

Minutes of the Board Meeting on 25 July 2023

Date: 25 July 2023
Time: 10:30 - 16:15
Location: Online (Teams)
Chair: Heather Baily

Attendees:

Alec Wood (AW), Deputy Chair and NED Board member

Caroline Corby (CC), NED Board member

Zoe Billingham (ZB), NED Board member

Simon James (SJ), NED Board member

Michelle Russell (MR), Chief Executive and Board member

Paul Fullwood (PF), Executive Director of Inspections & Enforcement and Board member

Steve McCormick (SM), Executive Director of Licensing & Standards and Board member

Dianne Tranmer (DT), Executive Director of Transformation and Board member

Natalie Benton (NB), Executive Director of Corporate Services and Board member

Alero Harrison (AH), Head of External Communications

Fiona Wilson (FW), Head of Strategy & Governance

Olga Turnbull (OT) Executive Assistant to Director of Inspections & Enforcement

Mary Halle (MH), Head of Sponsorship Unit, Home Office (from partway through agenda item 4)

Shehla Husain (SH), Deputy Director and Head of Public Protection, Home Office (from partway through agenda item 4)

Caroline Rowe (CR), Public Protection Unit, Home Office (agenda item 5)

John Neil (JN), Chief Information Officer (item 4)

Sophie Hillsdon (SoHi), Transformation Lead (item 4 and 11)

Iestyn David (ID), Head of Licensing Services (item 5)

Nick Banks (NiBa), Senior Decisions Manager (item 5)

John Hilditch (JoHi), Senior Project Manager Business Standards (item 6)

Paul Murphy (PM), Senior Commercial Lead (item 8)

Christian Shaw (CS), Senior Data Analyst (item 10)

Staff Observers

Viktorija Vinskaite, Quality Manager, Inspections & Enforcement

Josephene Kerr, Information Officer, Transformation

Apologies

Trevor Reaney (TR), NED Board member

Anita Bailey (AB), Head of Safeguarding ALBs, Home Office

Jamie Hunt (JaHu), General Counsel

Kevin Barretto (KB), Head of Finance & Procurement

Nick Hill (NH), Governance Manager

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

Welcome and apologies

1.1 The meeting was held virtually.

1.2 There were apologies from Trevor Reaney, NED Board Member, Jamie Hunt, General Counsel, Kevin Barretto, Head of Finance & Procurement, Nick Hill, Governance Manager.

1.3 The meeting was quorate.

1.4 The Chair welcomed Viktorija Vinskaite, Quality Manager, Inspections & Enforcement and Josephene Kerr, Information Officer as SIA staff observers.

1.5 The Chair welcomed external observers from the Home Office (Shehla Husain, Deputy Director and Head of Public Protection, Mary Halle, Head of Sponsorship Unit).

Declarations of interest

1.6 There were no declarations of interest.

Minutes of Previous Meeting

1.7 The May Board meeting minutes were approved.

Matters arising

- 1.8 Action Nov-22-04: A procurement route has been agreed for the ICT managed service contract which includes a project including the chatbox functionality and so will be included in the Data & Digital Strategy outcomes and reported on in due course as part of the Programme reporting. Closed.
- 1.9 Action Feb-23-03: Licensing assurances included on the meeting agenda. Closed.
- 1.10 Action Feb-23-04: Review of licensing decisions from February 2020 – August 2021 included on the meeting agenda. Closed.
- 1.11 Action Feb-23-07: Data & Digital Strategy and outcome of the procurement decision included on the meeting agenda. Closed.
- 1.12 Action Feb-23-08: The Voluntary Approval Strategy (VAS) included on the meeting agenda. Closed.
- 1.13 Action Mar-23-07: EDI KPI included on the meeting agenda. Closed.
- 1.14 Action May-23-01: Update on Department of Health and Social Care progress on trauma first aid training to be brought to November Board Meeting. Remain Open.
- 1.15 Action May-23-02: The terms of reference for external review of SIA approach to sexual offences consideration were shared with Public Protection Unit at the Home Office on the 5th of July 2023. Closed.
- 1.16 Action May-23-03: Licensing decision sampling results included on the meeting agenda. Closed.
- 1.17 Action May-23-04: Licensing decision independent review update included on the meeting agenda. Closed.

