme of Delegation and agreed for it to be shared with GIAA and reported back to Board via Audit Committee.

11. NEXT BOARD MEETING

11.1 The items to be considered at the next Board on 24 May 2018 were noted as:

- Update on F-DECC transition
- Annual Pay Review and Longer Term People Plans
- Follow up from 24 April Workshop and planning for owner meeting to be held in June / July
- Oracle update (may require Board consideration ex-committee depending on timing)
- Cyber Security Demo (to be held before the meeting starts)
- Modern Slavery Statement
- Annual Governance Statement (Final)

12. ANY OTHER BUSINESS

Chris Pope

12.1 The Board thanked CP for all of his dedication, particularly in relation to the BEIS / UKRI decision in July 2017, and valuable input to Board meetings over the last 2.5 years, and wished him well for the future.

John Arnott

12.2 The Board offered their best wishes to JA on his one year secondment to UKRI, due to commence 1 May 2018.

Jo Brigham

12.3 The Board extended their sincere thanks and appreciation to Jo Brigham for her support, dedication and commitment to UK SBS over the last 4.5 years, leading the Company through significant change, driving efficiencies and service improvements whilst delivering consistently improving performance across BAU. The Board wished JB well for the future.

Board closed at 12.40pm

Next meeting: 24 May 2018