

Minutes of the SIA Board meeting held on 23 March 2023

**The Authority members present at this meeting were:**

Heather Baily (**HB**) – Chair  
Trevor Reaney (**TR**)  
Zoë Billingham (**ZB**)  
Simon James (**SJ**)  
Caroline Corby (**CC**)  
Alec Wood (**AW**)

**The executive members present at this meeting were:**

Michelle Russell (**MR**) – Chief Executive  
Paul Fullwood (**PF**) – Director of Inspections and Enforcement  
Natalie Benton (**NaBe**) – Director of Corporate Services  
Dianne Tranmer (**DT**) - Director of Transformation

**SIA staff in attendance at the meeting were:**

Fiona Wilson (**FW**) – Head of Strategy and Governance  
Jamie Hunt (**JH**) - General Counsel  
Nick Hill (**NH**) – Governance Manager (Secretariat)  
Kevin Barretto (**KeBa**) – Head of Finance and Procurement (agenda item 1 – 4)  
Alero Harrison (**AH**) – Head of Communications (agenda item 4)  
Christian Shaw (**CS**) – Senior Data Analyst (agenda item 4)  
John Neil (**JN**) – Chief Information Officer (agenda item 5)

**External observers present at this meeting were:**

Anita Bailey (**AB**) – ALE Strategic Lead, Head of Safeguarding and DBS Sponsorship  
Shehla Husain (**SH**) – Deputy Director and Head of Public Protection Unit, Home Office  
Martin Spencer, (**MS**) – Independent Observer undertaking SIA’s external board effectiveness review (Agenda item 2)

**1. Welcome and apologies for absence, declarations of interest, minutes of the previous meeting and matters arising and actions.**

**Welcome and apologies.**

- 1.1 The meeting had no virtual attendees.
- 1.2 There was an apology from Steve McCormick, Director of Licensing and Standards
- 1.3 The meeting was quorate.
- 1.4 The Chair welcomed the external observers from the Home Office (The ALE Strategic Lead, Head of Safeguarding and DBS Sponsorship, and the

Deputy Director and Head of Public Protection Unit) and the Independent Observer undertaking the SIA's external board effectiveness review.

### **Declarations of Interest**

1.5 There were no declarations of interest.

### **Approval of Minutes**

1.6 The minutes were approved.

### **Matters arising and actions**

- 1.7 Most of the matters arising appeared on the meeting's agenda.
- 1.8 Action November 22-02: Outstanding external communication actions were addressed at the Board Strategy Days on the 8<sup>th</sup> of February 2023. Closed.
- 1.9 Action November 22-03: A helpful presentation delivered by the Director of Transformation and the Interim Transformation Lead at the February Board addressed the issues of transformation communications. Closed.
- 1.10 Action November 22-04: Update on Chatbox pilot to be given in November 2023. Open.
- 1.11 Action November 22-05: The Director of Inspection and Enforcement covered a presentation on the recent inspection and enforcement productivity. Closed.
- 1.12 Action February 23-01: The Board Effectiveness Review to be presented at the meeting and to be closed following this.
- 1.13 Action February 23-05 and Action February 23-6: The revised people related risks and pay award discussion to be considered at the People Committee in April. Closed.
- 1.14 Action February 23-09: The terms of reference for the Public Bodies Review have been forwarded by the ALE Strategic Lead, Head of Safeguarding and DBS Sponsorship: these are almost agreed and will be shared with the Chair. Open.

## **2. Chair's report**

- 2.1 The Chair highlighted the importance of the meeting's business given it was dealing with the new strategic and business plan the profile and importance of public protection issues at the moment. The Board effectiveness review is key for setting the scene for the Board and organisation to achieve the new corporate strategy and business plan.
- 2.2 The Chair thanked the Chief Executive and her Executive Team for the hard work that was put into the Board papers and the comprehensive plans.
- 2.3 The Chair thanked the Head of Strategy and Governance and her team for their contribution to the corporate strategy and business plan.

