

## UK Shared Business Services Ltd

**Minutes of the 76<sup>th</sup> UK SBS Board Meeting held at Polaris House, Swindon on Wednesday 6<sup>th</sup> December 2017 commencing at 10.00am.**

**Attending:**

<b>Board Members:</b>		<b>UK SBS Executives:</b>	
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>
Doug Watkins	<b>DW</b>	Jacqui White, Business Change Executive	<b>JW</b>
		Crispin Dawe, Head of Finance	<b>CD</b>

**Apologies:**

Tom Taylor	<b>TT</b>
Chris Pope	<b>CP</b>

**A. CLOSED SESSION**

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

**1. WELCOME (SBS 053-17, 054-17)**

1.1 The Chairman opened the Board meeting at 10.00am and welcomed all in attendance, particularly the newly appointed Board members; Doug Watkins and Neil Phimister.

1.2 Apologies from Chris Pope and Tom Taylor were noted.

1.3 The minutes of the meeting held on 25 July 2017 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 75.2 – The Procurement governance arrangements had evolved since the action was first assigned, with Procurement now fully engaged with, and subject to, UK SBS internal risk management processes. The Board requested the Audit Committee to undertake a deep dive of Procurement risk early in the ensuing year. The action was closed.
- Action 73.6 – The recent internal audit on cyber security had concluded and would be submitted to Audit Committee for consideration. The Board agreed for a cyber security report / update to be provided to Board on an annual basis, with an update to be provided at the February Board meeting. The initial action was closed.

**Actions:**

- **The recent Board session on cyber security to be repeated for new Board members.**
- **An update on cyber security to be provided at the February Board meeting.**

**2. CHIEF EXECUTIVE REPORT (SBS 059-17)**

- 2.1 The Chief Executive's report was received by the Board. JB introduced Andrew Lewis, Chief Operating Officer, who would be joining UK SBS full time in January 2018.
- 2.2 The Board considered the draft Business Plan 2017 – 2020, noting that the working draft would be shared internally with UK SBS employees. An updated version, for the three years from April 2018, would be submitted to the February Board meeting for endorsement ahead of seeking Shareholder approval.
- 2.3 In answer to a question, JA confirmed that UK SBS was planning to participate in the annual civil service employee survey from October 2018, whilst continuing internal pulse survey(s) throughout the year.

**Actions:**

- **JA to share the draft Business Plan 2017 - 2020 with the Board once published internally within UK SBS.**

**3. FINANCE (SBS 060-17)**

- 3.1 The management account pack covering P7 activity was received by the Board, noting a £200k underspend primarily a result of underspends in payroll costs as UK SBS operates below budget FTE.
- 3.2 The forecast of expenditure of the central UKRI Day One costs, covered by the £810k BEIS PO, were not yet finalised but a £200k underspend was expected. Proposals to allocate the remaining £200k to the D&T programme to be recommended to UKRI and BEIS for agreement.
- 3.3 The NAO were meeting with UK SBS today as part of their planning timetable for the production of the Annual Report and Accounts. An interim visit was scheduled to take place in March with the final audit to commence in mid-June 2018.
- 3.4 Discussions took place with regards to underspend risks, noting that both Procurement and HRSD, the two areas with the highest vacancies / turnover, had recently commenced recruitment campaigns. JA outlined the varying circumstances for the high turnover levels.
- 3.5 An evening shift was to be piloted in HRSD to assist with alleviating recruitment pressures.

**3b. NON-FINANCIAL PERFORMANCE (SBS 061-17)**

- 3.6 The Board received the performance report; JA provided a verbal update on the Corporate Services and Business Change projects and programmes.

**3c. RISK (SBS 062-17, 063-17)**

- 3.7 The Board agreed the proposed changes to the UK SBS risk appetite to align with the draft business plan as follows:

<b>Category</b>	<b>Agreed Revised Appetite</b>
<b>Reputational</b>	Cautious
<b>Operational</b>	Cautious
<b>Financial</b>	Cautious
<b>Compliance (Legal)</b>	Minimalist
<b>Information (General)</b>	Open
<b>Information (Sensitive-Personal)</b>	Minimalist

- 3.8 The Board noted that the updated risk appetite reflected the level to which UK SBS was currently operating, therefore no material changes would be observed.
- 3.9 The Board considered the corporate risk register. Discussions took place around the timing of the Department for International Trade off-boarding and the potential implications to the implementation of owner programmes, noting that good engagement was continuing and planning sessions had been arranged for January 2018.

