

ULSTER SUPPORTED EMPLOYMENT LTD

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

Minutes of a Board of Directors Meeting

Wednesday 25th November 2020 at 10am

Via video conferencing

Present

Mr W Leathem	Chairman
Mr D O'Hara	Director
Ms J Cowan	Director
Ms C Magill	Director
Mr R Donnelly	Director
Mr R Havlin	Director
Mr W Atkinson	Chief Executive
Mr S Jackson	Head of Manufacturing & Recycling
Mr D Cowan	Head of Employment Services
Mr S Ballentine-Kearns	Company Secretary

Apologies

No apologies.

1. Conflicts of interest

1.1 A perceived conflict of interest relating to the pension redesign for the SMT.

1.2 A perceived conflict of interest was noted by R. Donnelly who has taken up an associate role with SIB NI.

2. Minutes of the previous meeting held on 28 October 2020

2.1 Minutes approved with one change – PANEL from Board.

2.2 Actions completed or to be addressed throughout meeting

2.3 16th December meeting – business plan main agenda item for strategy day. Need to manage attendees depending on restrictions. Plan to do strategy day virtually and postpone to January 2021.

3. Chairperson's Report

3.1 The Chairperson updated Board members on the following:

- Pension forum meeting on 24/11/20. PPF status had been appealed and was successful and granted to us for special status. Liability regarding transition plan, £7.4 million at end of Sept 2020. Transition plan unlikely to progress and will be a part of quarterly assurance meeting on 17/12/20 (Mr Leathem and Mr Atkinson will be in attendance). Mutualisation with debt liability is not a possibility.

- Minister has approved new Board members. Letters of Offer have been issued and if taken up, they will commence on 01/12/20. Induction meeting to be set – virtually, joining us on meeting at 16/12/20.
- Mr Leathem highlighted that this is Ms Magill's last meeting and that there will be a virtual presentation. Gift to be delivered to Ms Magill. Mr Leathem expressed many thanks for Ms Magill's enthusiasm, commitment and expertise that she has brought to the Board and ARAC. All other Board members shared the same sentiments. Ms Magill thanked everyone and reiterated the good work that USEL does.

4. Pension Scheme Update

4.1 within CEOs report.

5. Chief Executive's Report

5.1 Salary Scale Review – a rationalisation and tidy up exercise. Job evaluation and benchmarking to take place if necessary. Presentation slide deck discussed. Mr Donnelly queried if a Job Evaluation system exists. Mr Atkinson confirmed that the pay scales are historic. Multiple Board members requested a copy of current pay scales.

Mr Atkinson to send scales and indicate types of roles within each scale. Point to be discussed in Dec 20. Mrs Foster to send paper for Dec Board regarding proposal.

5.2 Staff Survey Results – very positive, especially given tough year for individuals. Discussed headline figures. Mr Leathem asked about comparatives to previous years and Mr Atkinson confirmed all results are trending positively year on year.

Mr O'Hara noted very positive results. Mr Atkinson noted the tremendous efforts of staff to create a better working environment, better communications and marketing and believes this is portrayed in the results.

Mr Donnelly noted response rate is exceptional and the positivity clearly depicts a happy work life in USEL.

5.3 Resource Resizing – redeployment of 3 staff, 2 staff through compulsory redundancy. Significantly less than originally thought.

5.4 Pension Redesign – discussion of Auto-Enrolment and enhanced scheme. DB pension redesign was started from incorrect place. Savings to USEL will be circa £30k/annum. New proposed scheme would be 4% & 4% EE & ER. Affordability had been a main driver and this has situation has changed over the 2 years since this started.

Mr Atkinson and Mr Ballentine-Kearns to identify what is affordable for USEL whilst still maintaining ourselves as a fair and equitable employer.

Mr Leathem highlighted the £100k cost attributed to this redesign scheme. Mr Atkinson had previously clarified to Mr Leathem that the costs will be 70/30 split being picked up by Department and then USEL respectively. Mr Leathem queried if any changes by us would slow down the process. Mr Atkinson stated that we should await the outcome of the redesign before deciding on where to take this discussion.

Mr O'Hara asked about timescales and when numbers may be available. Mr Atkinson clarified that the DB scheme needs a decision before we address other issues. Mr Atkinson then indicated that the GIA claim for the costs have now been moved to next financial year, meaning there is at least a 4 or 5 month delay before any changes will take place.

