

ULSTER SUPPORTED EMPLOYMENT LTD

(Company Limited by Guarantee and not having a Share Capital)

Minutes of a Board of Directors Meeting held on Wednesday 27 June 2018 at 10.30
at Hilton, Templepatrick

Present

Mr J Perry	Chairman
Mr T Hinds	Director
Dr G Adams	Director
Mr A Bennett	Director
Ms C Magill	Director
Mr W Atkinson	Chief Executive
Mrs SJ Mowbray	Company Secretary/Head of Corporate Services

Apologies

Mr D Mackay	Director
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1. Conflict of Interest

1.1. The Chair noted a potential conflict of interest, as a Trustee with Gallahers Trust.

2. Minutes of the meeting held on 24 May 2018

2.1. Minutes from meeting on 24 May 2018 were approved.

2.2. Actions from previous meetings were noted as cleared:

- SJ Mowbray has developed a folder to record correspondence between Usel and other relevant stakeholders.

3. Chairman's Business

3.1. The Chair updated members in relation to:

- A meeting between Usel and senior DfC officials which took place on 14 June 2018. Usel had the opportunity to give a tour of the factory and discuss some of the key issues the organisation is facing;
- The Chair updated the members in relation to the outstanding audit query on 'going concern' and additional assurances and documentation required before formal sign-off of Annual Report and Accounts.

4. Chair of ARAC Update

4.1. The Chair advised that there are some outstanding matters to be resolved in relation to the Annual Report and Accounts, which will require some presentational changes.

4.2. The Annual Report and Accounts were approved subject to the minor presentational changes.

5. Chief Executive's Report

5.1. The Directors reviewed the Chief Executive's Report which had been circulated with Board papers. The following was noted:

New Business development

5.2. We have had formal discussions with two new potential strategic partners.

5.3. The first partner is a UK wide retailer and discussions involved developing a circular economy hub in NI for the recycling of white goods. The overall project could result in a need to recycle approx. 12,000 units pa with a target to reuse/resell approx. 20% of the 12,000 units.

5.4. We are currently developing a detailed business rationale, based on trend data provided by our partner organisation. The data is from other similar type projects in the UK and from collection rates within NI, in the previous 24 months. This will allow us to develop a detailed operating model, which will inform our decision making regarding a formal proposal to the potential partner. If our proposal is accepted, we anticipate full implementation by October 2018.

5.5. The second strategic partner is with a large UK charity currently operating across NI. Discussions were in relation to establishing a new and innovative partnership. A briefing paper was provided to the Board and discussed.

AP: A detailed business case/briefing paper to be provided to the August Board in relation to the opportunities outlined above.

Stakeholder Engagement

5.6. As previously advised a project team has been working on the creation of a new integrated management system incorporating process/environment and health and safety accreditation.

5.7. We have adopted a 3-phase approach, having completed the reaccreditation ISO 9001- 2015 in March we are now putting the final touches to our preparation for a full external audit against ISO 14001, with the preliminary audit planned for June 24th. The final stage of the system integration will accreditation to ISO 18001 with a target date of October 2018.

5.8. We held a formal opening of our new Ability Coffee Shop in partnership with the Belfast Trust. The event was attended by a range of senior officials within the Belfast Trust, including Martin Dillion, Chief Executive. The overall feedback on the provision was very positive and the Trust are keen to explore further partnership development opportunities.

5.9. We currently have a range of business case applications with DfC including:

- Business case for new Ballymena site - we have received approval to engage in external professional support and hope to have this process completed by 9 July;
- Business case for pension benefit re-design - we have issued the first draft and have had some feedback from the departmental economist. We have been advised that DfC are seeking approval to engage with an external consultant to review to business case;
- Business case for new fleet - this is currently with the department.

6. Head of Corporate Services' Report

Finance

6.1. The Directors reviewed the summary financial position against budget, for **May**, and noted an operating deficit of £6k. Budget forecast for May was £3k deficit, therefore we are in line with budget.

6.2. YTD we have delivered a deficit of £12k. Budget forecast for YTD position, as at 31 May was a deficit of £8k. This is a negative variance of £4k.

6.3. Any additional clarification requested by Board members was provided.

6.4. An update in relation to the Annual Report and Accounts has been provided by the Chair of the Board and Chair of ARAC.

7. HR

7.1. No significant issues to note.

7.2. A large recruitment exercise has just been completed for the STRIDE programme. There was a strong interest from candidates, across all roles.

7.3. Usel are continuing to engage with its out-sourced HR business partner as required and monitor the contract spend each month.

7.4. Communications to staff continues to operate in line with plan. No issues or concerns have been raised.

ICT & Compliance

7.5. In addition to delivering the ICT Strategy, June activity included:

- Taking the lead on the new office layout – now complete;
- Outside surface upgrade project – now complete;
- Upgrade of carpet and floor surfacing in locker rooms – now complete;
- Recruitment and interview process for new STRIDE staff;
- Overseeing the GDPR process and managing the DPO;
- Removal and recycle/wiping of legacy ICT equipment;
- Development of Invest NI Training Plan;
- Development of internal leadership development course.

