# ULSTER SUPPORTED EMPLOYMENT LTD

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

Minutes of a Board of Directors Meeting

Wednesday 28th June 2023 at 10.45am at Cambrai Street

# Present

Mr W Leatham Chairman

Mr D O’Hara Director

Ms J Cowan Director

Mrs S Wakfer Director

Mr R Donnelly Director

Mr R Havlin Director

Mr S Jackson Head of Manufacturing & Recycling

Mr D Cowan Head of Employment Services

Ms M Hegarty Head of Finance

1. **Welcome and Apologies**
   1. Mr D Duffy sends his apologies.
   2. Mr R Donnelly would be joining at 11am.
2. **Conflicts of Interest**
   1. Conflict of interest noted for SMT with regards discussing the pension, salaries, and honoraria.
   2. Conflict of interest noted for three board members (J Cowan, D O’Hara, and R Donnelly) in the discussion of the legal case who are members of NILGOSC pension scheme.
3. **Minutes of the previous meetings held on 31st May 2023**
   1. **Approval** – few amendments made to the minutes on request of various board members. Minutes approved post amendments. It was also noted that the board have approved the April 23 board minutes post the amendments made via email. April minutes approved to go onto website.
   2. **Matters Arising** – on agenda or action log.
   3. **Action Log** **–** action log reviewed and updated accordingly.
      1. Chair noted HoG are now looking into car allowance policy and car allowance is mentioned in ongoing review of CEO salary. D O’Hara noted big push to remove car allowances across NICS.
4. **Chairman’s Report**
   1. Chairman noted he was very thankful for messages from board and SMT and flowers in relation to passing of his father-in-law.
   2. Chairman provided update in relation to meeting with Beaman’s in relation to Chief executive salary review and noted that it is signed off and ongoing back to department.
   3. Chairman provided update on the Master trust BC which is now with the department.
   4. Chairman provided update on meeting held with J Cowan, S Wakfer and SMT around preparing for the POD meeting on 21.06.23. The meeting was around 2 policies the Temporary Promotion and additional payments policy and the Raising a concern policy. Updated policies are now with Department for review.
   5. Chairman noted that he wished to hold an additional board meeting in July to talk about benchmarking of pension to be able to start to prepare the BC for increasing pension % and also the review of salaries within USEL. Also suggested to spend some time discussing USEL policies. Chairman noted this will be J Cowan final meeting who has decided to not take up a second term on USEL board.
5. **Written procedures**
   1. Chairman noted the Raising a Concern revised policy was reviewed by the POD on 21.06.23 and is now with the department for review. It was noted the Department are**-** going to have workshop with ALBs in September around Raising a Concern policies/process.
6. **Chief Executive's Report**
   1. S Jackson provided an update on the status of USEL’s application for the new building under the Neighbourhood Regeneration Fund (NRF) and noted we may hear something by end of July/start of August. S Jackson noted that the Belfast City council had received a request for a copy of USEL’s completed application form for new building under NRF. USEL have refuted on the basis of commercial information and that it would be prejudicial of ongoing application at this time as it is a live application for funding. S Jackson noted he was informed it will be at councils’ discretion on whether they will share of not even though USEL have rejected. S Jackson noted there is no environmental information included on the application. Board noted that they agreed with refusal.
   2. S Jackson noted that USEL submitted the tender for DMR with NICS, but we have now been informed that the Department are not going to proceed with the tender due to capacity and affordability. Chairman noted that was disappointing as a lot of time and effort had been put into the tender. S Jackson noted business plan has been completed for DMR, which he will share with finance committee and board. M Hegarty noted that DMR had not been included in the budget.
   3. S Jackson noted ongoing legal case now being progressed through insurers solicitors. M Hegarty noted she had included in the board papers correspondence received from Mercers which noted USEL never applied the 2015 changes which was agreed with Department at the time.
   4. S Jackson noted furniture contract has now started and USEL have started receiving furniture to repurpose and potentially resell on as second-hand furniture. S Jackson noted staff are enjoying the work on the furniture contract.
   5. S Jackson provided an update on Health and Safety and noted the H&S team are rolling out education programme for coffee shops which should be completed by end of July. There were 3 accidents in the month which included operative cutting hand on locker, no further action required and a driver offloading mattress, first aid was provided to the superficial cut.