- 1.18 Action May-23-05: VAS Strategy delivered at June Board Strategy Session and further update included on meeting agenda. Closed.
- 1.19 Action May-23-06: 2020-2023 Corporate Strategy Review reflected in the Annual Report & Accounts, considered at the July Audit, Risk & Assurance Committee. Closed.
- 1.20 Action May-23-07: The Data & Digital Strategy included on the meeting agenda. Closed.
- 1.21 Action May-23-08: Results of the Inspections & Enforcement Device Trial to be brought to November Board as part of the Transformation Programme update. Open.
- 1.22 Home Office action October-15-08, July-22-01 and July-22-02: A shared information gateway with HMRC requires legislative change and HM Treasury agreement. Therefore, the Home Office were advised to wait until there is a legislative vehicle for this but could offer no guarantee when this would be. They will look out for legislative opportunities as they arise.

2. Chair's report

- 2.1 The Chair presented her paper. She reported that the recruitment for a NED Board Member replacement for Alec Wood was in hand, and that separately shortlisting is due to be undertaken in the week commencing 31 July regarding the applications for the co-opted committee member for the People Committee.
- 2.2 The Chair reported that she attended a successful industry led annual International Security Officer Day on the 24th of July. Members of the SIA, including the Chief Executive, had attended the event with her and had made several visits in the morning to security at various locations around the City of London, and had taken opportunity to speak directly with front line licence holders.

3. Chief Executive's report

- 3.1 The CEO asked for her report to be taken as read and highlighted three key items. She drew attention to the Annual Report and Accounts for 2022/23 having been approved, signed and published; she highlighted the executive's decision to increase the public protection risk on the strategic risk register as a result of the outcome of Home Office decisions on Manchester Arena Inquiry recommendations (not to extend licensing to security guarding and mandatory business licensing) and limited progress on securing further powers for the SIA; and thirdly; the potential financial increase in spend against budget given the recent news one of the prospective tenants had dropped out. If further tenants in their place are not secured for 10 South Colonnade, the financial shortfall as a result would be £206k (this year).
- 3.2 The Executive Director of Transformation provided a further update on this and progress against the Estates Strategy. She noted that agreement in principle had been agreed with both the College of Policing and the Government Property Agency (GPA); together these will be 32 of the 76 desks (just less than 50% of the space available). The SIA was dependent on going through GPA to arrange any sub-letting and securing new occupiers, but the SIA is actively working to find a suitable tenant through them to take the remaining space.

4. Digital and Data Strategy Refresh 2023 – 2026

- 4.1 The Executive Director of Transformation presented the various papers and making clear that she sought approval from the Board for an investment decision for the proposed new SIA Digital Services Contract. To inform that decision, the Data and Digital Strategy 2021-2024 had been refreshed for future years to align with the proposed contract period and other developments.
- 4.2 The Chief Information Officer presented the item and highlighted the importance of the strategy refresh and how reliable IT, and digital services

are vital for the SIA being efficient and effective in delivery of its functions and strategic priorities. He confirmed that the strategy is based on continued premiss that the SIA will be continuing with the Microsoft suite of products, including for the Common Data Platform which is a key component of the D&D Strategy and will align the organisation's data in one place.

- 4.3 The Chief Information Officer confirmed that, the D&D Strategy aligns with both the Home Office and Government's approach on data and digital. This includes adoption of gov.uk One Login, the method citizens will use to access central government services. A digital ID interface will also be introduced to improve SIA's effectiveness and efficiency in the licensing process.

