

ULSTER SUPPORTED EMPLOYMENT LTD

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

Minutes of a Board of Directors Meeting held on Friday 5 October 2018 at 12.00 at
Usel, Cambrai Street, Belfast

Present

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

Apologies

None

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 29 August 2018

2.1. Minutes from meeting on 29 August 2018 were approved.

2.2. Actions from previous meetings were noted as cleared:

- Benefits and risks in relation to various business models are under consideration, and will be presented on the Strategy Day (28 November).
- Governance arrangements have been clarified in relation to the potential Business Development opportunity. The update is provided in the CEO's report.

3. Chairman's Business

3.1. The Chair updated members in relation to:

- The Board were saddened to hear of the passing of D Macedo's (former Finance Manager) wife.
- The 2018-19 Business Plan has been formally approved by DfC.
- The Secretary of State is planning to legislate, to give Permanent Secretary's the authority to make public appointments. Timeline for the proposed legislation is early 2019.

4. Pension Scheme Update

4.1. The Chair updated members in relation to:

- The 2018-19 Pension Protection Levy has increased significantly from the 2017-18, due to how the Levy is calculated. The Levy is payable from the Scheme funds. An appeal has been submitted by Mercer.
- The Trustees are awaiting legal advice in relation to the pension benefit re-design business case.

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. Formal communication has been received from our sponsor team that our proposal to secure a new site in Ballymena has now been approved by DfC and DoF.
- 5.3. In preparation for the development of the new site discussions have commenced with the landlord and the various stakeholders/agencies regarding waste licence and planning approval and partnership agreement. A further update will be provided at the Oct board.
- 5.4. It is proposed that a period of test trading of a second factory shop outlet at our Portadown site started in early October. This opportunity has arisen, because of space previously allocated to support a growth on the Workable NI programme now being no longer required. The plan is to grow the volume within our factory shop model, with performance being evaluated prior to a formal launch of a second factory shop.
- 5.5. Discussions with a potential partner regarding a new line of material recycling are in the infancy. The new partner is a European manufacturer who is seeking a partner to recycle a specific material manufactured in Northern Ireland however supplied across the island of Ireland.
- 5.6. Confirmation has been received that Usel have been successful in agreeing a knowledge transfer partnership (KTP) with the University of Ulster. The KTP will operate for a two-year period and will focus on recruiting a product design specialist to support the creation of new products that can be manufactured from recycled materials. There will also be support, to further develop market analysis, with a focus on selling product (Vintage Satchel) into the far east market as a premium brand.

Stakeholder Engagement

- 5.7. Usel have been shortlisted for 3 awards by Social Enterprise NI, the awards showcase the best the sector has to offer:
- Social Impact of the Year
 - Social Enterprise of the Year
 - Leader of the Year
- 5.8. There has been emphasis on the outstanding contributions made to local economy, and of course for rewarding the people and social entrepreneurs with the passion and commitment who drive them.

Charitable Status

- 5.9. DfC have provided us with an update in relation to Usel's charitable status. Following a meeting with the Departmental Solicitor's Office (DSO) to discuss the issues raised with Usel's application for charitable status, DfC Governance have reviewed the articles of Usel and suggested amendments to those clauses highlighted by the Charity Commission as causing issues with Usel's status application and have shared these suggested amendments with finance and sponsorship colleagues in the Department.
- 5.10. The suggested amendments to Clauses 3 & 8 of the Memorandum of Association and Articles 60 & 61 of Usel's Articles of Association have now been shared with DSO to confirm they are content with the proposals and that there are no legal implications of such. Once confirmation is received, Usel will proceed with the necessary actions to amend the articles of association and memorandum of association and consequently resubmit the application to the charity commission.

Capital Support

- 5.11. A recent business case seeking capital support for the purchase of two new 7.5 tonne lorries has been approved by DfC. The support is in the region of £90,000 and will support the continued growth within the wider business both on the recycling and manufacturing business lines.

