

UK Shared Business Services Ltd

Minutes of the 108th UK SBS Board Meeting held in Polaris House, Swindon, on Thursday 30 March 2023 commencing at 9.30am.

Attending:

Board Members:		UK SBS Executives:	
John Clarke (Chairman)	JC	Crispin Dawe, Chief Finance Officer	CD
Richard Semple	RS	Caroline Jenkins, Company Secretary	CJ
Katrina Nevin-Ridley	KN-R	Liz Creedy, Chief Operating Officer	LC
Louise Mackin	LM	Victoria McMyn, Chief Change Officer	VM
Graham McAlister	GM	John Arnott, Chief Strategy Officer	JA
Nick Sammons	NS	David Walder, CDIO	DW
		Observers / Guests	
		Elaine Tuck, Shared Services Deputy Director, BEIS	ET
		Mark Bussey, Programme Director, SHARP, UKRI	MB
		Akila Ratmayake, Ankura, for item 6 only	AR
		Bobby Sabouri, Ankura, for item 6 only	BS
		Akhlaq Ahmed, Ankura, for item 6 only	AA

Apologies:

Alice Hurrell	AH
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1. WELCOME (SBS 008-23 and 009-23)

- 1.1 The Chairman opened the Board meeting at 9.30am and welcomed all in attendance, with particular welcome extended to LM at their first meeting of the Board.
- 1.2 NS informed the Board that although not conflicted, it was increasingly challenging to wear multiple 'hats', particularly with regard to Matrix items, with further discussion to take place on this under item 6.
- 1.3 JC noted a new declaration of interest in relation to his newest appointment as Chair of Companies House.
- 1.4 The minutes of the meeting held on 31 January 2023 were agreed as a correct record.
- 1.5 The two actions outstanding on the action log would be considered at the May Board meeting.

2. UK SBS CHIEF EXECUTIVE REPORT (SBS 011-23)

- 2.1 The Chief Executive's report was received by the Board and the following points were noted:
 - The Machinery of Government (MoG) announcement since the last Board meeting had created significant change activity for the Company to sequence alongside the already established programmes, however there was an opportunity for UK SBS to expand its client base.

Author: Caroline Jenkins, Company Secretary

Date: 3 March 2023

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- A recent ownership group meeting had focused on governance considerations as a result of the MoG, with further details to be considered later on the agenda. The format and purpose of ownership group meetings had also been considered, with clarification to be provided on the different governance forums, their purpose and membership to remove duplication, offer transparency and ensure they were aligned.
- RS provided an update on the managed service partner and how they were integrating with the Company to deliver discrete work packages.
- Client feedback scores had increased. Further work had progressed on the Stakeholder Engagement Strategy roll out, with culture changes both internally and with clients evident. The second phase of the tiered service delivery model had now been implemented.
- All forms had now been digitalised, with further work underway to automate forms where applicable.
- The recruitment action plan had resulted in an increased number of higher quality candidates applying for roles. The next stage of the plan was to improve the candidate and line manager experience.

Actions:

- **The format, purpose and membership of the governance bodies, including ownership, Board and client forums to be clarified.**
- **A change roadmap to be developed and considered at a future Board meeting, outlining the key milestones to be made against each of the activities, to assist the Board in understanding their progress.**

3. AUDIT COMMITTEE UPDATE (SBS 012-23)

3.1 GM introduced the report of the last Audit Committee meeting, noting the Annual Audit Committee Report to Board at Annex A. A verbal update was provided on the independent NED recruitment. The 2023/24 internal audit plan would be kept under review in light of the MoG.

3.2 The Board received the Annual Audit Committee Report to Board.

4. FINANCE, PERFORMANCE AND RISK (SBS 013-23 via PowerBI)

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

- The full year forecast for BAU RDEL was noted as a £0.1m overspend, with additional funding requested from fBEIS to cover required IT equipment. Some capital project spend had slipped but work was underway to ensure continued funding of the relevant projects in to 2023/24. The Board congratulated the Corporate Finance Team on finishing the financial year close to budget.
- Service KPIs had returned to green. Over £40bn worth of payments had been made by UK SBS in relation to the government energy scheme; the team had been recognised by fBEIS.
- Demand on change alongside BAU activities had put increased challenge on the D&I team. Discussions took place on the client satisfaction scores, particularly in relation to D&I and the roles and responsibilities for delivering the service between UK SBS and UKRI.
- RS provided a verbal update on the one recorded issue and two risks out of tolerance. A cyber security deep dive was scheduled for Board and Audit Committee members on 25 May 2023.

5. ANNUAL GOVERNANCE STATEMENT (SBS 014-23)

- 5.1 CJ introduced the draft Annual Governance Statement (AGS), noting the small number of placeholders throughout the document that were yet to be confirmed. The Audit Committee had reviewed the AGS at their February meeting and recommended it to Board for approval.
- 5.2 The Board approved all current elements of the AGS and delegated responsibility to the Board Chair, Audit Committee Chair and Chief Executive to finalise the AGS once the outstanding details were known.

