

Meeting Minutes

Board Meeting

When: 27 September 2018

Where: Meeting Room 1, Watson House, 54 Baker Street, London, W1U 7EX

Present (Board)

- Paul Burstow, chair
- Alex Fox
- Bev Searle
- Katie Brennan
- Ossie Stuart
- Peter Hay
- Rachel Armitage
- Sean Holland

In attendance

- Tony Hunter (Chief Executive)
- Stephen Goulder (Company Secretary)
- Ewan King (Director of Development and Delivery)
- Michaela Gray (Executive Assistant) – minutes
- Carmen Colomina (Staff Representative)
- Amanda Francis (Buzzacott) – for Items 1 and 2 only
- Pete Fleischmann (Head of Coproduction – for Item 7 only)
- Kate Pieroudis (Coproduction Development Manager – for Item 7 only)
- Laura Able (Coproduction Steering Group – for Item 7 only)
- Matt Langsford (Coproduction Steering Group – for Item 7 only)
- Kath Sutherland (Coproduction Steering Group – for Item 7 only, via Skype)
- Larry Gardiner (Coproduction Steering Group – for Item 7 only)

Apologies

- Annie Hudson
- John Evans
- Sue Gower
- Mary McKenna
- Sally Warren

Apologies and welcome

1. The chair welcomed members to the meeting and noted apologies.
2. The chair reported that in order to enable Amanda Francis to attend the board to report on Buzzacott's audit of SCIE's annual accounts and financial statements 2017-18, that item will be considered at the start of the meeting. The private board would take place at 12.35pm.

Annual Report and Accounts 2017/18

3. The chair welcomed AFR and asked her to present Buzzacott's report on SCIE's annual report and financial statements 2017-18. AFR confirmed that the document for the board to approve is the document containing figures to the 31 March 2018 which will be filed with the Charity Commission and Companies House and is a public document. Page 2 is to inform people who may not know about SCIE what it does, and page 3 provides names and contact details for the people responsible for the organisation. The trustees report is a narrative report about SCIE's objectives and how the charity is governed. It talks to two key areas of work – delivery and supporting programmes, and SCIE's objectives and how it has achieved them.
4. AFR stated that the auditor's report is an unqualified clean report. It confirms that SCIE is a going concern.
5. AFR explained the income and expenditure for 2017-18, the balance sheet for the same period, and the events that have led to the movements between 2016-17 and 2017-18. She also explained that the pension's deficit is not material to the judgement of SCIE as a 'going concern' and, that SCIE's responsibility is to meet its annual ongoing annual payments.
6. BS stated that the annual report and accounts were discussed at the audit and risk committee in detail and, as chair of the audit and risk committee, she was happy to recommend that the board agree the annual report and financial statements.
7. AF queried the pensions charge on page 22 and asked if this is a yearly charge. AFR directed AF to note 6 on page 30 which shows the pensions contributions, and added that each year the actuary recalculates, with a triannual review taking place every three years.
8. The chair asked if the board approved the accounts and financial statements, and letter of representation. The board agreed.

Minutes of the Board meeting of 19 July 2018 and matters arising

9. The minutes were agreed.

Chief Executive's report

10. TH spoke on recent approaches to SCIE from the chief executive of Surrey County Council, and the Children's Director in Jersey – regarding working with SCIE as a long term improvement partner.
11. BS stated that the role of improvement partner was welcome.
12. AF queried if this would be a substantial change to SCIE's way of working, or if it would be more about marketing our work.
13. PH noted that "improvement partner" is a term used by DHSC in terms of intervention, and added that the risk is that SCIE could be hitched to other people's measures of improvement. PH stated that we need to think through how it features as part of SCIE's work and focus on sustainability.
14. BS noted that the biggest risk for most providers is the workforce, SCIE may wish to consider an offer on that. TH replied that staff engagement is a key strand of the work in Jersey. TH added that regarding organisational development, it has always been about what works in practice so it's about broadening that.
15. RA suggested that one way of mitigating that risk would be to clearly define SCIE's offer, so success would be dependent on how well an organisation worked with and applied our resources. TH replied that it would be an approach to working with an organisation, and achieving what is needed in an appropriate timescale. TH added that we are already doing work which ties us to the success of other organisations, such as BCF and the local system reviews.
16. CC suggested that "advisory" might be better in terms of a partnership offer, as "partner" implies making decisions together. OS agreed and stated the risk of work being perceived as something SCIE is doing and added that we need to be realistic about how we manage this.
17. PH suggested having a 2-5 year agreement in place as the improvement agency market is very crowded and tends to be short-term with a focus on immediacy. We would need to think about what we would want places to look like afterwards, and what our break clauses would be.
18. TH further reported that DHSC are keen to move from grant funding towards competitive tendering, and as part of this they have asked for a breakdown of core funding required. SG noted that our position would be that a large portion of our grant funds our core work, and added that we already compete for work so our non-core work amounts to about 10% of our grant. SG noted the risks around the length of time needed for DHSC to take decisions, how those decisions are made, VAT, and the potential financial impact.
19. The chair noted the importance of understanding costings as some work may only cover overheads.

20. The chief executive's report was agreed.

Audit and Risk Committee report

21. BS gave her report, including the the review of risk appetite. For most organisations, their risk appetite is often lower than their risk tolerance. That is to say that there is a tendency for organisations to be risk averse. Whilst risk aversion can be a justifiable approach to the work of a charity, it becomes an issue if the organisations strategy requires a more risk taking approach. Therefore the key question for the ARC, and board, is whether SCIE's strategy, risk appetite, and risk tolerance are aligned.