Outcome of procurement of Digital Services Contract 2023 onwards: approval of investment in light of business case for contract as part of existing D&D Strategy implementation (investment approval decision)

- 4.4 The Executive Director of Transformation advised that the SIA Digital Services envelope linked to the Full Business Case comprised investment spend of £7.2 million excluding VAT (revenue) and £6.5 million excluding VAT (capital) from December 2023 onwards over the period of the contract. She confirmed that the procurement process has involved two NED Board Member's observing the procurement process, Home Office colleagues (including being on the evaluation panel), and securing approval to proceed from the Home Office's Commercial Assurance Board.
- 4.5 The Chief Executive added the Executive had met the week before and carried out a deep dive on the business impact and consequences from the proposed procurement outcome; proceeding with the contract was essential to the delivery of the SIA's statutory functions and public protection priority deliverables and the risks were managed as best they could be at this time.
- 4.6 The Transformation Lead confirmed that they had as much confidence in the accuracy of the projections in the full business case as they could be at this stage based on the assumptions made. Part 1 concerned core service

delivery; part 2 was the more progressive change work which had more flexibility built in.

- 4.7 The Executive Director of Corporate Services confirmed that the Head of Finance & Procurement worked collaboratively with the Executive Director of Transformation on the procurement. The Head of Finance & Procurement confirmed the contract investment (RDEL) was affordable in line with the SIA's budget and forecasts. He confirmed that the business case is sound and the economic case stated accurate.
- 4.8 The Chair raised concerns regarding the reliability of the capital funding required from the Home Office for the three-year forward plan. The Transformation Lead confirmed that the capital and RDEL funding has been agreed for this first year as part of business planning 23/24; she was comfortable with the projected cost for the final two years, which has been carefully scrutinised in light of the technology roadmap. The SIA had submitted a three-year capital projection to the Home Office in December 2022. They can never guarantee future years' allocation but were aware of it (and it is modest). She added that there would be no contractual issue as it was arranged in draw down packages if the organisation was unable to afford the later years of the three-year forward plan, although there would be organisational and government reputational damage. The Executive Director of Transformation had already raised this on the corporate risk register.
- 4.9 A NED Board Member who observed the procurement process added their assurance to the robustness of the procurement process. A NED Board member noted that availability of capital was the most significant risk to implementation of the D&D Strategy and the contract.

DECISION: The Board approved the investment decision and award of the Digital Services Contract and authorised the Accounting Officer to agree the envelope linked to the Full Business Case for a period of three years, with maximum extension of two years for a value of up to £7.2 million excluding VAT (Revenue) and £6.5 million excluding VAT (Capital) from December 2023.

- 4.10 The SIA being recently unsuccessful in filling the vacant Digital Transformation Lead role was raised as a concern by a NED Board Member. The Executive Director of Transformation stated that this was not the only role that the SIA is having difficulty in recruiting to due to the uncompetitive salary on offer: five candidates were interviewed – two offers were made for the role which were rejected due to salary and offers of other roles paying more money.
- 4.11 The Head of the Sponsorship Unit advised that the Home Office is making three key strategic shifts in preparation for 2025 – 2028, one being the enhancement of digital technology. For that reason, engagement, and collaboration with the HO Digital, Data and Technology Team is important in achieving efficiency and effectiveness.

5. Licensing decisions around sexual offences

- 5.1 Caroline Rowe, policy lead for Public Protection Unit joined the meeting. The Chair returned to the matters arising on powers and HMRC gateway. The Home Office advised that the HMRC gateway was still awaiting a legislative vehicle and for the rest of the measures that the SIA was seeking. Recent bids were unsuccessful, but the Home Office will keep looking for alternatives, the Home Office owns the policy position on powers as regards the SIA and a strong evidence base was required to support any proposals.
- 5.2 The Head of Licensing & Service Delivery presented the paper and confirmed that the three workstreams regarding the SIA's licensing decisions around sexual offences were all live and in progress. These are a) the SIA and Home Office response to Simon Bailey's recommendations in the Independent Review of the Disclosure and Barring Regime ("the Bailey Review" ; b) independent assurance commissioned by the SIA on the efficacy of the approach it currently takes when considering sexual offending in licensing decisions; and, c) the SIA proactive review of active licences held by licence holders with criminal records who were granted a licence

before the launch of the new process and approach in November 2021 which reviews through the additional weekly Decisions Review Group all applications where the applicant's criminal records include any sexual offences or offences against children irrespective of time elapsed.

