

UK Space Agency Steering Board

Board strategy and succession planning

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Purpose

The purpose of the UK Space Agency Steering Board is defined in the Framework Document agreed with the BEIS Departmental Sponsor (March 2016) and amplified in the Terms of Reference (May 2018). The Steering Board has a dual function. It advises Ministers, and it also provides advice and guidance to the Chief Executive and executive team. It has no executive function.

The Steering Board Chair is responsible to the named Minister for formulating the Board's strategy, providing advice to BEIS on the balance of skills on the Board and ensuring the effectiveness of the Audit Committee.

The Chief Executive is responsible for advising the Steering Board on the discharge of the Agency's responsibilities, Agency performance and ensuring financial considerations are fully taken into account.

There is good reason to reconsider Board strategy and balance of skills now:

- There is growing Ministerial aspiration for what the UK can do in space, giving greater ambition and expectation of the Agency;
- A structured audit of the governance landscape across the Agency is underway including a review of the various Programme and Advisory Boards and independent membership of these. The Agency is also working with the BEIS Departmental Sponsor on future potential developments of the Framework Document;
- An Agency wide transformation programme has been setup, to address management challenges caused by rapid growth since Agency inception and prepare the Agency to be more adaptable for the future, as determined by the new National Space Council and Strategy; and
- Three of the Non-Executive Members (NEMs) complete their terms of appointment during 2020 and a further one in 2021. A single recruitment campaign for their successors is being prepared by BEIS.

Key messages

- We need to build greater mutual trust and understanding between NEMs, the Agency executive team and the BEIS Departmental Sponsor, to improve governance and enhance the performance of the Agency.
- We benefit by opening the Board up to a wider set of skills and advice and by participating in the BEIS Open board mentoring scheme; and
- We will add an additional and joint Board and Audit Committee meeting into our annual programme to focus on strategy and design of the corporate plan.

Board strategy

Context

No written Board strategy has previously existed and a formal review of the effectiveness of the Steering Board is overdue. It has previously been agreed to delay this review because of the substantial changes in the Agency over the last 3 years and the scheduled change of Chair which took place in May 2019.

BEIS and the Agency agree it is not the right time to change the Framework document or the Steering Board terms of reference, but, nevertheless, there are opportunities to improve what we do, how we do it and how we work together, even if we leave responsibilities and reporting as they are for the time being.

Nothing in this strategy or succession plan is intended to require change to the Framework document.

Five strategic principles

1. **The Chair and Chief Executive will work together to build a strong spirit of mutual openness, trust, confidence and respect between NEMs, the Agency executive team and the BEIS Departmental Sponsor.** Understanding and respecting each other's roles and responsibilities is key to building trust between us and effective governance of the Agency. The Chair and Chief Executive are focused on creating the right conditions to ensure that trust develops, that there are no surprises between the parties and we maximise the benefits that NEMs can bring.
2. **We will re-establish a clearer delineation of the business to be conducted by the Steering Board and Audit Committee.** This will enable us to cover all responsibilities efficiently and effectively.

Highlighting the responsibilities set out in the Framework document:

The Steering Board:

- Will focus on strategic considerations, leaving governance of operational considerations to the Audit Committee.
- Is responsible to Ministers for providing advice (generally through the DG of the BEIS Departmental Sponsor) and reassuring BEIS that effective governance arrangements are in place;
- Is responsible for advising and guiding the Chief Executive and executive team on the development of the organisation, the capability needed and its relationships across government, with industry, academia and space agencies internationally;
- Will scrutinise and endorse the Corporate Plan on an annual basis.

The Audit Committee

- Will focus on operational considerations, monitoring the Agency against the Corporate Plan;

- Reports to the Steering Board at each meeting so critical risks or systemic issues can be considered (deeper dive) or, if appropriate, escalated to Ministers;
 - Is responsible for monitoring and advising the Agency Chief Executive and executive team on key operational issues of risk exposure, appropriate use of funds, balance of inhouse and outsourced services and allocation of resources;
 - Will scrutinise and endorse the Annual Report, responsible specifically to the Agency Chief Executive, and review and challenge the Audit Plan.
3. **We will make better use of the system of programme and advisory boards that exist across the Agency.** The risk and performance team integrate risk registers and reporting of programmes and BAU activities. This will strengthen as the Agency matures its approach to portfolio management. However, there is network of independents and advisors who sit on programme and advisory board who could collaborate more to add a better level of interpretation and meaning to the advice and assessment that the Steering Board and Audit Committee provide.
 4. **We will add in a combined Steering Board and Audit Committee meeting per year to consider Agency strategy and Corporate Plan, starting FY 2020-21.** This additional meeting will bring all Independents on the Steering Board and Audit Committee together with the wider executive team and BEIS Departmental Sponsor at the right time of the year to focus purely on organisational strategy and corporate plan. Other strategic advisors, independent members of specific programme boards may be invited to contribute. This would not involve GIAA or NAO, unless there was a specific need.
 5. **We are committed to the continuous development of the Agency governance capability, as this is key to the quality of assurance that the Steering Board and Audit Committee can provide.** The governance team sits at the heart of governance activities in the Agency, pivotal to the performance of NEM's, the executive team and relationships between the Agency and the Sponsor Department.

