

## **Minutes of the SIA Board meeting held on 24 March 2022**

### **List of Attendees**

#### **The Authority Members present at this meeting were:**

- Heather Baily – Chair
- Alec Wood – Non-Executive Director
- Kate Bright – Non-Executive Director (via Teams)
- Trevor Reaney – Non-Executive Director (via Teams)

#### **The Executive present at this meeting were:**

- Michelle Russell – Chief Executive
- Stephen McCormick – Director of Licensing and Standards
- Ronnie Megaughin – Acting Director of Inspections and Enforcement, deputising for Paul Fullwood
- Dianne Tranmer – Director of Corporate Services

#### **SIA staff attending this meeting were:**

- Kevin Barretto – Head of Finance and Procurement
- Fiona Wilson – Head of Strategy and Governance
- Jamie Hunt – General Counsel
- John Neil – Chief Information Officer (up to and including item 2)
- Alero Harrison – Head of Communications (up to and including item 3)
- Veera Yohanan – Head of Risk and Information Assurance (up to item 2)
- Beatrice Locke – Executive Team Lead, Board (Secretariat)

#### **External observers attending this meeting were:**

- Mary Halle – Head of Home Office Sponsorship Unit, Home Office

## 1 Welcome and apologies

1.1. The meeting was quorate.

1.2. The Chair welcomed Beatrice Locke, Board Secretariat to her first SIA Board meeting, as well as Mary Halle from the Home Office to the meeting.

## 2 Declaration of interest

2.1. Agenda item 4 - Fee review (Kate Bright, Authority Member) and agenda item 2 - the Chair's Report regarding the appointment and extension of Authority Members (Trevor Reaney, Authority Member)

## 3 Approval of minutes and matters arising

3.1. It was noted that the People Strategy was to be discussed at the next Remco and that was scheduled for the 28 April. There was also a correction on the spelling of Maggie Blyth's surname. Subject to this, the minutes of the previous meeting held on 3 February 2022 were agreed as an accurate record and approved by the Board.

3.2. The Board reviewed the action log and matters arising and some items were discussed:

- **(January-21-04) – Framework agreement** – It was noted that the SIA/ Home Office Agreement had been signed on 8 February 2022 and on that basis the Board was content to close the matter. The Chair thanked the Head of Strategy and Governance for her work over a number of months on that topic.
- **(March-21-11) – Close Protection training** – The Head of Communications reported there had been extensive engagement with the industry on this, including a series of webinars and events, a blog and a press release due on 1 April announcing both the new qualification and top up training. Kate Bright, Authority Member, asked for continued monitoring of progress on the effectiveness of our communications until the new training is in place in October. The Board agreed to keep this as an action on the action log for review at the May Board Meeting.

3.3. The following actions were marked as complete:

- **(November-21-06) – Disclosure Scotland / processes/ impact/ key performance delivery/ KPI 1(a)**: The Director of Licencing and Standards reported that performance on KPI 1a had improved due to improved disclosure turn around rates and the SIA's work, as far as the SIA could do so, on the Disclosure Scotland checks applications. The Chair agreed that

this action could be closed now and the matter picked up as part of regular performance reporting.

- **(February-22-04) – key performance indicator prosecution rate:** It was agreed the item should be marked as closed, following the meeting that took place on 3 March, where it was confirmed by General Counsel and the Acting Director of Inspections and Enforcement that the SIA applies the Code for Crown Prosecutors, which sets out the general principles crown prosecutors should follow when deciding whether to prosecute a case.
- **(February-22-05) – Commonwealth Games:** It was agreed this item could be closed – the Chair would provide a steer to all Authority Members on any oversight arrangements.

#### 4 Chair's report

- 4.1. The Chair presented her report. Among some of the highlights:
- 4.2. The Chair and the Acting Director of Inspections and Enforcement had joined a Ministerial Roundtable on spiking on 14<sup>th</sup> March and contributed to the discussion on how the private security industry is tackling this issue and might do so in the future. The Director and A/Director are already working with NPCC colleagues on this and associated issues.
- 4.3. Lord Harris has just completed his review of London's preparedness to respond to a major terrorist incident. The Chair together with the Directors of Inspection & Enforcement and Licensing & Standards had contributed to the review in a discussion with Lord Harris in September 2021 and the resulting report has a dedicated chapter on the role of the private security industry with a number of recommendations which the Chief Executive will oversee and report back on. Notably, the Operation Sentry Exercises were praised for adding practical value to the preparedness for major incidents.
- 4.4. There was an update on the recruitment of new members to the Board with interviews being held to fill the current vacancy in April 2022.