- 5.3 A further meeting is to be held with the Home Office Public Protection Unit to discuss next steps in response to the recommendations in the Bailey Review in September. This will be followed by a meeting to discuss and scope the operational and financial impact of the enhanced checks and legislative change which will mark the first phase of the response to the Bailey Review.
- 5.4 The Board discussed the corporate risk appetite relating to the award of licences to those with historical sexual offending. The Chief Executive confirmed that the Board's had recently agreed its risk appetite statement where the risk tolerance is adverse on public protection matters; "We shall be Averse in our approach to any risks that significantly impact adversely on public protection outcomes with the licensing regime including impacting on its integrity and always endeavour to achieve the lowest manageable risk levels". It was noted that Get Licensed is the published policy framework and legal basis for all licensing decisions, following regulatory good practice on transparency of decision-making. The Head of the Sponsorship Unit agreed with the Chief Executive's comments that the primary focus should be on SIA's public protection purpose, not reputational issues, in relation to this issue.

Action: Jul-23-01: The Board to consider how current risk appetite thresholds apply to and are embedded in licensing decisions around sexual offences as part of the September Board strategy day.

Action: Jul-23-02: The Head of Licensing and Service Delivery and Legal/Policy to provide an update on progress of SIA's request to Home Office for proposed changes to relevant offences listed in Get Licensed at the November Board.

Action: Jul-23-03: The Head of Licensing & Service Delivery to provide an update on the progress of the team on considering and implementing the results

of the independent reviewers' recommendations on the assurance of the SIA's approach to licensing decisions on sexual offences at the November Board.

Action: Jul-23-04: The Head of Licensing & Service Delivery to provide an update on the Home Office response to the recommendations from Simon Bailey's DBS review at the November Board.

6. Voluntary Approval Scheme Programme 2023 – 2026 implementation: financials, governance and timelines (for approval)

- 6.1 The Executive Director of Licensing & Standards presented the paper and summarised the key points for the proposals for the new business approval scheme and sought approval for the strategy in light of the additional assurances and detail given about the financial commitment, governance arrangements and delivery timelines.
- 6.2 Executive Director of Licensing & Standards confirmed that the Head of Finance & Procurement had agreed the costs of implementation of the strategy as set out in the paper, albeit the financial requirements for the 2024/45 financial year for capital spend requirements for the Register work are subject to Home Office allocation of funds approval.
- 6.3 The Chair thanked the Executive Director of Licensing & Standards for the work. The request for a NED nomination as part of the governance arrangements are to be discussed offline and will be established by October.

DECISION: The Board confirmed formal approval for the Voluntary Approvals Scheme strategy (endorsed in principle at the June Board strategy session) and as a result that the Board was content for the Programme to proceed to the implementation and “start-up” phase of the Voluntary Approval Scheme.

7. Annual Fee Review 2023 – 2024 recommendations

- 7.1 The Executive Director of Corporate Services presented the annual fee review paper on behalf of the Head of Finance and Procurement and sought

a decision from the Board. The SIA is required to undertake an annual fee review in line with “Managing Public Money”. The Executive Director for Corporate Services described the three options and outcomes as set out in the paper to the Board to decide on.

- 7.2 The first option was to maintain the statutory licence fee at £204. The second option was to reduce to statutory licence fee to £194 (which would result in a £4.4 million deficit). The third option was to increase the statutory licence fee to £214 (which would result in a surplus of £4.5 million). The Executive Director of Corporate Services confirmed the executive recommended option one – that the SIA licensing fee should remain the same this year – the statutory fee at £204 with the fee payable at £184 (with licence fee rebate applied) and sought Board approval for this recommendation.
- 7.3 The Board was also asked to agree that the fees for the Approved Contractor Scheme (ACS) should also remain the same, noting these would be reviewed as part of implementation of the new Business Approval Scheme Strategy (agenda item 6).

DECISION: The Board agreed with the recommendation to maintain the individual licence fee at the current statutory licence fee level of £204 and to maintain the current fees for the ACS for this year.

8. Q1 Finance report

- 8.1 The Executive Director of Corporate Services delivered the report in place of the Head of Finance & Procurement who was on annual leave and had sent his apologies.
- 8.2 In the three-year cycle, covering 2023-26, 2023-24 was forecast to generate a small surplus of £20k. Following a comprehensive reforecast exercise at the end of Q1 a £378k surplus is expected. However, the shortfall of £206k created by not sub-letting all the available space and the Executive’s decision to add an ICT Service into the managed service at a cost of £78k,

reduces the forecast surplus to £94k. The latter decision will realise an efficiency by year 3.