We want the Agency's governance team to be well connected with the BEIS governance team, to have opportunities for professional development and application of common processes. There is best practice to learn from and expertise to lean on which the Agency can benefit from. Our aim is for the board and audit committee to operate to best practice and always have the full confidence and respect of the department and the Agency.

Succession planning for NEMs

Current membership and rules

The Framework Document says:

- the Steering Board will consist of the Chief Executive, SIRO, BEIS DG or their representative, and 4 independent members, including the Chair, with an appropriate balance of skills and experience;
- the Audit Committee should be chaired by an independent member;
- the Chair and independent members are appointed nominally for a period of three years by the responsible Minister.

We currently operate with 4 NEM under the terms of the framework document made as Ministerial public appointments and one extra unremunerated NEM supporting the Audit Committee - this is recognised in the Steering Board terms of reference. We have recently appointed a Board Mentee, under the BEIS Open Boards, Board Mentoring Scheme. Details are provided in Annex A.

The experience we need

NEMs (Steering Board and Audit Committee), the Agency executive team and BEIS Departmental Sponsor have been consulted about the experience we need.

Overall

The team of NEMS need to have sufficient experience to make a realistic appraisal of what is required for a civil space agency to deliver against high Ministerial ambition, operating inside BEIS, as well as provide independent advice on how space policy, regulation and delivery of programmes could develop, as the Agency transforms and requirements from the National Space Council become clearer.

In the light of ever growing aspirations and expectations from Ministers, industrial and academic groups, NEMs need sufficient experience and credibility to challenge embedded Agency thinking, seek evidence based and data-led decision making, be realistic about capability and capacity in the Agency, robust in testing the executives beliefs about performance, and able to support the executive team to develop and grow.

Essential requirements

1. **Senior experience across the space sector.** We need global as well as national perspective of both traditional and new space. Individuals with international respect and credibility and enough objectivity to gauge the likely impact of strategic, policy, regulatory and investment decisions.
2. **Knowledge and understanding of Whitehall and a respected independent voice.** This is crucial to help advise BEIS and the Agency about navigating the cross-government landscape and this is probably best not from the space sector. This should be a trusted individual, able to extend UKSA's credentials, reach and influence across government and advise on building better relationships between civil and defence, academia and industry, and all government departments who benefit from space services.

3. **Professional qualifications in financial and risk management.** This is essential for our next Audit Committee chair to ensure our audit committee covers finance, risk and performance with the right balance for future risks. Familiarity with BEIS governance more broadly would also be beneficial here and we might consider looking for current or previous experience as chair of a BEIS partner Audit Committee, a strong player with track record in and knowledge of BEIS.
4. **Experience of leadership and successful delivery of major government projects and programmes** (procurement and grant). To strengthen our role in identifying risk exposure and mitigation in the Agencies national programmes. This is a vital part of helping UKSA and BEIS assess that it is able to deliver the commitments it is making, often in the light of complex governance and financing arrangements, involving multiple departments.
5. **Leadership of organisational transformation in a government context.** This includes the design of a new operating model, building an effective executive leadership team that can create the right conditions and culture for the Agency to thrive – and delivering this at pace.

Constraint requirement

6. The sensitive nature of programmes **may** require us to look to recruit British nationals only, so we have sufficient NEMs to enable broad enough debate.

Approach to succession planning

1. **Maintain 5 NEM's.** We have need for a wide base of skills and experience to fulfil our responsibilities as Government's ambition for space grows, and the Agency's responsibility and scale of operation becomes more complex and intertwined with other departments.
2. **Run a single campaign for 4 NEMS in 2020.** Whilst we would not ideally plan to have so many NEM's coming to the end of their terms within a 12 month period, we will nevertheless take the opportunity to recruit 4 NEMS in one campaign. This gives us the opportunity to identify a strong team with complementary experience, that best covers our five requirements, relative to the 1 NEM remaining.
3. **Make the case for head-hunter involvement.** We need to avoid unmanageable conflict. NEM positions are not mouthpieces for any part of the space community. Our search needs to be especially proactive in encouraging applicants from a range of backgrounds beyond the space community, so we benefit from diversity in all its forms.
4. **Establish appropriate remuneration for NEMs.** BEIS will evaluate remuneration levels for NEMs to ensure we attract the candidates we need.
5. **Staggered succession.** Whilst running a single campaign, we will stagger start (and end) dates and we have agreed extensions with some existing NEMs, recorded in Annex A.
6. **BEIS is prioritising the recruitment campaign and proceeding with urgency.** It is important that BEIS acts swiftly to enable assurance of the Agencies activities to be kept in step with risk.

Annex A: Current NEM's and participation

Independent member	Type of appointment	End of term	Steering Board	Audit Committee
Dr Sally Howes	Ministerial appointment	April 2022	Chair	Invited to attend
Clive Tucker	Ministerial appointment	November 2020	Member	Chair
Dame Frances Saunders	Ministerial appointment	November 2020, being extended to May 2021	Member	Member
Professor Malcom McDonald, Strathclyde University	Ministerial appointment	June 2020, being extended to December 2020	Member	Invited to attend
Keira Shepperson British Business Bank	Department appointment	July 2021		Member
Allison Smith UKAEA Director of Finance and Business Systems	Board Mentee, appointed under BEIS Open Board Scheme	Appointed January 2020 until January 2021 (extendible to June 2021)	Training Steering Board member	Trainee Audit Committee member