

UK Shared Business Services Limited

Minutes of the 114th UKSBS Board Meeting, held in Polaris House, Swindon, on Thursday 28th March 2024 commencing at 09.30am.

Attendees:

Board Members:		UK SBS Executive	
John Clarke, Chair	JC	John Arnott, Chief Strategy Officer	JA
Richard Semple, Chief Executive	RS	Liz Creedy, Chief Operating Officer	LC
Sarah Finigan	SF	Crispin Dawe, Chief Finance Officer	CD
Michele Hughes	MH	Victoria McMyn, Chief	VM
Graham McAlister	GM	Peter Swan, D&I	PS
Helen Mills	HM	Caroline Jenkins, Company Secretary	CJ
Bidesh Sarkar	BS		
David Thomas	DT		
		DWF	
Observer / Sponsor		Gordon Fraser, CoSec service	GF
Mark Bussey	MB		

Apologies:

Katrina Nevin-Ridley	KN-R
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1. WELCOME (SBS 008-24) and (SBS 009-24)

- 1.1 The Chair opened the Board meeting at 09.30 am, welcomed all in attendance and noted that a quorum was present.
- 1.2 The minutes of the meeting held on 25 January 2024 were approved as a correct record.
- 1.3 The Board reviewed the action log. It was noted that all action deadlines up to the date of the meeting had been met, and these actions could be closed.
- 1.4 The Chair declared his interest as a Crown Representative. There were no other declarations of interest in relation to the items on the Agenda.
- 1.5 The Chair reported that Sarah Finigan had been nominated by UKRI to act as a non-executive director of UKSBS, and the Board had approved Sarah's appointment effective from 20 March 2024. The Board approved the re-appointment of Tim Sparrow as a co-opted member of the Audit Committee effective from September 2024. Succession planning for the Audit Committee Chair was noted.
- 1.6 The Chair gave feedback from the recent meeting of the Owners Group. It was noted that observers would be invited from DCMS, the Cabinet Office and the Matrix Programme to attend the May Board.

2. UK SBS CHIEF EXECUTIVE REPORT (SBS 011-24)

- 2.1 The Chief Executive's report was received by the Board and the following points were noted:
- The MoG Programme had seen further successful onboarding of users to the UKSBS service, and was now focussed on payroll separation for Whitehall departments and ALBs.
 - The SHARP Programme go live date was now likely to fall within the period November 2024 to January 2025. Services would continue to run on ROE until migrated to SHARP, and UKSBS would require to source extended Oracle support for E-Business Suite 12.1.3 in the event that go live was further delayed.
 - UKSBS work on the Matrix Programme had continued to progress. Initiatives had commenced on cost transparency, expanding the operation of 'Perfrom Plus' and planning rapid leaning of service processes. HMT approval of PBC2 was expected in early April.
 - Delay in the SHARP Programme had increased the risk of Concurrency of Major Change. This had created an additional resourcing and, therefore, funding requirement. A ROM funding bid had been submitted to the SHARP Programme, and UKSBS resource planning would be refined in response to developments within this and other major change programmes.
 - The UKSBS Partnership Services Agreement (PSA), to which UKSBS, DSIT, DBT, DESNZ and UKRI are party, had been updated to reflect ownership changes and include key items requiring greater focus. The revised PSA had been agreed at working level by clients and would be submitted to client COOs for sign-off.
 - Demand in operations had continued to increase, with user numbers at 26,154 now 14% higher than at the start of the financial year. Operational performance had been strong, with the backlog of BOE HR service requests reduced to normal levels, 'Perform Plus' expanded into the Payroll team, and automation initiatives commenced in the Finance Service.
 - Various updates on the Portfolio of Change were noted.
- 2.2 The Board discussed the lessons learned from the MoG programme, with JA summing up that end-to-end planning, appropriate to the scale of change, and the right data tooling, were key to success. It was agreed that the MoG playbook would be stress-tested with the UKSBS NEDs and client COOs, and presented to the May Board.
- 2.3 The Board noted the planning assumptions contained in the note on Concurrency of Major Change. It was observed that the coming year would see a demand spike which would level off gradually. RS outlined steps which would be taken to generate and deconflict capacity and capability, and these were discussed and supported by the Board.
- 2.4 The Chair and the CEO had met with the Sponsor to discuss the implications for UKSBS of the upcoming spending review. Efficiency, increased collaborative working and realistic financial planning would assume greater importance in the period of the review, and the priority for UKSBS was to have a good story and promote messaging on key efficiency metrics.
- 2.5 PO cover for major change programmes was discussed, and it was noted that UKSBS had no choice but to recruit at risk for Matrix. RS reported that the Executive had taken

