

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS**

**HELD ON 21 MAY 2009**

**AT 83 VICTORIA STREET, LONDON SW1**

**Present:** Alan Wooderson – Chair, Lesley Bessant, Michael Fisher, Christine Goldstraw, Stan Hardy, Alan Harrison, Joe Kuipers, Roy Male, Brenda Palmer and Clifton Robinson.

**Attending from PA:** Norma Beechey, Chas Dowden, Ian Fox, Christine Lawrie, Nigel Spencer and Jo Whyte.

**1. Welcome, Apologies and Conflicts of Interests**

The Chair welcomed Ian Fox, PA's newly appointed Business Capability and Policy Development Manager. Apologies had been received from Julie Dent. It was noted that all directors had an interest in Item 6a) on the Daily Attendance Rate.

**2. Minutes of Meetings held on 12 March and 7 April**

These were approved as an accurate record and signed by the Chair. However, Joe Kuipers, who had arrived at the meeting slightly late, then asked that it be recorded that he was unhappy with the minute of Item 6 on the discussion with Michael Spurr. He had raised concerns previously that the minute did not reflect the discussion that had taken place but these points had not fully been taken into account. He would send a note of his concerns to be appended to the minutes and circulated to Board colleagues.

Matters Arising from 12 March

*Item 2 a) NOMS Protocol* – This had now been cleared by Stan Hardy and, other than a few minor amendments, would soon be ready for signing by Phil Wheatley and Alan Wooderson, as he had been delegated to do by the Board. It was hoped that this would be before the end of June.

*Item 3a) ii) LCCS* – Clifton Robinson reported that he had had a useful meeting with Jack Straw. He had been particularly interested in the link between LCCS and Local Criminal Justice Boards.

*Item 4a) Use of contractors* – PA had now directly contracted with three consultants to provide help to areas in relation to trust development. The cost to PA had been approved by Alan Wooderson at between £100,000 and £125,000 and a project plan and schedule had been agreed. Four approaches from areas had already been received, three of which had been approved so far. Nigel Spencer was coordinating the project and would provide a written report to the Board in July and November.

*Item 9 PA Staff Pay Arrangements* – this would be taken as a confidential item under item 9 of the agenda.

#### Matters Arising from 7 April

*Item 4.1 Criminal Justice Alliance* – Christine Lawrie had written to the Criminal Justice Alliance along the lines agreed by the Board.

*Item 4.2 Appointment of area board members* – Christine Lawrie reported that she had informed Yvonne Thomas of PA's concerns and had written to Richard Cullen setting out all the outstanding HR issues. He had offered a meeting to discuss and Christine would report to the Board in due course.

### **3. Outstanding References from previous Board meetings**

Jo Whyte had been asked to devise a system to monitor Board decisions and actions. She introduced a chart designed for this purpose which the Board agreed was useful and should be added to as a rolling document. It would be on the agenda at every Board meeting.

### **4. Chair's Business**

Management of Change – It was reported that a Protocol on the Management of Change had now been agreed following a series of robust meetings with NOMS and the unions. It would be circulated under the cover of an NNC Circular once that had been formally agreed by the Trade Union Side.

Christine Lawrie explained that it had been an extremely difficult negotiation but that she believed a good deal had been achieved. It was important that it was explained clearly to members and it was planned to have a closed session at the Council meeting on 11 June to give a full background to the events.

Chas Dowden clarified some technical points in relation to the Protocol:

- Boards/Trusts retained their right to make compulsory redundancies and to decide their staffing base.
- The only concession made was that as soon as it became apparent that compulsory redundancies might need to be made, there would be a six week

period of reflection. However, this could run concurrently with the statutory consultation period and was unlikely to add any material delay to the process.

- Areas retained the right not to agree to voluntary redundancies, early retirements etc. on the grounds of cost where appropriate. All other rights had been preserved.

Board members expressed concern that the NNC did not have the remit to negotiate as it had done on this issue and that PA had not given it a policy lead, as members would have expected. There was also concern that issues had been negotiated that were basic employers' rights and not open for negotiation. In the light of the concerns expressed, it was agreed that an explanation of the changes would be given to all Chairs as soon as possible.

Christine Lawrie stressed that the process had been followed correctly and that the NNC did have the remit to negotiate, taken from its own constitution. Given continuing concerns about governance and constitutional issues, she referred to an outstanding piece of work to review how the Employers' Side of the NNC operated and proposed that this should be looked at as part of the PA strategic framework review. Specifically, the relationship between the NNC Employers' Side, the Council and the PA Board should be considered. Chas Dowden confirmed that he would be looking at the relationship between members and the NNC and would be reviewing the NNC constitution.

The Chair confirmed that the process and the Protocol must be explained carefully to members. It had been a difficult negotiation which had allowed the employers to re-position themselves, but which had also thrown into sharp relief a possible disconnect between the NNC, the Board and the Council.

## **5. Chief Executive's Business**

### **a) Business Plan 2008/09 – Year End Report**

Christine Lawrie presented the Report to the Board. It was agreed that on the last page the reference should simply be to "board members". The Board was happy for the Report to go to Council for approval.