### 3. Board Effectiveness Review

- 3.1 The Independent Observer thanked the organisation for its contribution to the Board Effectiveness Review through interviews and questionnaires which complemented the desk research he had undertaken.
- 3.2 The Independent Observer listed the headlines of his findings, which overall were very positive, noting that it is a high performing board with 100% support for the Chair and Chief Executive and clear progress has been made over the last 18 months. However, some observations for improvement were made, including around the following areas:
- Ensuring a clearer understanding in advance of the purpose of and outcome sought for items on the agenda.
  - The need for concise and clear board papers to aid Board decision making.
  - Harness more opportunities to discuss learnings from major projects and programmes.
  - Improving the diversity demographics at Board
  - Hearing the customer voice at Board
  - Remuneration for Non-Executive Directors.
  - Succession plan for Executive members.
- 3.3 The Chair thanked him for his work, which was echoed by the rest of the Board. A common theme was Board visibility within the organisation, which was noted as a less positive finding in the report. The Independent Observer fed back that staff engagement was the one finding which was lower compared with other organisations.
- 3.4 It was noted that the Audit Risk and Assurance Committee was mature in its work and that the People Committee was on a journey continually improving in the past year.
- 3.5 Another observation was the lack of diversity at Board level which the ALE Strategic Lead, Head of Safeguarding and DBS Sponsorship noted as being a similar issue in other organisations. Whilst this is not within SIA's control as non-executive director appointments fall under the Cabinet Office's public appointments process control, it was noted there may be other options to explore, including through the Board Apprenticeship scheme and associate non-executive directors.
- 3.6 A final observation was around the perception of lack of clarity of decision-making voting and when items were reserved for non-executive decision making as opposed to the whole Board. Legal Counsel confirmed the SIA was a unitary board, formed of non-executive and executive directors under the leadership of the Chair. The Head of Strategy and Governance confirmed that the SIA governance framework and scheme of delegations set out which decisions were reserved for the non-executive members.

**Action Mar-23-01:** The Head of Strategy and Governance to review the suite of Board governance documents in light of the Board Effectiveness Review report.

**Action Mar-23-02:** The Chair and the Head of Strategy and Governance to work through the recommendations and findings from the Board Effectiveness Report to form an action plan for consideration at the May Board meeting.

#### **4. Special Item focus: Strategic Plan, external communications strategy and business plan 23/24, priority deliverables, finance, KPIs**

##### **Strategic Plan**

- 4.1 The Chief Executive thanked the directorates and functional leads for their contribution to all the documents, particularly the Head of Strategy and Governance, Governance Manager, Finance, HR and Corporate Information teams.
- 4.2 The Chief Executive and the Chair wanted to bring to attention the re-calibration of the organisation's strategic direction, increasing the emphasis on proactive compliance and enforcement work, the need for using digitalization to keep making licensing improvements for the customer and the increased data and digital drive. This all manifesting into six strategic themes, which continue to put public protection at the forefront of everything the SIA does across the whole of the UK. The Chief Executive also highlighted some changes in this plan including recognising the public as a key stakeholder alongside the industry, and that the SIA needs to assist individual licence holders in ways other than always through businesses.
- 4.3 An Authority Member questioned the finance section as only the capital figures had been quoted and suggested the revenue figures should be included for completeness. There were different views on this.
- 4.4 An Authority Member asked that clarity be given to what aspects of equality and diversity the SIA was working on with the industry; if it was gender and promoting more women into security it would be helpful to make this clear.

**Action: Mar-23-03:** The Director of Corporate Services and Head of Finance and Procurement would liaise with the Head of Strategy and Governance and Chief Executive to agree the final approach.

- 4.5 An Authority Member praised the quality of the work and asked whether there could be a more explicit statement about the importance of the provision of better technology and equipment for front line inspection staff.
- 4.6 The Board endorsed the Strategic Plan, subject to the minor edits suggested.

**Action: Mar-23-04:** The Head of Strategy and Governance to incorporate the minor edits suggested by the Board before submitting the Strategic Plan to the Home Office Sponsorship Unit for approval by the Minister for Safeguarding.