7.6. There were no incidences of ICT Breaches to report.

Business Development and Marketing

7.7. In addition to delivering the Communication Plan, June activity included:

- Development of E-Commerce Sales;
- Managing and monitoring a number of Factory Shop promotions;
- Completion of various award entries, such as Social Enterprise and CIM;
- Contributing to the tender for Employment Service for Northern Trust;
- Development of new website;
- Measuring customer insights for factory shop;
- Developing new products design – bedding;
- Conducting interviews for STRIDE recruitment process;

- Attendance at BSL Training.

7.8. Communications to staff continues to operate in line with plan. No issues or concerns have been raised.

Environment, Quality & Health and Safety

7.9. June activity included:

- Reviewing current health and safety arrangements;
- Completing actions from the noise risk assessment;
- Updating the fire risk assessments;
- Completing the handover for production;
- Learning how CPD contracts work and any ongoing facilities issues;
- Reviewing and updating the environmental monitoring spreadsheets ahead of ISO 14001 audit.

8. Action Plan – Triennial Governance Review

8.1. Board members reviewed Usel's Preliminary Audit Recommendations - Implementation Plan and the action taken/proposed by Usel.

8.2. Usel will bring the action taken/proposed to the attention of the Sponsor Branch.

8.3. The Action Plan will be kept under regular review by the Board.

9. GDPR update

9.1. Mrs Mowbray updated the Board in relation to GDPR. The GDPR continues to operate on a monthly basis.

9.2. Mr Bennett asked whether we have received any subject access requests. Mrs Mowbray advised that two requests have been met. The Data Protection Officer was advised and managed the request.

10. Adult Safe Guarding Issues

10.1. No new issues to report.

11. Health & Safety

11.1. Health & Safety forum continues to operate on monthly basis.

12. Balanced Scorecard 2018-19

12.1. The 2018-19 Balanced Scorecard was presented to the Board and has been noted by members.

13. Policies for Approval

13.1. The following policies was approved:

- Draft Procurement Strategy

13.2. Mrs Mowbray advised that feedback from the Department has advised that they are of the opinion that the Draft Procurement Policy v3 is not fully compliant with NI Public Procurement Policy. We have requested specific detail.

14. Risk Management

14.1. The risk register was discussed in full during the ARAC.

New/Emerging Risks

Description of Risk Detail	P	I	PxI	Management Action
GDPR can into force on 25 May 2018. There is a risk of a breach of GDPR	1	4	4	1. An independent, external DPO has been appointed, for three years
				2. A GDPR Committee, with representation across the organisation, has been established to ensure appropriate documentation is completed and adhered to. The Committee will meet monthly until August/Sept and will then meet quarterly

Changes to Existing Risks

Description of Risk Detail	P	I	PxI	Management Action
Risk of not gaining approval for Ballymena site resulting in stifled growth and reduced employment opportunities for people with disabilities or health conditions	3	4	12	Business case in place for approval evidencing value for money; queries resolved promptly; seeking external professional support

<p>The Usel pension scheme deficit continues to grow due to it being closed. Most recent information indicates potential deficit was £7.8m. If not addressed, employer contributions to increase by 10% to 33% (currently 22.4%) just to maintain 12 year recovery plan. This authority remain outstanding. NIAO have identified this as a significant risk to the audit opinion during the audit planning stage. At this stage, NIAO appear to be content that it is not a going concern risk for 2018-19, as changes will not be implemented until 2019-20 (i.e. July 2019). However, this may continue to be a risk in 2018-19 audit.</p> <p>Authority of non-exectuives to act as Trustees requires clarification.</p>	4	4	16	1. Mercers continually review Investment Strategy to ensure it is fit for purpose
				2. Review of current pension arrangements and alternative options for future benefit design. Preferred option has been identified and requires Board approval. Plan would reduce deficit to £2m with a 5 year recovery plan.
				3. Usel formally communicated (6 April) with the Dept around the urgency required for a decision to move this issue forward
				4. Legal advice from the Department has been received, but it is Usels opinion that it appears to conflict with MSFM. Further clarification required. Ongoing discussions are taking place with the Department.

Risks Realised

Description of Risk Detail	P	I	PxI	Management Action
Risk of not obtaining retrospective approval for compulsory redundancy	3	4	12	Business case in place for approval

14.2. The board undertook a review of the full risk register.

15. Any Other Business

15.1. Ms Magill advised that CO3 Governance Awards have opened.

15.2. Mr Atkinson advised the Board that a summer event for all staff is being organised for August, Board members are welcome to attend.

15.3. Mr Atkinson advised that a request for flexible working has been made. The Board noted this was an operational issue for the SMT.

15.4. Mr Atkinson advised that we were starting a formal job evaluation for a number of support roles

AP: Consider the CO3 Governance Awards

16. Date of next meeting

16.1. 29 August 2018