### **b) Finance Report**

- i) Income and Expenditure to end March 2009 – the report was accepted.
- ii) Update on membership renewals – Board members agreed to speak to Chairs in their region whose area had not renewed.
- iii) Update on deposit account renewal options – With the cash profiling report in mind, the Audit Committee were recommending that up to

£750K should be moved into a six month Alliance and Leicester business bond in order to take advantage of a higher interest rate. This was agreed but Duncan Gaskell would be reminded that the recommendation had been predicated on all areas paying their subscriptions – he would be asked to check this before deciding on the actual amount to be transferred. Jo Whyte circulated a form for all Board members to complete. She had emailed Julie Dent requesting the same information.

## **6. Report from the Audit Committee**

### **a) Daily Attendance Rate**

Christine Goldstraw reported that the Audit Committee had discussed a 10% increase but it had now been established that the RPI had risen 25% since the last review of the Daily Rate in 2001, which equated to a 25% increase. The Board discussed the paper setting out the effect of these increases.

It was agreed that it was a difficult climate in which to award a significant uplift and it was suggested that the rate should be similar to that paid to area board members and should be pegged to this rate to deal with future increases. This would result in a daily rate equivalent to around £15 per hour for an eight hour day, which equated to about a 10% increase.

The Chair left the meeting. It was agreed that there should be an equivalent percentage uplift applied to the Chair's salary. These recommendations would be referred to the Council for approval.

### **b) Accommodation**

Nigel Spencer introduced his report. The Board agreed that, in principle, alternative accommodation should actively be pursued. Further advice should be taken on the purchase option and on the best location with a view to achieving cost savings. Council approval was required and a brief report would be prepared, which would include a request for expertise.

### **c) The Risk Register**

The new Risk Register was introduced and the Board agreed that this was a better format. Risk should be on each Board agenda in order to allow new risks to be identified. The Audit Committee would discuss a time limit for unchanging risks and whether there was a need to add a new risk relating to political instability. The Board were invited to email any additional comments.

### **d) Membership of the Audit Committee**

Two additional members were required to take account of Brenda Palmer's term of office coming to an end in August and the fact that it had always been thought appropriate to have four members. Alan Harrison and Joe Kuipers were nominated for membership of the Committee and approved.

## **7. Health and Safety Policy**

The policy was approved, subject to any wording relating to corporate manslaughter that might be required. Norma Beechey would check this. Alan Harrison was appointed Board lead on health and safety issues and would report every six months on any incidents, although he would circulate information on urgent issues as and when it was necessary.

## **8. Confidential Items**

PA staff left the meeting and a discussion took place on PA Staff Pay Arrangements.

## **9. Trust Position Paper**

Christine Lawrie explained that she had written two separate papers, although they had been circulated as one document. The first covered "must do's" for the next nine months and the second dealt with a longer term vision for probation. The Board discussed the papers and a number of comments were made, including:

- The document read very well, particularly the first half which set out the "must do's" for NOMS very clearly, although the vision element required more work.
- A reference to the relationship between trusts and DOMS should be added. Specifically it should be made clear that it must be a contractual relationship and not have any element of a line manager role
- The paper on flexibilities should be added as an appendix in order to properly link the two pieces of work.
- Several Board members confirmed that they had canvassed views from their areas and fed comments to Christine to be included in the papers.
- A reference to VAT recovery should be added (Alan Harrison agreed to produce a form of words for inclusion).
- There should be stronger and specific references to the consequences of NOMS not doing what was included in the "must do" list.
- The paper needed to be shorter and more focussed.
- Other audiences and relationships should be considered, in addition to NOMS.

- The list of “must do’s” was critical – it should be a precise list of what PA believed was necessary to achieve successful trusts.
- The paper should include more specific references to competition.
- The paper should be a declaration of intent i.e. that areas were committed to becoming trusts and wanted obstacles to achieving this removed.
- The paper might be better written in terms of a risk analysis and what had to be done to mitigate these risks.
- If NOMS did not respond to the list of requirements, the long term vision for probation would not be achievable.

As a result of the discussion it was agreed that:

- Christine Lawrie would re-draft the papers, concentrating on the “must do” list as a priority. She would add delivery of HR requirements as an additional “must do” item and attach as appendices the full list of HR concerns she had sent to Richard Cullen, and the flexibilities paper.
- The revised paper would take into account comments made by the Board and would be more focused on key deliverables and on the specific consequences of these not being delivered. It would concentrate on what was required of NOMS and the risks associated with NOMS not responding to these.
- This would lead into the second paper on the longer term vision for trusts. This vision, that probation would be at the heart of criminal justice, would be achieved only if NOMS did what was asked in the short term to enable the creation of successful trusts.
- Board members would send any additional comments to Christine by the end of the following week (29 May) so that a final position paper could be put to the Council on 11 June for approval.

## **10. Any Other Business**

Christine Lawrie and Alan Wooderson had been invited to a reception at the House of Lords for the Edridge Fund on 12 June but neither was able to attend. The invitation was extended to other members of the Board but no one present was able to accept. CL would ask Julie Dent.

## **11. Date of Next Meeting**

The next full meeting was confirmed as 30 July 2009.