

UK Shared Business Services Ltd

Minutes of the 109th UK SBS Board Meeting, held in Polaris House, Swindon, on Thursday 25th May 2023 commencing at 9.30am.

Attendees:

Board Members:		UK SBS Executive	
John Clarke, Chairman	JC	Crispin Dawe, Chief Finance Officer	CD
Richard Semple, Chief Executive	RS	John Arnott, Chief Strategy Officer	JA
Alice Hurrell	AH	Liz Creedy, Chief Operating Officer	LC
Louise Mackin	LM	Victoria McMyn, Chief Change Officer	VM
Graham McAlister	GM	David Walder, CDIO	DW
Katrina Nevin-Ridley	KN-R		
Nicholas Sammons	NS	Observers	
		Mark Bussey, Programme Director, SHARP, UKRI	MB
		Elaine Tuck, Shared Services Deputy Director, BEIS	ET
		James Michelson	JM
		DWF	
		Gordon Fraser, CoSec service	GF
		Laura Jennings, CoSec service	LJ

1. WELCOME (SBS 020-23) and (SBS 021-23)

- 1.1 The Chairman opened the Board meeting at 9.30 am and welcomed all in attendance.
- 1.2 The minutes of the meeting held on 30 March 2023 were approved as a correct record.
- 1.3 The Board received the action log. It was noted that the outstanding actions should be left open pending a future update.
- 1.4 There were no declarations of conflicts of interest in relation to items on the agenda.

2. APPOINTMENT OF A COMPANY SECRETARY

- 2.1 The Chairman reported that Caroline Jenkins, the Company Secretary, had given birth to a baby girl, and it was noted that DWF would be providing company secretarial services for the duration of Caroline Jenkins' maternity leave.

3. UK SBS CHIEF EXECUTIVE REPORT (SBS 023-23)

- 3.1 The Chief Executive's report was received by the Board and the following points were noted:

- The financial allocation for the year 2023-2024 had not been confirmed, and consequently all activity was being delivered under temporary PO cover. The number of employees was continuing to grow at risk.
 - BAU activity was at a high level, with the number of users rising by approximately 1,000 compared to April 2022. Service feedback from clients had been positive, and progress had been made on procurement service improvement initiatives, form digitisation, and automation. Action had been taken to rectify a drop in the payroll accuracy KPI in Q4 of the financial year 2022-2023.
 - Eleven CRs had been delivered in the previous two months. Other notable project activity included incorporating the BEIS payroll separation into MoG implementation, and relocating DR capability from RAL to Ark's data centre, Farnborough.
 - The licence agreement with Oracle would terminate on 31 May 2023. The re-let of the contract to May 2026 was currently being negotiated, with the option to extend by up to a further twelve months should Matrix be delayed.
 - Planning was underway with PwC, as managed service provider, to identify the most appropriate work streams for them to support in the change portfolio.
 - A UK SBS MoG Programme had been established, with discovery work nearing completion. Projects commenced included ledger creation and reconfiguration, payroll separation planning was underway, and the next steps would involve planning for on/off boarding of new users.
 - The SHARP Programme plan had been updated and SIT and UAT would run through the summer and autumn of 2023, with go-live now planned for April 2024. UK SBS internal planning was being amended accordingly.
- 3.2 The Board discussed the recovery of costs associated with delivering energy payments, estimated at approximately £100k and incurred in the previous financial year. It was noted that successful execution of this project had enhanced UK SBS' reputation with Whitehall stakeholders.
- 3.3 In response to a question on resource and capacity levels, in the context of increasingly demanding Major Change Programmes, RS confirmed that capacity within the business to meet projected demand was satisfactory, however, programme concurrency was noted as a risk.