22. The ARC therefore proposed that the review of risk appetite should:

- Involve staff to prepare a provisional statement of risk appetite.
- Lead to the preparation of a statement of risk appetite to be considered by the audit and risk committee at its meeting in November.
- Be completed by a discussion at the board that would both consider the work completed by SCIE and also contribute their own view-possibly as part of the board away discussions in January 2019.

23. Consideration could then be given at the board away day of the board's appetite for risk against its emerging plans for 2019-20.

24. SG noted that the reserves policy will be considered by the ARC at their November meeting but added that there are wider risks to consider around governance.

25. OS asked if the discussion was about different types of risk. The chair confirmed that it was and it was also about how we view them.

26. RA noted that her organisation has developed its own model with a scale of 1-10 including things like reputation, brand, compliance, culture, and partnerships, then asked key stakeholders at the Board to score. RA emphasised the need for it to be simple.

27. The chair noted that we need to think about what risks are involved and balance financial risk with quality and standards. The chair added it is more about our brand, reputation, and values. BS agreed and noted that it is common for partners to carry out risk assessments of association. OS also agreed and noted that he has worked with organisations where not everyone has bought in which results in being unable to make a difference. OS also added that we need to make sure that staff are properly supported.

28. The board agreed the approach to review of risk appetite and also asked the ARC to review its ToR to confirm that they reflected the importance of risk assurance.

Performance report

29. SG and EK presented the performance report.
30. SG gave a brief overview of changes between won work and likely work since July. The changes are due to a reduction in available funds from BCST, and income from the WWC being lower than expected. SG added that other opportunities are looking positive e.g. Surrey, Jersey, and Hampshire which have yet to be confirmed.
31. SH suggested doing an exercise to look at the criteria for opportunities deemed highly likely and what the hit rate is. The chair agreed this could be useful to look at in the audit and risk committee meeting.
32. EK noted that progress on small scale opportunities of under £20k showed growth due to investment in sales expertise. He also noted the trend around accelerating growth mirrors the position from earlier this year, with the children's offer not as clearly defined. We now have three new children's social workers, and we have convened a group to think through our offer.
33. SG noted that other opportunities will emerge but as at the end of September based on what we know, commercial income is projected to be £2.35m at 31 March 2019, compared to a target of £2.75m. Looking at income and expenditure projection, we should end the year with a deficit of £235k which is within our reserves policy although the position must be monitored.
34. SG gave an overview of the dashboard and noted that it now reflects the issues raised at the previous board. The income pipeline is now shown graphically and populated with real numbers. Customer conversion rates are shown with a month by month comparison.
35. SG proceeded to summarise the Risk Register. BS queried if Item 8 should be Green. SG responded that this is in comparison with other organisations and is rated Yellow because of uncertainty. TH agreed the need to be vigilant.
36. OS asked if the register could be clearer and less wordy. SG agreed this could be reviewed.
37. RA queried whether risks should remain the same colour after mitigating factors are applied. SG responded that this would be an element of judgement and could be discussed in more detail at the Audit and Risk Committee meeting.

SCIE Co-production strategy

38. TH welcomed members of the Steering Group and introductions were made.
39. PF gave a presentation with an overview of Coproduction's current position, and KP summarised new areas of work.

40. KB stated she was interested in understanding more about partnering and getting feedback at scale and how this was being developed.
41. LG gave an overview of work with Oxfordshire, noting that prospective engagement was begun by him 3-4 years before involving SCIE. Following that, scoping took place and work was subsequently scaled up. LG noted this was a system wide endeavour, assisted by PB. LG felt that there are now several products which can be packaged, and that other organisations do not have that USP.
42. BS stated that coproduction needs to be embedded in everything we do, and we must think about how we demonstrate that value and impact. BS added that this should not just be the financial impact but also a link to quality and value.
43. LG noted that it may be possible to build on existing links to the NHS. KS added that when coproduction is being practiced, it is always seen as common sense and that sometimes we forget to sell or expand it as well as we could. KS also added that managing that is not easy, and it's about individual solutions to complex issues. It can be difficult to get across why that is important to people's lives and to save money. KS highlighted the need to sell ourselves better.
44. LA stated she came and observed the previous board meeting and added that boards can quite often be aloof from the organisation. LA felt it would be good if there was more intermingling, e.g. at Away Days and this may result in better communication and quality.
45. ML felt that SCIE is missing a trick externally speaking as it is hard to find anything online to show people. ML added that data from the Coproduction Network could be used more effectively.
46. TH stated this item would come back to the next board. The chair agreed and added that thought should be given to the next board away day and inclusion of Coproduction.

SCIE's digital presence: marketing and commercial developments

47. EK stated that at the previous board, the issue of how we develop our digital products was discussed. We decided to look at a subscription model as part of that. We are coming to the view that a subscription model may not work for us but there is more to do around videos, webinars, and a planned series of short films in terms of sponsorship.
48. OS suggested that podcasts are very easy and added that SCIE has a lot of stories to tell around how we achieve complex things, and that could include coproduction. OS has been asked to speak about how technology helps people with disabilities and that is a huge conversation SCIE could be a part of. RA agreed and added that podcasts do reach a different audience.
49. RA stated that if longer term relationships with other organisations are being looked at, there is no reason it would not be possible to build in a subscription or membership model and it may not be necessary to develop new things to do so.

50. OS stated that if there is a subscription offer, this should be separate content rather than denying users access to parts of the website. This was agreed.

51. The chair thanked the board for useful feedback and confirmed that the board agreed use of adverts on context of the discussion.

Board annual agenda plan

52. The board annual agenda plan was noted.

Any other business

53. There was no other business.

Date of next meeting: 29 November 2018

Approved: _____

Name: _____

Position: _____

Date: _____