##### **External Communications Strategy and annual plan**

- 4.7 The Head of External Communications presented the external communications strategy and annual plan. This was the second time the strategy had been brought to the Board; the version shared in February had been updated reflecting the breadth of feedback received. The Board was complimentary on the progress made.
- 4.8 An Authority Member requested an explicit statement within the strategy about dealing with communications in crisis situations such as Brixton Academy or Manchester Arena.
- 4.9 The ALE Strategic Lead, Head of Safeguarding and DBS Sponsorship stated that they saw the benefit of the strategy and the raising of the SIA's profile but reminded them that it is important to consider the risks and further scrutiny communications raising profile about the SIA this might bring. The Head of External Communications accepted this comment, and although it has a comprehensive risk section, it could be developed further.
- 4.10 A discussion was held on the measurability of increased visibility for the SIA. It was agreed that an increased figure would be aimed for, using the baseline established through the public trust and confidence research of 28%.
- 4.11 Overall, the feedback from the Board was positive with minor amendments noted to finalise the strategy and annual plan. The Board agreed to sign the strategy on this basis, with the annual plan being a live document.

### **Business Plan 23/24**

- 4.12 The Head of Strategy and Governance highlighted the importance of the relationship between the strategic plan and the business plan, and how the work done over the next year will directly contribute towards achieving the strategy. Anything which was still relevant from the current business plan has been included, with any work being undertaken clearly highlighted.
- 4.13 An Authority Member raised a question about the rationale for increasing the inspections and enforcement activity particularly with financial pressures, noting that compliance rates as reflected in KPIs is high (98%). The Director of Inspections and Enforcement referred to the findings of the Manchester Arena Inquiry, as well as explaining the SIA's move from reactive to proactive and intelligence-led inspections work. The KPI is for random inspection rates providing public assurance. Compliance checks are now either more risk or intelligence led and the new KPI and other indicators under development will help highlight these results and wider contributions to public protection outcomes; he noted that although the SIA do this work well it could improve by providing feedback on the inspection in a more qualitative way to extract more depth from inspections, beyond just checking for the legitimacy of licence holders.
- 4.14 An Authority Member highlighted again the importance of delivering better digital tools for inspection staff, having been out on a visit with the team and queried the anticipated progress on this in 23/24. The Director of Transformation confirmed work would be undertaken on scoping

requirements on 23/24 involving the Inspection and Enforcement directorate teams. This would feature in the revised Data and Digital Strategy that the Board will see in July. The Board stressed the need for timely progress on this given the importance of this and asked for the wording to be strengthened in the business plan.

### Priority Deliverables

- 4.15 The Board agreed the right key deliverables had been highlighted in the draft Business Plan.

**Action Mar-23-05:** The Director of Transformation to produce a paper and update about the provision of digital kit for the front-line field teams in I&E and timeline for delivery to the May Board.

### Finance

- 4.16 The Head of Finance and Procurement confirmed that the outturn for 2022-23 is for SIA to be within its approved budget at the end of the current financial year, as well as being on track to spend its full Home Office capital allocation.
- 4.17 The Head of Finance and Procurement sought approval for next year's budget, as set out in the accompanying papers, and reminded the Board that he had brought the proposed budget to the Board in February. The bottom-line totals had not been materially affected, with the SIA expected to have a small surplus in year one, a surplus in year two of the new strategy and a deficit in its final one, breaking even at the end of three years.
- 4.18 He drew attention to a few changes of detail. Since the February paper, the provision for consultancy has been lowered to £200k with the provision for contingent labor raised because of issues in contracting for client-side support. This change ensured continuity for the crucial technical projects and IT procurement.
- 4.19 The Head of Finance and Procurement reminded the Board that the licence fee is to be reduced on the 6<sup>th</sup> of April, and the budget is based on that fee reduction (3% reduction). The budget for 23-24 has adopted the middle forecast on licensing volumes. In previous years, the low forecast has generally been used for planning purposes, resulting in a higher surplus than forecast.
- 4.20 An Authority Member stated they considered that the pay remit assumption was far too low whilst acknowledging there are constraints imposed by central government controls.

### Key Performance Indicators

- 4.21 The Chair updated the Board that following February's Board, she and the Deputy Chair had met the executive teams to discuss and review the proposed KPIs. This was with the Senior Data Analyst, the Chief Executive,

Head of Strategy and Governance and the Director of Inspections and Enforcement. This had led to the set now proposed, which had subsequently been shared with the Home Office Sponsorship Unit.