**4 UK SBS STRATEGY AND DIRECTION (SBS 064-17)**

- 4.1 JB introduced the report and the following points were noted:
- There had been a number of recent changes to senior personnel within owner departments; not all involved understood the nature of UK SBS and the background and rationale to the decision taken by its owners in July 2017.
  - Cath Bremnar and Tim Lai were due to visit UK SBS in January 2018 to meet with the executive team and key stakeholders from UKRI for discussions on the UK SBS roadmap, recent decisions and future direction for the Company.
  - The paper submitted to BEIS and UKRI to support the OBC for decision had been provided to Ian Kenyon for background information.
  - With both BEIS and UKRI undergoing transformations / significant programmes of work, there was a need for them to be cognisant of managing public money effectively and ensuring resources were focused and allocated appropriately.
  - Discussions took place with regard to Business IT service delivery. A five year UKRI roadmap was under development but had not yet been disseminated.
  - UK SBS and the Board had a role in facilitating senior stakeholder engagement to reinforce key messages and align owner / UK SBS strategies.
  - A UK SBS / UKRI Procurement Process Enhancement Group had been established and would commence on a joint programme of work to map end to end processes, focusing more on developing a working partnership rather than monitoring.

- The Board agreed to not send the annexed letter to owners at this time.

**Actions:**

- **TK to meet with Ian Kenyon (IK) and Angie Ridgwell (AR) to reinforce key messages and decisions. Consideration to be given as to whether IK and / or AR should be invited to observe at the next Board meeting.**
- **JB / UK SBS Board to respond to the UKRI five year roadmap once received.**

**5. ORACLE LICENSING (SBS 065-17)**

- 5.1 JW introduced the paper, highlighting the three key variables (volumes, products and timing) to be negotiated and agreed.
- 5.2 Engagement with the Cabinet Office and BEIS had commenced, with the costs signed off by the Government Digital Service in principle.
- 5.3 The Board endorsed the approach to renew the contract based on an overall cost reduction with some new technology added and agreed to delegate authority for the negotiations, costs and decision for the renewal, to the UK SBS Chief Executive for up to £9m full-life contract value.

**6. GENERAL DATA PROTECTION REGULATIONS UPDATE (SBS 066-17)**

- 6.1 JA introduced the report, highlighting the work underway to comply insofar as possible with the regulations that come into force on 25 May 2018. It was noted that UK SBS would be in a similar position of not being fully compliant as other UK organisations in both the public and private sectors, but with a clear remediation plan established.

**7. ANNUAL GOVERNANCE REVIEW (SBS 067-17)**

- 7.1 Discussions took place on the need to ensure that appropriate continuity arrangements for the Board were in place. The Board therefore agreed to propose to owners the extension of NS' appointment in order to continue as Audit Committee Chairman and as a member of the Board if appropriate.
- 7.2 Consideration to be given to the timing of the annual performance review in light of the new Board membership. A joint executive / Board ways of working session to be held in the autumn.
- 7.3 Discussions took place on the role of the sponsor and the appropriateness of the current arrangements.
- 7.4 The Board reviewed and agreed:
- Board and Audit Committee Terms of Reference (ToR);
  - The following Corporate policies:
    - Corporate Code of Conduct
    - Gifts and Hospitality
    - Health and Safety
    - Charitable Donations
    - Risk Management
    - Whistleblowing
    - Litigation Protocol
    - Corporate Social Responsibility; and

- Communications
- The appointment of Nolan Smith (to be appointed as the Chairman), Neil Phimister and Graham Raikes (co-opted) to the Audit Committee, noting one vacant position.

**Actions:**

- **TK to discuss the extension of NS's appointment with IK and AR.**
- **Proposals for a revised sponsor arrangement to be developed and fed back to BEIS, via TT and DW for initial comment.**

**8. NEXT BOARD MEETING**

8.1 The items to be considered at the next Board on 1 February 2018 were noted as:

- Revised business plan 2018 – 2021
- Cyber security update
- Oracle licensing position
- Portfolio – a substantial update to be provided on UKRI day one activities / progress

**9. ANY OTHER BUSINESS****9.1 ROE Upgrade**

The Board noted that the ROE upgrade programme was due to be implemented over the Christmas period; well-developed communications plans were in place, with good engagement from the Research Councils.

Board closed at 11.55am

**Next meeting: 1 February 2018**