#### 5 Update on Risks in light of Recent World Events and related Contingency Planning Assurance

- 5.1. The Chief Executive reported that in light of recent world events, the Executive had taken steps over the last month to ensure there is adequate assurance on the protections in place and SIA's management of cyber and loss of systems risks. These risks are already managed and recorded on the SIA's Risk Register, held at Directorate level, in Corporate Services.
- 5.2. It was noted that cyber risks had previously been discussed at ARAC and there had been a deep dive discussion on the work planned to address

the insider threat risk and ensure the SIA continued to be in support for its software and systems. The Chief Information Officer's assessment was that the SIA was in a reasonable place in its management of cyber risk and highlighted that the SIA's business continuity and crisis management plans had recently been refreshed. There were the plans to rehearse activation of these with table top exercises and to test responses to incidents.

- 5.3.** The Chief Information Officer reminded the Board about the NCSC's cyber security guidance for Boards.

**Action:** A dedicated session for the Board to be set up to test and go through the questions for Boards in more detail and report back on the results of the table top exercises. (March-22-01)

- 5.4.** The Head of Home Office Sponsorship Unit was asked about how other Home Office Arm's Length Bodies (ALBs) were managing these risks. She reported that management of these risks was high on the agenda for the Home Office and all its ALBs.
- 5.5.** The Chief Executive highlighted the link to and dependency of our Digital and Data strategy implementation and other improvement plans on there being sufficient CDEL allocation this year and that the consequences of this would be covered in greater detail at item 4 on the agenda.
- 5.6.** The Director of Corporate Services also described the steps that had been taken to support staff welfare and those staff affected by or feeling the pressure of the impact of world events and other domestic events.

## **6 Budget and 2022/23 Business Plan**

- 6.1.** The Head of Strategy and Governance presented the final draft of the business plan and its executive summary to the Board for approval. She reminded the Board that the SIA is a really ambitious organisation in its aims and objectives and its desire to make a meaningful contribution to public protection.
- 6.2.** The Head of Strategy and Governance had approached the development of the plan wanting to keep the scope of the business plan tight this year, which was the third year in the three-year Corporate Plan. She advised the Board how they could see how this Business Plan related back to the Corporate Plan and she was looking to reinforce what has changed from the business plan last year.
- 6.3.** The Head of Strategy and Governance noted that the Head of Finance has supplied a separate paper on the accompanying budget for 2022/23 to deliver the plan.

- 6.4.** The Head of Strategy and Governance was asking the Board to agree the plan, subject to finalising any outstanding comments today. It will then be published on the SIA intranet and launched with staff at an all staff briefing on 6 April. The Head of Strategy and Governance reminded the Board that it would not be published until Ministerial agreement to the plan had been secured.

## **Budget**

- 6.5.** The Head of Finance presented the highlights on the budget and resources required to deliver the plan, alongside the key performance indicators and key deliverables under each of the strategic priorities.
- 6.6.** In response to an Authority Member's question, he drew the Board's attention to some of the assumptions the budget was based on. He noted that he was aware of reports that inflation may reach as high as 10 percent. He confirmed that the majority of the SIA's cost base is not linked to inflation; staff wages and costs represent sixty percent of the SIA cost base. Further costs are fixed – the DBS and post office fees among others.
- 6.8.** The Chief Executive highlighted that if there was a significant difference in actual to forecast income, a number of levers were in place that could safely manage this – for example, it was noted that there were approximately 50 out of 300 roles on fixed term contracts.
- 6.9.** The Head of Finance and Procurement updated the Board on the current year's report - the expected outcome is a surplus in excess of £6.1 million, resulting from both higher than expected income and lower expenditure. In terms of performance in the current month, the result is just slightly behind forecast income and volume levels.
- 6.10.** Key points from Head of Finance and Procurement's paper were: the SIA is moving into a low-income and volume year, and so expect a deficit by year end of at least £2.2 million. This is based on current projections of licensing demand for next year.
- 6.11.** The discussion turned to the capital allocation (CDEL) from the Home Office for 22/23. The SIA has been allocated £1.5m against the SIA's bid of £2.8m. Following notification of an indicative allocation the executive teams had carried out an analysis to identify the essential and minimum work required in 22/23. The accompanying slides which were part of a briefing for the Chief Executive provided the breakdown for a scaled back delivery plan made up of essential only items and their costs which amounted to £2.1m in total. Home Office Finance had been aware of this information.
- 6.12.** The Chief Executive highlighted the importance of being able to commit to and deliver the work under the SIA's bid and the consequences of not