4.22 The Senior Data Analyst had received suggestions from the ALE Strategic Lead, Head of Safeguarding and DBS Sponsorship about three changes to the proposed KPIs prior to the meeting.

4.23 Firstly, to new KPI 2a – on regulating efficiently – “Evidence 5% savings to meet the planned expenditure across the three-year cycle”. This suggestion was to be more ambitious with an aim to reduce spending by 5% “or more”. This was agreed.

4.24 Secondly, on KPI 8b, core licensing activity – that 90% of all simple individual licence applications decisions are made within 5 working days. Given this target was met this year, consider increasing the target for simple licensing decisions. The Chief Executive reported that this had been shared with the Director and team leads who expressed concern about any increase due to the SIA’s reliance on the performance of the three UK checking agencies – DBS, Disclosure Scotland and Access NI. DBS had a lower service target of 80% and any delays on their part had a direct impact on SIA performance. The Board concluded that it would retain the KPI target at 90% but introduce an internal stretch target of 95% that could be reported to the Board and included in the quarterly tracking reports. The ALE Strategic Lead, Head of Safeguarding and DBS Sponsorship was not sure if DBS were increasing their standard check targets this year.

**Action Mar-23-06:** The Senior Data Analyst to produce a brief for the Home Office Sponsorship Unit to support explanation to Ministers for the new KPIs.

4.25 Finally, the ALE Strategic Lead, Head of Safeguarding and DBS Sponsorship suggested including equality, diversity, and inclusion KPI as the other Home Office Arm’s Length Bodies had. The Board agreed this was worthwhile particularly given the focus on the People Strategy and the programme of EDI work but stressed it did not want to do so without due consideration. The Chief Executive confirmed that the EDI Committee had been exploring a basket of measures for the new EDI Strategy. The Board agreed to the development of a KPI and for this to be considered first by the EDI Committee and then the People Committee. The KPI would be added to the suite later in the year.

**Action Mar-23-07:** The EDI Committee and People Committee to create an EDI KPI.

4.26 Subject to the inclusion of a further measure on EDI, to be developed mid-year, the Board endorsed the proposed KPIs, the Board formally endorsed the Business Plan given its agreement of the budget, key performance indicators and key deliverables.

## 5. Follow up to cyber session at November Board

- 5.1 The Director of Transformation introduced the item by outlining how management of technology and cyber risk has developed at SIA over the past ten years and her responsibility as the Senior Information Risk Owner to ensure the integrity of systems and data management.
- 5.2 The paper provided information about the key roles focused on cyber security, their purpose and how resilience had been developed across the team in response to the Board request for follow up on two items from the November cyber risk session.
- 5.3 The Chief Information Officer advised the Board that a simulation response exercise on a cyber-attack had recently been conducted internally. He was satisfied the team had responded appropriately, confidently, and competently. Learning from the exercise was being considered by the Security Working Group, which reported to the Knowledge and Information Assurance Group. The latter reported to the Audit and Risk Assurance Committee.
- 5.4 An Authority Member suggested that when the exercise is repeated, an independent observer should be present to provide independent assurance on the response and to ensure all the necessary learning was being extracted. The Chief Information Officer explained that he was taking external and was linked in with the Home Office, who were supportive of the measures the SIA was taking.
- 5.5 The Chief Information Officer noted that once the IT procurement was complete and transition completed, greater focus would be given to developing the team's capability and expertise in this area to strengthen organizational resilience.
- 5.6 An Authority Member asked about staff reaction to the recent phishing tests. The Director of Transformation agreed there needed to be a balance between the benefits of the regularity of the tests to keep awareness high and risk this had the opposite effect. She agreed that communication on the purpose and importance of these tests needed to be clear and that sensitivity was required to encourage learning.

## **6. Any other business**

- 6.1 The Chair thanked the Home Office for their input and everyone else for their work.
- 6.2 The Chair confirmed the next Board Strategy Day to be on the 24<sup>th</sup> of April 2023, and the next quarterly Board meeting to be on the 11<sup>th</sup> of May 2023.