

UK Shared Business Services Ltd

Minutes of the 121st UKSBS Board Meeting held in Polaris House, Swindon, on Thursday 22 May 2025 commencing at 9.15am.

Attending:

Board Members:		UK SBS Executives:	
John Clarke, Chair	JC	Claire Hargreaves, Chief Finance Officer	CH
Richard Semple, Chief Executive	RS	Caroline Jenkins, Company Secretary	CJ
Carolyn Isaacs	CI	Victoria McMyn, Chief Change Officer	VM
David Thomas	DT	Liz Creedy, Chief Operating Officer	LC
Michele Hughes	MH	John Arnott, Chief Strategy and People Officer	JA
Sarah Finigan	SF	Akos Csernus, Chief Transformation Officer	AC
Claire Pearce	CP	David Walder, Chief Digital and Information Officer	DW
Bidesh Sarkar	BS	Observers / Guests:	
		Richard Henshall, Matrix SRO	RH
		Kathryn Hollingworth, Head of RISC (for item 7 only)	KH
		Alev Williams, Deloitte (for item 8 only)	AW

Apologies:

Helen Mills	HM
Sarah Harrison, Cabinet Office	SH
Andrew Pattison, DCMS	AP

1. WELCOME (SBS 021-25 and 022-25)

- 1.1 The Chairman opened the Board meeting at 9.15am and welcomed all in attendance. The Board was informed that Shareholder agreement had not been reached with regard to approval of the UKSBS 2025-2030 Business Plan. The resolution would be recirculated following further engagement with UKRI to address their comments.
- 1.2 The minutes of the meeting held on 27 March 2025 were approved.
- 1.3 The Board reviewed the action log and noted that the one outstanding action was due to be closed in July 2025.

2. UK SBS CHIEF EXECUTIVE REPORT (SBS 024-24)

- 2.1 The Chief Executive's report was received by the Board and the following points were noted:
 - The SHARP Programme had been through a series of Go / No Go decision meetings over the preceding weeks. The Programme was progressing with a 'Go with assurance' of remaining cutover risks. Work was ongoing to understand the impacts of manual workarounds for known defects being carried into go-live.
 - A collaborative approach was being established with IBM in relation to hyper-care delivery and ongoing support.
 - Whilst two POs had been received to cover UKSBS resourcing on the SHARP Programme until mid-June and archive reach back, funding had not been

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provided for post-implementation hyper-care, for both people and platform support, or Redwood enhancements. The Board acknowledged that UKSBS would be mobilising hyper-care resourcing at financial risk.

- The Chair provided a verbal update on a meeting that took place with MH, RS and the SHARP programme team.
- RS informed the Board of contingency plans in relation to payroll and cutover timings.
- The Board raised concerns on potential fraud and compliance risks, and the ability to deliver BAU services due to the volume and complexities of manual workarounds. Discussions took place on the pipeline of defect resolution and the imperative for a robust, funded plan to address and fix the defects, therefore removing the need for workarounds. UKRI ARAC had been informed of the risks.
- In relation to the Corporate Risk Register, the Ends, Ways and Means risk had been escalated to an issue, reflecting outstanding PO cover for major change activity.
- Discussions took place on the status of the Cyber Attack risk, with the Board noting the mitigating actions and current positioning.
- In answer to a question, RS confirmed several BCP tabletop exercises had taken place with appropriate mitigating actions identified and fed into BC planning for SHARP go live.
- RS provided positive feedback on recent visits from DBT and Cabinet Office.

2.2 The Board received the Gender Pay Gap report.

Actions:

- **A cyber risk deep dive to be scheduled for a future Board meeting, with UKRI ARAC to be invited.**
- **The UKSBS Board Chair to consider meeting with UKRI Chair to discuss the latest position of the SHARP Programme.**

3. AUDIT COMMITTEE UPDATE (verbal)

3.1 CI provided a verbal update on discussions at the recent Audit Committee meeting. Funding provision had been a key theme throughout discussions, both in relation to BAU and project funding. There was a resultant risk to cash flow and going concern status and a point was raised as to whether the relevant ARACs were aware of the resulting challenges. CI agreed to schedule regular meetings with the UKRI ARAC Chair.

Actions:

- **CI to schedule regular meetings with the UKRI ARAC Chair.**

4. OPERATIONAL PERFORMANCE UPDATE (SBS 025-25 via PowerBI)

4.1 The Board received the operational performance update. Each Executive drew out the key points of the report relevant to their area and the following points were noted:

- BDUK was successfully onboarded to UKSBS in April 2025. The complex INSS pay award was also delivered in-month. The ServiceNow and telephony system had both been upgraded, improving usability, enhancing system performance and ensuring continued support and stability.
- LC provided a verbal update on an ongoing UKRI pension issue and remedial actions.

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- A large influx of invoices had been received ahead of the ROE blackout period in anticipation of SHARP cutover, but volumes were now reporting as green. A backlog was expected at go-live.
- JA outlined initial findings from the recent internal Pulse survey, with 81% of respondents satisfied with working for UKSBS and noted some of the wellbeing initiatives underway. Full results would be considered at the July Board meeting.

DT joined the meeting.

5. FINANCE UPDATE (SBS 026-25)

- 5.1 CH confirmed a £38k underspend for the 2024/25 end of year position, subject to audit, with all projects receiving full funding allocation.
- 5.2 CH outlined the BAU 25/26 FY POs received to date, with a provisional PO issued from UKRI whilst they await their confirmed funding allocation from DSIT. A separate PO had been received to cover the SHARP programme to mid-June. Temporary budgets to be issued to Executives. A PO had not yet been received for the Matrix programme.

SF left the meeting.

