

ULSTER SUPPORTED EMPLOYMENT LTD

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

Minutes of a Board of Directors Meeting

13.30, Wednesday 29 April 2020

Via video conferencing

Present

Mr W Leathem	Chairman
Mr D O'Hara	Director
Mr R Havlin	Director
Ms J Cowan	Director
Ms C Magill	Director
Mr R Donnelly	Director
Mr W Atkinson	Chief Executive
Mrs SJ Mowbray	Company Secretary/Head of Corporate Services
Mr S Jackson	Head of Manufacturing & Recycling
Mr D Cowan	Head of Employment Services

Apologies

None

1. Conflict of Interest

1.1. A perceived conflict of interest was noted for the SMT in relation to the pension benefit re-design.

2. Minutes of the meeting held on 25 March 2020

2.1. Minutes from meeting on 25 March 2020 were approved;

2.2. Actions from previous minutes were noted as cleared or on-hold during the COVID-19 pandemic.

3. Chairperson's Report

3.1. The Chairperson updated Board members on the following:

- Colum Boyle, Department for Communities, provided a response to the Board following the Board concerns raised at the start of the COVID-19 pandemic;
- The 2019-20 Board evaluation process is now complete. There were a couple of issues raised by Board members which will be addressed, such as board composition;
- The Board will complete Board member performance reviews over the next week;

- The Belfast Lord Lieutenant personally commended Usel for the production of “scrub bags” for NHS frontline staff.

4. Pension Scheme Update

- 4.1. The Department advised that approval has been received to proceed with a Direct Award Contract for the actuary. This should enable progress of the pension benefit re-design business case.
- 4.2. The Department provided an action plan and associated timeline, which will be subject to COVID-19.

5. Chief Executives Report

Business Overview

- 5.1. The final month of trading in 2019/20 has been very challenging with the entire business disrupted by the lockdown as a result of Covid 19. This disruption resulted in a number of very difficult discussions with the sponsor department regarding action required to support a positive cash flow position.
- 5.2. These discussions, whilst challenging, have resulted in a level of support from the various departments now being put in place in relation to the various employment support programmes including Workable, Employment Support and Training for Success.
- 5.3. This action by the department has allowed staff to be able to work from home or remain within work with all social distancing measures employed. Usel has also been able to reduce the number of staff on furlough with only café shop and some bedding and retail staff placed on furlough.
- 5.4. Waste and manufacturing for the emergency services sector have been identified as key workers, Usel has therefore tried as much as possible to operate effectively on service delivery.
- 5.5. Whilst several challenges have been mitigated, the biggest challenge is still to come. Financial forecasting has required a radical reduction in direct and indirect costs in a number of areas across the business.

5.6. A restructuring exercise across the various teams is under consideration and was presented to the Board. Redeployment and retraining will be offered where possible, however it will not be possible to provide re deployment for all the staff impacted by the forecast downturn across the wider economy.

5.7. The Board approved the proposal. A business case will be prepared and submitted to the department, seeking approval to proceed.

Debenture

5.8. The Department of Communities currently holds a debenture of approx. £800,000 secured against the Usel site. This debenture is time bound and is due to come to a natural end in March 2021.

5.9. The sponsor department are considering what action, if any, is required to formally close out this agreement either in March or 2021 or sooner if possible.

6. Head of Corporate Services Report

Finance

6.1. The Directors reviewed the summary financial position against budget, for **March**, and noted an operating deficit of £43k. Budget forecast for **March** was £85k deficit, therefore there is a positive variance of £42k.

6.2. YTD a surplus of £159k was noted. Budget forecast for YTD position, as at 31 March was a balanced budget (£nil), which is a £159k positive variance. A breakdown of full year income performance was provided to the Board.

6.3. It was noted that income and expenditure lines were within 10% variance tolerance.

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

6.5. The draft Annual Report was presented to the Board. Ms Magill suggested recent redundancies in manufacturing should be included in the Annual Report. Mrs Mowbray advised that the Report will be updated for the COVID-19 situation.

6.6. Mrs Mowbray presented the revised 2020-21 budget, in light of the COVID-19. It was noted that the budget will be reviewed and amended on a monthly basis.

HR

6.7. The average absenteeism rates for 2019-20 are as follows:

	Usel March 2020	Usel YTD Average
<i>Absenteeism rates - short term-National Average 3% dependant on demographics</i>	1.5%	2%
<i>Absenteeism rates - long term (+4 weeks)-National Average 2.5% dependant on demographics</i>	2.8%	3%

ICT & Compliance

6.8. There were no incidences of ICT or data breaches to report.

7. Chair of Audit & Risk Committee Update

7.1. The Chair of the ARAC provided the Board members an update of the ARAC meeting.

8. ALB Assurance Statement Oct 19 – March 20

8.1. The ALB Assurance Statement was reviewed and approved by the ARAC.

8.2. Board members noted the ALB Assurance Statement and approved for submission to the department.

9. Balanced Scorecard 2019-20

9.1. Board members reviewed the Balanced Scorecard 2019-20 and noted performance for the year.

10. Adults safeguarding issues

10.1. There were no issues to noted.

11. Health & Safety Update

11.1. Mr S Jackson provided the Board an update in relation to H&S.

12. Risk Management

- 12.1. It was noted that the risk register was reviewed in full during the ARAC.
- 12.2. Board members were content with changes discussed and agreed in ARAC.

13. Draft policies/strategies for:

- 13.1. The following policies were submitted for review and approval in May Board:
- Gifts and Hospitality Policy
- 13.2. The following policies were approved:
- Redundancy Policy
 - Business Continuity Plan – March 2020
 - Mental Health and Well-Being Policy

14. Any Other Business

- 14.1. The SMT left the meeting to allow the Board to discuss the CEO job evaluation. Ms Magill also left the meeting. The Board reached a unanimous decision to proceed with the revised CEO job description.
- 14.2. The Board considered the Options Paper and unanimously agreed to proceed with Option 2.

15. Date of next meeting

- 15.1. 27 May 2020