1. **Purpose of the paper**

   1.1 This paper briefs directors on progress with the Strategic Review.

2. **Progress**

   2.1 The subcommittee produced and distributed a consultation document as part of the development of the Strategic Business Plan (SBP) on June 14th. All directors and observers have a copy of the document. Responses have been requested by July 31st. The process for developing this document involved direct meetings with most members of the subcommittee, all of whom made significant comments and all supported the general thrust of the document – particularly the vision on the first page and the clear alignment of RSSB functions with industry objectives in the industry Strategic Business Plan.

   2.2 The draft changes to the Constitution Agreement have been sent for legal review.

   2.3 A meeting has been held with the ORR to ensure alignment and to coordinate the timing of changes.

   2.4 The internal review is progressing well with the following developments:

   - Video interview with Malcolm Brown available to all staff

   - An internal survey was conducted and secured feedback from 125 staff. Five key areas were identified and the survey secured support and commitment from respondents, as well as a large number of tangible ideas on how to take them forward. The five themes centred on *continuous improvement to achieve efficiencies, improved planning and prioritisation, better responsiveness to opportunities and potential threats, improved management of knowledge and information, and more effective two way communication between RSSB and stakeholders*. The next step is to prioritise and agree what to take forward, noting that many initiatives are already underway as part of this year’s company objectives. The feedback showed many areas where staff would support changes.
3. **Next Steps**

3.1 At the September board a paper will be tabled proposing a new approach to funding the company – including the means of setting members’ fees, the price variation (efficiency assumption) etc. This will be developed by the subcommittee taking account of the results of the consultation on the SBP.

3.2 At the November board meeting, a full business plan (taking account of the consultation responses) and changes to the Constitution Agreement will be presented for approval.

3.3 Given the nature of the changes in both business plan and Constitution, it will be recommended that both documents are formally consulted with members prior to implementation in time for the commencement of the next financial year.

3.4 The process to make internal changes to the company is proceeding as reported in 2.4. There are likely to be changes arising from the Technical Strategy Leadership Group review and the support that RSSB provides to it (as reported in agenda item 7) that may impact on the senior management team.

4. **Recommendation**

The board are asked to **NOTE** the progress with the Strategic Review