Action

- **RS to confirm the UK SBS financial allocation for the year 2023-24 with clients.**

4. AUDIT COMMITTEE UPDATE

- 4.1 GM delivered the Audit Committee verbal update and the following points were noted:
- The final result for the 2022-2023 financial year, subject to audit, reflected an overspend of £600k, attributable to lower-than-expected annual leave release, £100k of contractor costs recorded in the previous period, and a £200k reduction versus forecast VAT recovery.
 - The Committee had examined the Corporate Risk Register in depth at the meeting of 18 May 2023, and all Out of Tolerance Risks had been discussed and mitigation strategies noted.

- The Committee had also discussed the Major Change Programmes at the May meeting, and were satisfied with the up to date position on programme planning and implementation.
- The Committee had received progress updates from NAO and Internal Audit, and the 2023-24 audit plan.

4.2 The Board considered their approach to discussing risk. GM noted that risk was covered extensively at Audit Committee meetings. There was a consensus that a Deep dive on risk management would add value, with JC and GM being asked to take this forward as an action.

Action:

- **JC and GM to arrange a Risk Management Deep dive, covering risk management, scenario planning and risk reporting, during the calendar year 2023.**

5. FINANCE, PERFORMANCE AND RISK (SBS 024-23 via PowerBI)

5.1 The Board received the performance report. Each Executive presented the key points of the report relevant to their area and the following points were noted:

- Service KPIs were green with the exception of invoice processing, procurement ratios and contact resolution.
- All Whitehall user forms for BAU had been digitised in the last month, leading to improved user experiences and greater efficiency.
- The Financials were based on an assumption that 2022-23 funding levels would continue in the 2023-24 financial year, in the absence of a confirmed budget for 2023-24, and PO cover for MoG, SHARP and the BOE upgrade was not in place.

5.2 It was noted that tight labour market conditions prevailed for change programme roles, and UK SBS recruitment was impacted by location, public sector pay scales, and funding.

5.3 In response to a question on Finance Service KPIs, LC noted that UK SBS had increased client engagement and the end user experience had improved as a result. RS noted that future process automation under SHARP would necessitate adaptation of the first and second line assurance and audit models.

6. MAJOR PROGRAMMES (SBS 025-23)

6.1 VM introduced the report, noting the large volume of change to be delivered in the next year, and the progress on matters recorded in Annexe A. It was noted that resourcing plans were being developed utilising supplier partnerships, primarily Claremont and PwC.

6.2 It was further noted that SHARP programme replanning had concluded and SIT would commence in late June. Training material and testing scenarios had been developed to enable a smooth transition from SIT to UAT, due in October. UK SBS business readiness for SHARP was improving through a clearer understanding of the change impacts.

6.3 A formal RFI for the MATRIX DMA was anticipated, following a visit to UK SBS by Simplex consultants. Hybrid delivery options had yet to be defined and an opportunity

had been identified for UK SBS to help shape these and provide further input to the programme via the DMA.

- 6.4 The BOE Project Board had agreed a revised upgrade plan to enable prioritisation of rapid MoG delivery, involving a pause of the BOE upgrade work stream after completion of Trial Upgrade 2 in early July, and a revised go-live date of July 2024 to avoid conflict of UAT with the end of Q4 of this FY.
- 6.5 Ledger creation and reconfiguration for MoG would be delivered through August to October. Payroll separation planning was underway with Claremont, with delivery due in spring 2024. It was noted that engagement with impacted departments continued to be a priority and client feedback was positive.
- 6.6 The Board recommended that lessons learned from the SHARP programme be shared with MATRIX, by whatever means the Programme Board found most productive.

Action

- **JA and AH to hold an offline discussion to identify alternative options for changes to the remuneration package.**

MB left the meeting, which was adjourned at 11.30am. The meeting re-convened at 11.45am and it was agreed to lead with Item 10 and then revert to the published Agenda.