account of the Board's instruction only to commence work on receipt of a client's written commitment to funding, as a general policy.

Actions

- **Executive and Company Secretary to schedule MoG playbook stress test sessions for NEDs in May, and client COOs in June.**

3. AUDIT REPORT (SBS 012-24)

3.1 GM presented the Audit Committee update and the the Annual Audit Committee Report for 2023/24. GM gave a high-level overview of audit activity during the year. The Audit Plan for 2024/25 had been approved out of committee once fees had been confirmed. The Committee had reviewed the draft Annual Governance Statement in February, and recommended the draft document to the Board for approval.

3.2 The Board discussed the update and received the Annual Audit Committee Report.

4. STANDING ITEMS (SBS 013-24)

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

- LC reported a strong operational performance since the previous meeting, reviewed the KPIs and noted the themes prevalent in the net promoter score analysis. An action plan was being drawn up with heads of service to address unsatisfactory KPIs, and improvements would be prioritised across all relevant services.
- PS updated the Board on Digital and Information Services, noting the major workstreams and the high volume of work in the period. The Chair expressed a wish for greater clarity on the benefits of network simplification and it was confirmed that these were being documented.
- JA gave a brief overview of People, noting there were no significant matters to bring to the Board's attention, and that absence continued to be strongly related to wellbeing.
- RS presented the Risk report, noted the current issues and out of tolerance risks, and highlighted the linkage between delays in the SHARP Programme and the risk of Concurrency and Volume of Major Change.

4.2 The Board discussed Procurement Services, noting the quarterly user experience report. The Board considered the need for a customer performance page in the report. It was agreed that the Executive would liaise with NEDs to clarify the preferred content and format, and would include customer performance in Board reports from May onwards.

4.3 The Board discussed the Cyber Attack risk, noting that the business deployed evolving mitigations to manage the apparent risk. It was also noted that internal audit of Cyber was being enhanced significantly with the addition of technical expertise. The Board welcomed this development and the Chair noted that future updates on the implementation of policies would be most helpful.

Action

- **LC to update the May Board on resolution of service performance issues.**
- **Executive to include customer performance page in pack from May Board going forward.**
- **RS to ensure appropriate specialist input to UKSBS Cyber audit.**

5. MAJOR PROGRAMMES (SBS 014-24)

- 5.1 VM presented the report, giving an overview of activity since the previous meeting. The high level of activity across the programmes, evolution of new capabilities, and focus on articulation of the benefits to stakeholders were all highlighted, along with the possibility of lifting the change chill in the autumn of 2024 if circumstances proved to be favourable.
- 5.2 The Board discussed the Matrix Programme and noted progress on technical procurement. The possibility of the Programme selecting a non-Oracle platform was considered and it was noted that this had been covered in planning. There was agreement that stakeholder communication and data migration planning were areas where the Programme needed further development.
- 5.3 Further discussions were held on the replanning for SHARP, focussing on UKSBS activity in this connection. MB gave an update on the current position from the Programme's perspective. It was noted that additional resources would be required for SHARP activity, with the adequate resourcing of data migration vital.

Action:

- **Company Secretary to include agenda item on UKSBS Matrix transformation activity for either the May or July Board.**
- **VM to report on development of SHARP data capabilities to May Board.**

6. BUSINESS PLANNING (SBS 015-24)

- 6.1 JA presented the updated draft Business Plan and gave an overview of the maturing document, highlighting alignment with the major change programmes and funding arrangements. The Board were asked to give feedback.
- 6.2 The Board discussed the updated draft Business Plan and indicated they were generally happy with the document. It was noted that an abbreviated version would be produced for stakeholder communication purposes.