5.5 Public Corporation – Mr Leathem highlighted that becoming a Public Corporation may be another option for USEL. Mr Leathem stated the NIHE is an NDPB and Public Corporation, as well as Translink.

Mr Leathem left at 11.30am.

Mr Atkinson gave background to how the Public Corporation discussion came about. Mr Atkinson highlighted the main difference between an NDPB and a Public Corporation (being at least 50% of income being self-generated), which USEL clearly meets. Mr Atkinson indicated that roles would not change in relation to a move to being a Public Corporation. USEL would be required to only report on GIA lines rather than a full breakdown of the management accounts and also would not be required to submit Pay remits, as per FD (DoF) 09/18 (287 Nov 2018) letter. Mr Atkinson highlighted that the Department felt we should still submit pay remits, but this would contradict the advice in the FD letter. USEL also wishes to discuss Delegated Level of Authority limits, e.g. £5k for capital but £30k for production related materials is current situation but if USEL becomes a Public Corporation, we would need to be able to simplify our reporting requirements to Department, including but not limited to Pay remits and, for example, capital spend up to £10k sits with CEO, £10k-£30k under governance from Board.

USELs MSFM will need rewritten as the partnership agreements are not far enough along and we need to have guidelines to work within. Mr Atkinson proposed that we make a decision to become a Public Corporation with the benefits included with it.

Ms Magill queried if the Charitable status would be affected. Mr Atkinson explained how the Resource Consumption Report works. Mr Atkinson explained that a Public Corporation status should give USEL more autonomy than it currently has.

Mr Atkinson will review the Charitable status situation and clarify for Board.

Mr Donnelly stated that the decision is quite a significant one to make. He would like a risk profiling exercise and SWOT as part of a business case with a preferred option. Mr Atkinson explained that this is a structural decision for USEL and the Departments relationship, not one that will affect USEL's business. This classification is more about the Department categorising USEL as a Public Corporation, this is not about a financial gain or loss.

Mr Atkinson to get legal opinion as to what this means for USEL for discussion of December Board.

6. Finance & HR report

6.1 The Directors reviewed the summary financial position vs budget for September. This showed a £32k surplus in the month.

6.2 Mr Ballentine-Kearns gave a summary of the performance in the month and explained our YTS position.

6.3 Budget reforecast from Nov 20 was sent out as part of the Board pack.

6.4 HR – no current long-term illness. Mr Atkinson highlighted that numbers are positive, especially given current climate.

	Usel KPI	Usel October 2020	Usel Nov 19 – Oct 20
<i>Absenteeism rates - short term</i>	3%	2.2%	0.94%
<i>Absenteeism rates - long term (+4 weeks)</i>	2.5%	1.9%	2.67%

7. Transition Plan

No additional points to be made at this time. Until pension redesign is carried out, an update is unlikely.

8. Adult safeguarding issues – to note

No issues confirmed by Mr Atkinson.

9. Health & safety update

Mr Atkinson confirmed we are staying on top of all risk assessments.

One case of COVID in timeframe. Staff wear PPE, are socially distanced, all other staff tested negative and we followed guidelines alongside a deep clean.

10. Risk Management

No changes from ARAC.

Debenture hopeful to be removed through a debenture removal certificate.

11. Bi-annual Statement review and approval

Approved at meeting 25/11/20.

To be sent to Mr Leathem to sign.

12. Draft policies/strategies for:

- a. Approval in November Board:
 - i. Grievance Procedure
 - ii. Working Well Together (formerly Bullying and Harassment)
 - iii. Equality, Diversity and Inclusion

- i. **Change 3.14 “if agreed by parties” to be removed.**
- ii. **Ensure changes to Working well together and not previous name Paragraph 3 of policy statement, duplication for “thoroughly” Harassment & Bullying – change “and” to “or” for definition**

Owners of documents to be amended throughout.

All approved

- b. Review in November Board:
 - i. Stress at work
 - ii. Paternity
 - iii. Data loss prevention

To be approved/amended at December Board.

13. Any Other Business

13.1 Internal audit schedule

Mr Atkinson and Mr Ballentine-Kearns to pull together mechanism for Board to select the 4 areas for internal audit. A meeting will be set for start of December to select this.

No additional AOB.

Mr Ballentine-Kearns, Mr Jackson and Mr Cowan left the meeting and the Board went into Committee.

14. Date of next meeting

16/12/20 meeting request needs to be sent.

Strategy day to be moved to January.