   6. S Jackson noted that at present there is no fire protection on building, due to risks identified by insurers on survey. USEL have used baled materials as a break water to segregate bays for past 7 years and the same insurance company has carried out a survey in June and are insisting concrete Lego block break waters are installed or USEL is not covered for fire. The concrete Lego blocks have to be procured with business case and DAC. S Jackson noted this is a serious risk as we have hundreds of tonnes of combustible material and USEL are not covered by insurance. SMT are concerned at the length of time the DAC takes to get approval in Department and CPD, given the DAC for DocuSign is currently 4 weeks pending approval. S Jackson noted the cost of the concrete blocks is £8k and they could be delivered by Monday as they are likely to be in stock. J Cowan inquired if USEL could lend or buy them second hand. S Jackson noted have attempted and said no and for second hand purposes would still need a BC and procurement. D O’Hara noted one way to reduce the risk is to stop operating completely and to go back to insurance company and ask for some leeway.R Donnelly noted that USEL should be writing to the department to make them aware of the risk, S Jackson noted that he has written to Department informing them of the risk and was told to proceed with following the current procurement processes. S Jackson noted our waste license is tied to these premises and we can’t relocate the operations. J Cowan noted very dangerous to leave ourselves exposed for £8k, have to carry on and go through procurement. R Donnelly noted risk in terms of likelihood and risk given time of year even more business critical, given level of risk should supersede the procurement rules.Chairman noted there are 2 options:Option 1: take the risk and operate with no insurance until BC and DAC signed off. Options 2: Send BC to the department and note, board is very concerned, board suggestion is to go ahead and purchase the blocks so fire cover can be reinstated and deal with approval retrospectively as have done in past, flagging there are serious health and safety concerns. Board agreed option 2, David Cowan to send business case, with foot note board decided need to progress in terms of matter of risk, asking for approval to be dealt with retrospectively and to note only other way to mitigate the risk is to cease operations and send staff home until approval is in place, which would mean wouldn’t be able to service our contracts.
   7. D Cowan noted TFS graduation took place and thanked the board members and Chairman for attending. He noted that USEL have received lots of attention on LinkedIn. Chairman congratulated all staff involved in TFS celebrations and noted it was very well laid out.
   8. D Cowan provided update on Empower and noted USEL have 73 people signed up so far, despite our issues with recruitment of new roles. He noted USEL is sitting at 19% should be at 25% at this stage but it is lower as less ESOs. USEL are the lead partner, and he is confident if get recruitment of ESOs we should hit our number but if DA don’t improve it will pull us down and there will be a risk of clawback of income. D Cowan noted we are yet to receive any empower money, other people have received funds, we haven’t as we are ALB, and the delay is due to a MOU floating around with Department. D Cowan noted partners are struggling and need the funds, he noted as soon as USEL get funds into bank, we can do a faster payment rather than waiting 10 days, board agreed. Partners have asked whether we can give funds in advance however M Hegarty noted C Duff confirmed need a BC to use cash reserves in the ARAC. It was noted S McGlew told D Cowan it was a board decision on whether to use cash reserves. The conflicting advice being received from the department was noted.
   9. D Cowan provided an update on Job start and noted the Department are happy for us to go ahead outside the SLA which has yet to be signed. D Cowan noted unlikely to be any income until July/August, so our budget is down from May in relation to job start. D Cowan noted Job start will help our numbers on Empower.
   10. D Cowan provided an update on MIW and noted we have 16 participants into work against a target of 12. There will be a celebration event held in September and would like the Chairman to say a few words. D Cowan noted there has been a lot of admin and scrutiny from council for the £57k and Labour market partnerships were meant to be stalled in July as part of the Department budget cuts but they are now ongoing, however USEL are unlikely to go for anymore.
   11. D Cowan provided an update on the Bally Copeland SLA and his meeting with HED who said they have no money to contribute to a loss. HED wanted us to sign up to a 3-year deal but have now asked us to sign up for 12 months with a 4 week get out clause. D Cowan has suggested, given we have staff working there, will let it run until end of November and assess where we are and decide if we should give notice to terminate from 1 April 2024. Over summer hours are increasing to 7 days and will be carrying more tours from 1st July so income will be higher over summer months. Board agreed with this approach.
   12. D Cowan noted recruitment at USEL is still ongoing and we are still finding it tough to fill roles, interviewing next week.
   13. D Cowan noted the Lord mayor officially opened the Ability café at Belfast castle. This has been a good news publication with UTV and Belfast Telegraph picking it up. Chairman congratulated all staff involved.
   14. D Cowan noted no safeguarding issues to report.
   15. D Cowan noted received letter from Department confirming budget allocations, hasn’t changed GIA allocation from budget that board signed off previously.
7. **Finance report**
   1. M Hegarty provided board with update of May’s performance and noted that we are behind budget by £19k YTD. Sales were down across several areas, but costs were also down. It was noted that the cafes performed well in May as a result of the good weather and 3 bank holidays. M Hegarty noted that Empower income has been accrued based on the budget, as no actual income has yet to be received.
8. **HR KPIs**
   1. KPIs noted and reviewed by board.