10. OWNERSHIP PROPOSALS (SBS AC 029-23)

- 10.1 CD introduced the paper on Ownership Proposals and gave an overview of the proposed changes, noting that they incorporated Option 3 as defined in the paper SBS 017-023 and agreed by the Board at the March meeting.
- 10.2 The Board discussed the proposals, noting the current Owners were supportive, and that the UK SBS governance changes arising from MoG, which the proposals had been designed to implement, had to be approved and implemented before the July Board meeting.
- 10.3 The Board approved:
- 10.3.1 The Option 3 Proposals; and
- 10.3.2 The Annexe documents, subject to Board and Owner feedback, and completion of a legal review by DWF, being:
- Written resolutions of the Company
 - Class Consent
 - Subscription letters
 - Articles of Association
 - Shareholders Agreement

Actions:

- **All directors to provide feedback to CD on the Annexe documents.**
- **CD to update the Annexe documents to reflect director feedback.**
- **GF and LJ to arrange for the Articles of Association and Shareholders Agreement to be reviewed by DWF.**

7. USER EXPERIENCE ACTION PLAN UPDATE (SBS 026-23)

- 7.1 LC introduced the report and highlighted successes in the previous three quarters involving positive client satisfaction and end user scores, staff award nominations, and positive KPI movements.
- 7.2 LC highlighted the next steps under the Action Plan, including monitoring benefits of procurement stakeholder engagement training, due to start in Q1 2023-24, roll-out of the Customer Engagement Strategy and annual customer service training, due in Q2, and implementation of the Tiered Service Delivery Model by the end of Q3.
- 7.3 It was noted that collaboration with PwC for Perform Plus included benchmarking UK SBS operational performance, cost-effectiveness and quality against market peers, and the timeline for delivery would depend on progress with the Major Change Programmes.
- 7.4 In response to a question on customer collaboration with service changes, LC noted this had been positive, however, engagement with end users was more difficult, and would require a culture change within UK SBS towards proactive engagement.

8. MODERN SLAVERY STATEMENT (SBS 027-23)

- 8.1 JA introduced a paper on the UK SBS Modern Slavery and Human Trafficking Statement, noting that UK SBS fell within the scope of the Modern Slavery Act 2015, and had a duty to publish an annual Modern Slavery statement.
- 8.2 The Board approved the 2022-2023 Modern Slavery and Human Trafficking Statement.

9. UK SBS BUSINESS PLANNING (SBS 028-23)

- 9.1 JA introduced the latest draft of the 2023-26 Business Plan, noting updates had been made to the document following feedback from Board members.
- 9.2 It was agreed that the document was a valuable tool for stakeholder engagement, standing behind a high level pitch. The Chairman noted the unique position of UK SBS, being a public sector business services provider, as it would strengthen the sections of the business plan dealing with maturity.
- 9.3 The Board endorsed the Business Plan and noted the document would be presented to the current Owners for approval.

11. UK SBS PEOPLE STRATEGY AND TRANSFORMATION (SBS AC 030-23)

- 11.1 JA introduced a paper on People Strategy and Transformation, noting progress to date on implementation, and outlining the next steps.
- 11.2 It was noted that UK SBS could not avoid a compromise between time and quality in filling roles, and JA emphasised that the strategy gave priority to quality due to the interplay between People and the Major Change Programmes.
- 11.3 In response to questions, JA noted that the strategic objective was for UK SBS to build a reputation for developing its employees, hence the focus on Early Careers and creating a Centre of Excellence for Shared Services Education.

11.4 It was noted that the Board would receive a bi-annual progress report on the People Strategy.

12. NEXT BOARD MEETING

12.1 The items to be considered at the next Board meeting on 27 July 2023 in Caxton House, London, were noted as:

- Major Programmes
- Board Membership
- Business Planning
- Going Concern
- Resourcing Model

13. ANY OTHER BUSINESS

13.1 The Board noted that this would be Nick Sammons' final meeting and expressed their thanks to Nick for his contribution as a non-executive director.

13.2 RS recommended a Board offsite meeting in September.

The meeting closed at 1pm.

A NOMCOM meeting and closed session took place at the conclusion of the Board meeting.