# ULSTER SUPPORTED EMPLOYMENT LTD

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

Minutes of a Board of Directors Meeting

Friday 24th March 2023 at 10.15 Teams Meeting

# Present

Mr W Leathem Chairman

Mr D O’Hara Director

Mrs S Wakfer Director

Mr S Jackson Head of Manufacturing & Recycling

Mr D Cowan Head of Employment Services

Mr R Donnelly Director

Ms M Hegarty Head of Finance

Mr R Havlin Director

Mrs J Cowan Vice Chair

1. **Welcome and Apologies**
   1. D Duffy apologies noted.
2. **Conflicts of Interest**
   1. None noted
3. **Purpose of meeting**

W Leathem noted the purpose of the special meeting was to review the proposed budget for FY23.24, which has been revised from the previous version signed off by the board in January 23.

1. **FY22.23**
   1. W Leathem noted that the department have indicated that the pension deficit business case has been rejected.
   2. M Hegarty and S Jackson gave an update on their meeting with the sponsor branch on 22.03.23 around the treatment of the £75k shortfall payment for FY22.23 and FY23.24. It was noted that we have been told that the £75k cost is not allowed to be included in the GIA calculation which will therefore increase our underspend by £75k and reduce our cash reserves. M Hegarty noted the concerns implications of this for future years where the shortfall payment rises to £300k pa. W Leathem asked M Hegarty to prepare a note around the £75k for him to raise with Department.
   3. W Leathem noted there is an accountability meeting with the department next week. M Hegarty to join.
   4. R Donnelly asked whether we could use the surplus to pay off pension deficit similar to what has been done in previous years. M Hegarty noted that we had asked the department this and had been told yes verbally but then when asked in writing we were told no. W Leathem noted the mixed messages that SMT had been receiving from sponsor branch.
2. **FY23.24**
   1. M Hegarty presented slides on the FY23.24 budget which explained the changes between the version signed off in January 23.
   2. D Cowan updated the board on two potential opportunities which are no longer opportunities:
      1. Department of Health £200k – the process has been closed, due to volume of applicants. D Cowan is attending a meeting with CO3 around this and will provide a further update to the board.
      2. Malone house café – with rising costs and moving to RLW, D Cowan felt not the right time to open another café as wouldn’t be making any money on it. S Jackson noted that the previous commercial review recommended that USEL should open more coffee shops. D Cowan noted that this was at a time when vat was only 5% and before wage costs of RLW.
      3. D Cowan noted there is a 3 year SLA being presented at the next board meeting for BallyCopeland. It was noted that the current draft asks USEL to share profits over £10k but does not comment on losses.
   3. M Hegarty noted that there remains uncertainty of what level of GIA USEL will receive in FY23.24 and there is also uncertainty around the timeline of when we will know.
   4. M Hegarty noted that if we get our current GIA we are projecting a deficit of £611k.
   5. M Hegarty noted that if we get shared prosperity it will impact the budget. D Cowan provided an update on shared prosperity timeline.
   6. M Hegarty noted that if shared prosperity is successful, it would reduce the deficit. USEL have asked for additional GIA of £120k to cover the legal requirement to pay £10.42 from 1 April. If we got this as additional GIA (more certain as legal requirement) then it would basically mean we would be breakeven, with a small surplus.
   7. R Donnelly noted that other ALBs have been asked to make savings of 10-15% and cover NLW themselves. M Hegarty noted we have had no indication from department to do scenarios around cost cutting.
   8. M Hegarty presented the rest of the slides demonstrating the movements in the budgets noting that the furniture contract has now been added along with job start and increases to café sales. M Hegarty noted additional roles that have been added and the need for these roles.
   9. The board approved the new budget for FY23.24.
3. **Any other business:**
   1. S Jackson noted that department have confirmed that USEL meets the test for subsidy control and state aid has been addressed. S Jackson noted sponsor branch stated USEL was established to fulfil a need for government policy.
   2. W Leathem provided update on ongoing interim arrangements. W Leathem noted the department have signed off on accounting officer being in place for 3 months at a time if required.
   3. Chairman thanked everyone for attending special board meeting and noted board meeting on Wednesday 29th March is from 10.30 to 13.00 and ARAC 9.00 – 10.30.