6. Head of Corporate Services' Report

Finance

- 6.1. The Directors reviewed the summary financial position against budget, for **August**, and noted an operating surplus of £22k. Budget forecast for August was £21k surplus, therefore we were £1k less than forecast, therefore we are in line with budget.
- 6.2. YTD we have delivered a surplus of £22k. Budget forecast for YTD position, as at 30 August was a surplus of £26k. We is a £4k variance, which is largely in line with budget.
- 6.3. Any additional clarification requested by Board members was provided, such as staff costs.
- 6.4. The Annual Report and Accounts 2017-18 have been formally signed by the C&AG and laid in the Assembly.

HR

- 6.5. No significant issues to note.
- 6.6. Usel are continuing to engage with its out-sourced HR business partner as required and monitor the contract spend each month.

ICT & Compliance

6.7. In addition to delivering the ICT Strategy, September activity included:

- Renovation work project in new area of business completed (Woodvale/Shankill)
- Invest NI stage one approval for Skills Growth Programme
- Launch of “Aspiring Leaders” programme for Usel staff
- Assisting in the preparation of the 2017-18, Social Impact Return
- Testing feasibility of a new proposed digital mileage solution
- Installation of new EPOS system for the factory shop opening in Portadown
- Arranging of Financial Wellbeing events for staff
- Update of SAGE 200 across the business
- Co-ordinating arrangements for new office lease for Omagh area.

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

AP: Belfast Business Awards – consider Innovative category in relation to digital mileage solution.

Business Development and Marketing

6.9. In addition to delivering the Communication Plan, September activity included:

- Opening of Portadown Shop – signage, marketing, promotion, stock management
- Developing a job partnership with SSP
- Website Development
- Sustainable Ireland Awards
- Social Impact 17/18
- New products for Factory
- Re-design of Factory Shop traffic/SEO
- Finalising Stakeholder Engagement Strategy

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

Environment, Quality & Health and Safety

6.11. September activity included:

- Working with production on a training plan for industrial sewing
- Delivery of manual handling training
- Organising auditor training for ISO
- Developing some initiatives for National Recycling Week
- Gap analysis in relation to H&S training

Quality & Policy

- 6.12. September activity included:
- Undertaking a health & wellbeing survey to establish some baselines across the organisation
 - The scrutiny inspection report for STRIDE year 2017-2018 also returned a positive result in September with the project receiving Outcome A (the most favourable result).
 - The staff canteen has been successfully moved to the old Woodvale site with the addition of a recreation area, with pool table and a quiet room. All areas have seen quite a bit of use throughout the month and are proving beneficial of many of our colleagues.

7. Action Plan – Triennial Governance Review

- 7.1. Mrs Mowbray updated the Board:
- 12 out of the 15 recommendations have been implemented;
 - One is partially implemented as clarification is outstanding from the Department in relation to the calculation of Usel's Grant-in-Aid;
 - The outstanding recommendations relate to procurement – the Department is currently in the process of agreeing an appropriate derogation for procurement of production items. This will be noted in our Procurement Policy, for approval by Board.

8. Adult Safe Guarding Issues

8.1. No new issues to report.

9. Health & Safety

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

10. Policies for Approval

- 10.1. The following policies were approved:
- Draft Fraud Policy;
 - Draft Fraud Response Plan;
 - Draft – Whistleblowing Referral Form;
 - Draft Smoking Policy;
- 10.2. The following policies/strategies were submitted for approval in October's Board:
- Draft Procurement Policy.
 - Draft Bereavement Policy
 - Draft Mental Health & Well Being Policy
 - Stakeholder Engagement Strategy
 - Finance Manual

11. Risk Management

- 11.1. There was a full review of the risk register, including changes which were discussed during the ARAC meeting.

12. Assurance Statement April-September 2018

- 12.1. The Board reviewed and approved the Annual Assurance Statement.

13. Any Other Business

- 13.1. Mr Bennett provided Board members with an update on the ARAC meeting, including the full review of the risk register.

14. Date of Next Meeting

- 14.1. 31 October 2018