- 8.3 The figures also consider, a volumes and income an updated and increased income forecast based on recent licensing trends from July 2023 – March 2024. The assumptions made were that this would provide an increase of 6,000 applications in total over the year, generating an additional income of £1.05m.
- 8.4 However, the forecast expenditure also factors in the unplanned and unforeseen additional spend – the cross government one-off pro-rated non-consolidated £1,500 payment to all eligible staff members which will be paid in the July payroll at a cost of c£0.5m. In addition, the increase in total pay remit assumptions from 2% to 4.5% for 23/24 contributed to an additional c£0.4m in salary costs profiled from July. These pay expenditure levels are both in line with the published Civil Service Pay Remit Guidance 2023 to 2024 guidance (updated in June 2023) and were discussed by the Board at the Board strategy session.

DECISION: The Board approved the Q1 reforecast of the budget.

- 8.5 The Executive Director of Corporate Services confirmed that the SIA's Annual Report and Accounts for 22/23 was approved by the Minister and certified by the NAO and was laid in Parliament on the 19th of July 2023.

9. External Communications forward look update

- 9.1 The Head of External Communications introduced her paper. She explained the focus for the next quarter for the organisation is the 20th anniversary of the SIA and national conference. A venue has been secured for the conference on 21 September (change of date).
- 9.2 For International Security Officers Day on 24 July 2023, the SIA led on its 'Behind the Badge' campaign with engagement at 3.1% (46,106 impressions and 1,451 engagements).

10. Performance Report

- 10.1 The Senior Data Analyst introduced the paper and reminded the Board of the stringent process that had been undertaken to establish this year's key performance indicators (KPIs). The dashboard showed a good start to the year against the KPIs, despite the volumes being 9% above forecast. Renewal applications have been very much in line with the initial forecast, the additional demand is predominantly from first time applicants seeking additional income from the private security industry due to cost of living pressures.
- 10.2 The Chief Executive advised she is paying close attention to the KPIs related to staff retention (7) and licensing applications (8a and 8b) to ensure adequate resource to deal with the higher volumes being experienced.
- 10.3 The Head of Strategy & Governance introduced the report on the first quarter's performance against the business plan deliverables and reiterated that it had been a good start to the year, with some of the Data & Digital strategy delivery milestones already being delivered.

11. Technology and change quarterly report

- 11.1 The Executive Director of Transformation delivered two reports; the technology and change quarterly report and an evaluation report on what was delivered in 2022 – 2023 and going forward to 2023 – 2024. The activities which are planned for the upcoming year in the transformation programme tie firmly into the central government efficiency agenda.
- 11.2 The Executive Director of Transformation confirmed that the development of a Target Operating Model (TOM) for future working long term is not currently funded due to funding pressures and is still on the reserve list. The purpose of the TOM is to map out how the SIA would organise itself once the outcome of projects such as One Login and Digital ID are agreed.

11.3 The Head of the Sponsorship Unit offered to link SIA into Home Office colleagues with expertise on systems thinking.

12. Licensing and Standards forward look report

12.1 The Executive Director of Licensing & Standards introduced his report. He reported that the apprenticeship for Professional Security Operatives has received approval from the Department of Education and is a key step forward in developing skills for future licence holders.

12.2 The Executive Director of Licensing & Standards advised the Board that any possible digital solution for conducting criminal records checks through Disclosure Scotland is around two years away (in the hands of Disclosure Scotland, not the SIA); in the meantime, enquiries will be made about interim improvements within the ambit of SIA including pre-populated forms.

13. Inspections and Enforcement forward look report

13.1 The Executive Director of Inspections & Enforcement introduced his report. He noted that the festival and events season sees much inspection and enforcement work, with a significant increase in targets as agreed by the Board due to the uplift in staff coverage across the UK.