Action:

- **NEDs to give any further feedback to JA within the next two weeks; JA to present Business Plan to May Board for approval.**

7. SPONSORSHIP AGREEMENT (SBS 016-24)

- 7.1 CD presented the Sponsorship Framework Agreement and highlighted the most significant updates. It was noted that the Agreement was subject to approval by DSIT and HMT.
- 7.2 The Board discussed the updated Sponsorship Framework Agreement and noted the responsibilities of the Executive and the Owners Group. The Board approved the Sponsorship Framework Agreement.

8. FINANCIAL GOVERNANCE REVIEW (SBS 017-24)

- 8.1 CD gave a brief update on UKSBS' financial position, noting the forecast overspend for the year. PO cover had been received for the majority of BAU and Maintenance Capital spend, and additional PO cover was being sought for non-BAU projects.
- 8.2 CD presented the Financial Governance, Budgeting and Overspend Review, gave an overview of overspend mitigations, Finance transformation activity and budgeting for 2024/25, and noted that the policy of no commitment to material expenditure without a written commitment to funding from the client had been adopted.
- 8.3 The Chair emphasised the need for the Board to have clarity on commitments the business was entering into, and on the funding of UKSBS' priorities. It was noted that improved forecasting at an earlier stage of the financial year would support better financial decision-making, and various steps to strengthen financial governance were incorporated within the updated sponsorship and partnership agreements.
- 8.4 The Board held a full and frank discussion on financial performance, risks and future planning. Several directors drew attention to the erosion of the reserves by losses, discussed escalation of non-payment and emphasised the desirability of a break-even outcome. The Board agreed that budgeting and capitalisation deserved to be treated as separate issues, and should be further considered at the May Board.

Action:

- **Company Secretary to include agenda item on Financial Governance for the May Board.**

VM left the meeting

9. RISK GOVERNANCE (SBS 018-24)

- 9.1 KH presented the Risk Governance update, updating the Board on UKSBS' risk appetite, and the application of risk management policies in practice. It was noted that the Risk Appetite Statement had been approved at the March RASC meeting, and was drafted to align UKSBS with clients' risk appetite.
- 9.2 The Board discussed risk appetite, focussing on the stated Operational and Financial risk appetite ratings. The Board agreed that, following the recent tightening of financial governance, it would be more accurate to rate the risk appetite as Minimalist. It was also agreed to consider risk appetite further in 2024.

10. ANNUAL GOVERNANCE STATEMENT (SBS 019-24)

10.1 CD presented the draft Annual Governance Statement (AGS), noting the placeholders throughout the document that were still to be confirmed. The Board approved the AGS in the form tabled and delegated responsibility to finalise the document to the Chair, the Audit Committee Chair and the Chief Executive.

11. BOARD PERFORMANCE EVALUATION (SBS 020-24)

11.1 The Chair presented the Board Performance Evaluation, noting that the 2023 evaluation process had been facilitated internally. The generally positive findings concerning the Board's performance of its responsibilities were reported, and matters arising were highlighted for consideration.

11.2 The Board considered the Evaluation results and noted the key findings. The Chair would hold further informal discussions in the coming year, with both NEDs and Executive colleagues, to discuss how contributions to Board meetings, and other aspects of Board performance, could be further improved.

Action:

- **Company Secretary to schedule a Deep Dive on dashboard development for the May Board.**

12. NEXT BOARD MEETING

12.1 Items to be considered at the next Board meeting on 23 May 2024 in Polaris House, Swindon, were noted as:

- Business Plan
- Financial Governance
- Dashboard Development

The Chair noted that attendance in person whenever possible would enhance the quality of discussions.

13. ANY OTHER BUSINESS

13.1 The Board discussed the date for a proposed second strategy session and it was noted that a summer event, offsite, was preferable. The Company Secretary was instructed to make the necessary arrangements.

Action:

- **Company Secretary to schedule a Strategy Offsite for the summer of 2024.**

There was no other business and the meeting closed at 14.00 pm.