being able to due to the lower allocation and the increased risks from carrying legacy technical debt for longer and to the SIA's cyber resilience.

- 6.13.** The Head of Finance and Procurement confirmed that he and his teams were updating and working closely with the Home Office Finance and HOSU team to keep them updated and discuss the possibility of additional allocations in year. Mary Halle (The Head of Home Office Sponsorship Unit) confirmed that no ALB had the allocation they bid for and indicated that July would be likely to be earliest time that any unused allocations by others might be considered available for reallocation. However, she advised there was likely to be competition for them. The Board asked to be kept updated on any significant developments.
- 6.14.** The three accompanying strategy papers were noted for context.
- 6.15.** The Head of Strategy and Governance asked the Board for a decision to approve the 2021/22 Business Plan, budget and resources required to deliver the plan, alongside the key performance indicators and key deliverables under each of the strategic priorities. All members stated they were happy to approve this.

## **7. Annual Fee Review**

- 7.1.** The Head of Finance and Procurement presented the annual licence fee review to the Board. The Head of Finance highlighted that the proposal was to reduce the fee and this had been forecast as possible from April 2023.
- 7.2.** The Head of Finance and Procurement explained that 12 month lead time is based on the Home Office's recommendation due to the steps required and time needed by the Home Office to progress and approve any changes to the fees.
- 7.3.** The Chief Executive stressed her and the Executive's keenness to make a reduction, not least given the unexpected surpluses over the last two years due to higher licensing volumes and lower SIA spend and the cost of the licence is paid for by a workforce generally paid the minimum or living wage. It was also noted that the DBS had just announced a reduction on the licence fee.
- 7.4.** It was noted that one of the key risks with this proposal was that the fee reduction was unaffordable due to lower licensing demand than expected going forward. The recommendation was therefore made on the basis that the licensing demand forecast will be closely monitoring in quarter 1 to ensure applications remain in line with the predictions model.
- 7.5.** The Head of Finance and Procurement confirmed he would be looking to closely monitor licensing volumes performance. He also confirmed that the National Audit Office had come back with a number of straightforward queries on the accompanying analysis paper.
- 7.6.** The recommendation to reduce the fee was approved by the Board.

7.7. The Chair thanked the Head of Finance and Procurement for the paper.

## 8 Any other business

8.1. In drawing the meeting to a close, the Chair highlighted the excellent array of diversity and inclusion events that had been held recently or which were planned in the coming months.

8.2. The Chair thanked the Director of Corporate Services for securing the speaker, Dr Louise Newson on menopause, and also the A/Director of Inspections and Enforcement for the recent two day event supporting those on our I&E teams, which included an input on mental health. The Chair also referred to the Head of Criminal Enforcement, Pete Easterbrook, running a Men's Mental Health campaign in June, and some physical health events. She also thanked the Head of Policy and Governance (along with other speakers) for her contribution to a wonderful International Women's Day event. The Chair lastly highlighted the work that collectively the Chief Executive and Executive team were doing around staff engagement and that this had been noted by the Board. The Chair extended her thanks to everyone who had contributed to this drive to make the SIA an inclusive organisation to work for on behalf of the Board.

8.3. The Chair closed the meeting and thanked Authority Members and the executive present for their attendance and participation.

## 9 Details of next meeting

9.1. The next Board meeting will be a quarterly board meeting and held on **5 May 2022** in **Belfast**.