13.2 The National Police Chief's Council Memorandum of Understanding information sharing gateway has been signed which will make exchange of information across the inspection and enforcement work easier.

13.3 The Inspections & Enforcement Directorate is working with the Executive Director of Transformation to roll out body cameras for the inspection team which is part of the Data & Digital Strategy priorities.

13.4 He confirmed that the SIA has had approval for Professionalising Investigations Programme (PIP) courses in house to commence in September allowing the organisation to provide a higher quality service.

13.5 The Executive Director of Inspections & Enforcement also introduced a report from the Organisational Review Panel which reviews concluded

inquests, significant events or incidents that present an opportunity for wider organisational learning and continuous improvement across the SIA.

- 13.6 The Board advised the executive to look at improving the description and evidencing of the outcomes of the inspections and investigations work in future Board reports and externally beyond the basic licence compliance rates.

14. ARAC Update

- 14.1 A NED Board Member provided the ARAC update in the ARAC Chair's absence and took the paper as read. He highlighted the achievement of laying the Annual Report and Accounts before the summer recess in July. The report had been considered by ARAC in July and subsequently agreed by correspondence by the Board, enabling the Chief Executive to sign the accounts and for the document to be laid before the summer recess.

15. People Committee Update

- 15.1 The Chair of the People Committee confirmed their approval of the minutes and noted the meeting's focus on the annual pay remit.

16. Legal Shared Services

- 16.1 The Executive Director of Corporate Services delivered the paper in the General Counsel's absence on annual leave. The paper was presented in two parts. The first was to report back on and confirm the pilot of shared legal services used by the Sports Ground Safety Authority (SGSA). The SIA bills on the hour, and in the first eight months, the organisation has billed for 42 hours (equivalent to 1FTE work for a week). The feedback from the team is positive, specifically noting the variety of the work.
- 16.2 The second part of the paper was for the same pilot to be ran with the Office of the Immigration Services Commissioner (OISC). This was on a defined

and discrete scale, in connection with OISC's prosecution matters; limited to providing legal advice and carrying out case management duties on those cases and a smaller remit than the SGSA arrangement, on a full cost recovery basis. It was confirmed that should demand for legal services exceed the estimated levels, the full-cost recovery model enables recruitment of further resources or outsource of cases, ensuring there is no detriment to internal services provided.

DECISION: The Board approved the transition from pilot to business as usual for a shared legal service with the SGSA.

DECISION: The Board approved the pilot scheme for a shared legal service with the OISC.

17. Annual corporate governance report

17.1 The Head of Strategy & Governance introduced the paper and stated that as a result of the Board Effectiveness review, all the corporate governance documents had been amended to provide clarity on the Board's composition and its decision making. In doing so she also reviewed the terms of references for both the organisation's committees, using HM Treasury guidance on audit committees and other public sector governance manuals as a frame of reference.

17.2 The Head of Strategy & Governance noted those matters which are reserved for non-executive directors (setting the Scheme of Delegations, establishing Board committees, and agreeing the Board committees' terms of reference).

DECISION: The Board approved the updated changes to the Governance Framework, the Board Governance Protocols, and the Board Terms of Reference.

The non-executive directors approved the updated Board Scheme of Delegations, and the terms of reference for the People Committee and the Audit & Risk Assurance Committee.

18. EDI update

18.1 The Chief Executive introduced the update paper and thanked colleagues on the Board for attending the respective committees and staff networks.

18.2 The Chair stated her desire and willingness for non-executive directors as well as executive to undertake this work.

19. Welsh Language annual report

19.1 The Board noted the update.

20. Any other Business

20.1 The Board Strategy Day diary marker for 15th of August 2024 has been removed from the calendar.

20.2 The Chair formally thanked Alec Wood, on behalf of the Board and the SIA for his tenure on the Board, noting this was his last formal Board meeting, although he would still be with us until October. She thanked him for his pragmatic and common-sense approach, work with external stakeholders and consciousness for the wellbeing of SIA staff.

20.3 The SIA staff observers were invited to comment on the proceedings and thanked the Board for the opportunity to attend the Board meeting.

20.4 Board Strategy Day on the 27th of September 2023.

Next Board meeting: Thursday 2nd November 2023