   2. J Cowan noted we have HR KPIs but inquired how the information is demonstrating whether we are meeting them or not. D Cowan noted it is a traffic light system with the colour coding.
   3. J Cowan noted number 7 really refers to employee relations and should be around disciplines or grievances rather than LTS. M Hegarty to ensure updated going forward.
9. **Risk Register/Management**
   1. Risk register was noted and discussed as part of ARAC update below.
10. **Any Other Business**
    1. POD took place on 21.06.23. J Cowan provided an update:
       1. POD reviewed 2 polices – revised raising concern and revised temporary [promotions and additional payments and noted that S McGlew from the Department joined the discussion.He asked for previous assurances that additional payments are being examined and noted Department have asked to review past acting up payments over previous 3 years and whether there were payments made prior to the policy.
       2. POD also discussed employee resourcing issues and looked at the merits of taking part in the interchange scheme. The pros and cons of this to be further discussed in August meeting.
       3. No employee development issues were noted.
       4. POD received an update on job evaluation of salary posts and noted there is a meeting with Beaman’s tomorrow. D Cowan noted this is a free consultation with a view to getting a quote to forward to department.
       5. Signed off additional payments for additional duties.
       6. POD noted that as part of the feedback from the staff survey there has been a suggestion around introducing flexitime scheme. POD have suggested bringing back TOIL policy rather than introducing flexitime scheme. M Hegarty noted unlikely to get toil approved by Department. S Jackson noted previously used a code on TMS for TOIL and it was operationally run and approved by managers/senior managers. D O’Hara noted is it open to abuse. D Cowan noted it wouldn’t be widely used only at busy times when there is a business need for additional time. Board agreed to reinstate TOIL as long as managed and authorised by senior managers. ICT to add TOIL back into TMS so that it is separately recorded, and the authorisation process and trail is in TMS.
    2. ARAC took place on 28.06.23, D O’Hara provided an update:
       1. Risk register was discussed, and changes proposed to upgrade risk around business continuity to 25, downgrade ESF risk to 3 and 3 and rename to pre employment programmes, remove the pension risk. D O’Hara noted there is a special meeting on 27.07.23 around the fraud risks and noted there were 2 new risks added around procurement and recruitment/retention of staff. Board approved the updates to the risk register.
       2. EQIA report and IQA was discussed, and it was noted, sponsor branch are going through their own audit and anticipate recommendations will come to ARAC.
       3. Noted that department are looking to discuss the pension deficit payments being included in the resource calculation alongside the level of USEL cash reserves.
       4. External audit was discussed and noted the delay.
    3. Change of Circumstances for additional payments for BH and PP were discussed as it was agreed at POD that change of circumstances should be signed off by CEO and then the board for any additional payments/temporary promotions.
       1. BH – D Cowan noted she undertook additional training to be able to have the qualifications to perform the quality assurance role, USEL were currently buying the quality assurance services in. This is more responsibility for BH to do so, It’s not a short-term promotion, its additional duties.
       2. PP – Taking on additional responsibility for period of 6 months as we cannot get IT manager externally.
       3. Department had asked that no new additional payments took place without advising them. Board happy to approve and sign off. M Hegarty to add onto 3-year listing of additional payments and send password protected to D Cowan to send to Department.
    4. The listing of the additional payments made in the last 3 years to staff was presented and it was agreed that board members are to review and come back to D Cowan with any comments. D Cowan to send to Department on Monday. Chair noted we have already flagged drivers to department. S Jackson noted there is another driver job advertised at present in market at a higher hourly rate, we will lose our drivers if we cannot compete. Board noted D Cowan to send reasons why drivers paid to department. Ask department to review and get their feedback ahead of July board meeting.
    5. Pension scheme update from Donaree was discussed and noted her email was noticeably clear and pension liability is now a surplus.
    6. Accreditation for ISOs was noted Chairman congratulated all staff involved in that.
    7. Chairman thanked S Jackson for acting CEO for the past 4 months and noted S Jackson and D Cowan have now completed their training for accounting officer. Chair noted D Cowan is now taking over as acting CEO and accounting officer from 19th June.
    8. Chair noted Board evaluations are due and chairman will be reaching out over next month to board members to get dates in the diary, Joan’s to be completed before end of July.
    9. Chair notified replacement for Joan to Department and are undergoing the process for recruitment of board member. Department to check if anyone on reserve list but over 12 months. Governance wouldn’t be keen to run for 1 post, but Chairman noted USEL is a small board and we have committees we need to fill so need the post filled. M Hegarty to record resignation on Companies house as Official date 31st July.
11. **Date of next meeting** – 26th July 2023