AA, BS and AR joined the meeting

6. BOARD PERFORMANCE EVALUATION (SBS 015-23)

- 6.1 Representatives from Ankura introduced the report and highlighted the key findings. The following points were noted:
- The Board was generally well balanced with a good mix of skills and experience and attendance. The new independent NED would bring additional breadth of knowledge to the Board.
 - Succession planning for future NEDs to ensure that the right balance of skills and experience continued to be represented on the Board, particularly in light of the recent MoG announcement, was a key activity for the Board to undertake. The need for a skills matrix to help identify gaps and support discussions with potential new shareholders to nominate suitable owner representative NEDs was acknowledged. Succession planning could also be linked to the roadmap of change activity.
 - The role and expectations of the observers was unclear.
 - Thought was to be given as to the conflicts that may arise for owner nominated NEDs between their appointment as UK SBS Board members and their 'day jobs', particularly as major programmes such as the Matrix progressed, and whether it was suitable for them to remain as members of the Board.
 - The Board acknowledged that the Executive team would welcome greater challenge and involvement with development of the Company's strategy; the roadmap of change would allow for transparent discussions and further scrutiny by the Board members.
 - The Executive team to assist the Board members in being able to advocate UK SBS internally in their respective organisations by way of providing suitable collateral and signposting.
 - It was agreed for Board meetings to be extended to allow for deep dives across different areas of the business and sufficient discussion on Board items.

Actions:

- **Clarity on the role and responsibility of the observers on the UK SBS Board to be provided, linked to the action from item 2.**
- **A skills matrix and consequential succession planning for the Board to be considered at the May meeting, with the Board to meet as NOMCOM.**

AA, BS and AR left the meeting

7. RECOMMENDATIONS OF RECENT REVIEWS AND VISITS (SBS 016-23)

- 7.1 VM outlined the summaries of the NAO report government shared services and the subsequent PAC hearing in January 2023 and provided an overview of recent Cabinet Office and Matrix programme visits to UK SBS.
- 7.2 Discussions took place in relation to the Matrix programme, noting the different approaches the programme may wish to take on depending on the option taken. The risks and known challenges were considered by the Board.
- 7.3 The MoG presented an opportunity for UK SBS to grow its client base whilst aligning to the longer-term Matrix programme aspirations, alongside evidencing the Company's agility and flexibility to scale at pace.

8. MACHINERY OF GOVERNMENT IMPLCATIONS (SBS 017-23)

- 8.1 JA introduced the report and outlined the operational impacts and tactical activities underway to support the newly formed government departments and other interdepartmental on-boardings and off-boardings. Consideration was given as to the timing of the BOE upgrade and subsequent impacts it may have on the MoG activities.
- 8.2 Internal resource was being scaled to meet the demands of the change programmes alongside the MoG activities. In answer to a question, it was confirmed that UK SBS had the opportunity to provide relevant input in to the MoG transition boards. Discussions took place on the opportunities, risks and timings in relation to the MoG activities.
- 8.3 The ownership options were considered, with the continuation of the UKRI VAT Group and 'Teckal' principles being the two key main drivers. The Board agreed to progress with Option 3 in relation to ownership as outlined within the report.
- 8.4 Discussions took place on the capacity required to on-board new clients whilst maintaining then sustaining service delivery; it was agreed for a model to be developed to outline how the additional demands of the MoG will be met by scaling resource, highlighting the major variables.

Actions:

- **The resourcing model to be considered at a future Board meeting, to outline how the additional demands of the MoG will be met by scaling resources.**

9. UK SBS BUSINESS PLANNING (SBS 018-23)

- 9.1 JA introduced the latest draft of the 2023-26 business plan, noting that submission to shareholders for approval may be delayed due to the MoG ownership activity. An update on the changes to the client governance forums was provided.
- 9.2 Discussions took place on the opportunity to drive changes and behaviours both within UK SBS and client organisations, linking with the charging model where appropriate, to help instil efficiencies and end-to-end process improvements.
- 9.3 The Board approved the 2023-26 Business Plan and agreed for its use in engagement activities with current and potential new owners whilst changes to governance and ownership were underway ahead of formal approval.

10. MAJOR PROGRAMMES (SBS 019-23)

- 10.1 VM introduced the report. A verbal update was provided on the status of the SHARP programme re-planning, with the risks of delivering the programme by the end of the calendar year not yet known. The potential reputational risk to UK SBS was considered however the lessons were well documented and would be communicated appropriately.
- 10.2 The timelines of the decisions to be made by the Matrix programme were noted by the Board. A new assurance forum comprised of fBEIS, the Matrix programme and UK SBS representatives had been established to feed into the programme.
- 10.3 The timing and scheduling of the BOE upgrade to be considered in light of the MoG onboardings.
- 10.4 An update on transformation activity to be considered at the May Board meeting alongside the People Strategy. In answer to a question, JA provided assurance as to the documentation and processes in place for managing MoGs.
- 10.5 VM presented a set of slides outlining the change programmes underway. The Board were keen to understand the key indicators to show that the activities were progressing as planned and the interim milestones.

Actions:

- **The change programme slides to be updated to outline the key indicators of activity progress and interim milestones, to be considered at every Board meeting.**
- **The slides presented at the meeting to be circulated to the Board.**

11. NEXT BOARD MEETING

- 11.1 The items to be considered at the next Board meeting on 25 May 2023 were noted as:
- Ownership Proposals
 - Business Planning Update
 - Modern Slavery Statement
 - Major Programmes including MoG Updates
 - Going Concern
 - User Experience Action Plan Update
 - People Strategy and Transformation
 - Appointment of the Company Secretary
 - Skills Matrix and Succession Planning (NOMCOM)

12. ANY OTHER BUSINESS

12.1 Company Secretary

The Board noted this would be the Company Secretary's last Board meeting ahead of their maternity leave and wished her all the best for ensuing year.

Board closed at 13.30pm

Next meeting: 25 May 2023

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

Author: Caroline Jenkins, Company Secretary

Date: 3 March 2023

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