6. EQUALITY, DIVERSITY AND INCLUSION STRATEGY (SBS 027-25)

- 6.1 JA introduced the refreshed strategy, the outcomes of which would be aligned to and driven by the engaged workforce theme and initiatives within the UKSBS transformation programme.
- 6.2 The Board approved the UKSBS 2025-28 EDI Strategy.

KH joined the meeting.

7. RISK APPETITE (SBS 028-25)

- 7.1 KH introduced the report, noting the changes proposed to better align with the Orange Book.
- 7.2 Significant discussions took place around the risk appetite levels currently exhibited within UKSBS, particularly with regard to the volume of change and transformation underway, the potential opportunities lost from being too risk averse and the imperative that UKSBS' reputation was key to its success in the future. There was a need to balance continuous improvement and innovation within a safe environment.
- 7.3 Each risk category to be assigned an Executive lead, to enable a holistic view of all risks across departmental and corporate risk registers by category.
- 7.4 The Board requested for the appetites to be re-examined and further narrative to be provided to support the risk appetites in relation to information security and compliance against a balanced approach to innovation.

Actions:

- **The risk appetites to be re-examined and further narrative to be provided to support the risk appetites in relation to information security and compliance,**

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with a balanced approach to innovation, and recirculated to Board for approval.

SF and AW joined the meeting. KH left the meeting.

8. TRANSFORMATION PROGRESS (SBS 029-25)

8.1 AC introduced the slide deck, with the relevant Executive providing an update on their specific theme. The following points were noted:

- An extraordinary meeting of the Board to be held w/c 23 June to consider the cost to serve model ahead of submission for PBC3.

DT left the meeting.

- The Board considered the ICF organisational design structure, noting the need for the UKSBS target operating model and high-level organisational design (OD) to align, avoiding duplication or gaps. OD principles and Exec level design outputs were due at the end of May 2025.
- A detailed RACI between UKSBS and the ICF to be created once the design details were known, to be considered at the July UKSBS Board meeting.
- It was the role of the Matrix Programme to provide a clear and transparent narrative to Matrix departments on the cost to serve, particularly where some departments will see an increase in costs.
- The ICF's role was in the management and assurance of Neo services, not in their delivery.
- An update was provided on the progress of operational transformation, including continuous improvement (CI) initiatives, noting several dependencies with the Matrix integrated programme plan which was expecting clarification by June 2025.
- Depending on funding, some CI / transformational activities may need to be constrained to allow for appropriate Workday capacity and capabilities to expand within UKSBS ahead of Phase 1a.

DT joined the meeting.

- UKSBS was working with Deloitte on the future Cost to Serve model, covering both Matrix and non-Matrix costs. An initial review had identified some assumptions that needed to be revised and understood further by the Executive team, ahead of a Board review in June.
- The Board agreed the cost per user metric was the correct focus in relation to the 15% cost efficiency being sought by government, noting that the absolute cost of UKSBS would increase due to significant increases in user numbers. A clear trajectory to outline the decreasing cost per user over time vs user numbers to be produced and tracked.
- It was imperative for Matrix departmental dependencies to be understood and delivered to enable the reduction in the cost per user. Whilst economies of scale were expected, the majority of efficiency savings were dependent on customer self-serve and automation.
- A date for the Matrix COOs to visit UKSBS was being arranged.

Actions:

- **An extraordinary meeting of the Board to be held w/c 23 June to consider the Cost to Serve model.**

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- **Details of the ICF design to be considered at the July Board meeting.**

AW left the meeting.

9. PORTFOLIO OF CHANGE (SBS 030-25)

- 9.1 VM introduced the report. UKSBS had commissioned Oracle to provide a structured assessment of its readiness to operate Oracle cloud which confirmed UKSBS was prepared, had established key operational capabilities and showed awareness of managing cloud services effectively.
- 9.2 Discussions took place on the assurance that was required by RS, as Accounting Officer (AO), to agree to the SHARP go-live decision, noting that confirmation of post-implementation funding was a critical factor, alongside a clear understanding of the volume and complexity of defects and the status of the overall product being handed over to UKSBS. If appropriate assurance was not received, escalation to the UKRI AO and the Principal Accounting Officer in DSIT would be taken.
- 9.3 A 'Go' decision to proceed with the Cabinet Office digital teams to DSIT had been given ahead of payroll testing completion, resulting in some risks around payroll accuracy.

Actions:

- **The Oracle assessment of UKSBS capacity to deliver Fusion to be circulated to the Board.**
- **RS to inform the Board as to whether he has received the comfort and assurance that adequate mitigations have been put in place to press ahead with go live.**
- **The Chair to write to shareholders ahead of SHARP go live, outlining any concerns and implications of the status of the product and setting expectations, particularly around service levels and impacts on clients.**

10. FUTURE ONBOARDING (SBS 031-25)

- 10.1 The Board agreed to onboard the Climate Change Committee and Great British Energy as new clients, with go-live to service planned for November 2025 and changes to ownership in May 2026, to align with Matrix Phase 1a.
- 10.2 It was noted that the standing Onboarding team would be expanded to accommodate the expected increase in MoGs over the coming years.

11. NEXT BOARD MEETING

- 11.1 The items to be considered at the next Board meeting on 23 July 2025 were noted as:
- Portfolio of Change
 - Transformation incl. ICF detailed design
 - Modern Slavery Statement
 - SHARP Hypercare

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12. ANY OTHER BUSINESS

- 12.1 BS announced his retirement from the Civil Service and therefore the UKSBS Board at the end of June 2025. The Board thanked him for his input over the last couple of years and wished him well for the future.

Board closed at 12.50pm

Next meeting: 23 July 2025