

MEETING OF THE NATIONAL LOTTERY COMMUNITY FUND BOARD

27 June, 2024

09:30-15:15

Belfast Charitable Society, Clifton House, 2 N Queen Street, Belfast, BT13 1AA / via MS Teams

MINUTES

BOARD MEMBERS

PRESENT:

Paul Sweeney	Interim Chair and Chair, Northern Ireland Committee
John Mothersole (Teams)	Vice Chair, Chair England Committee
Emma Boggis	Senior Independent Director
Richard Collier-Keywood	Chair, Audit and Risk Committee
Stuart Hobley (Teams)	Board member
Simone Lowthe-Thomas	Chair, Wales Committee
Helen Stephenson	People Committee Chair
Peter Stewart	Board member
Kate Still	Chair, Scotland Committee
Danielle Walker-Palmour (Teams)	Board member

IN ATTENDANCE:

David Knott	Chief Executive
Becky Morrison	Director, Youth and Civil Society, DCMS
Phil Chamberlain	England Director (Items 5 & 9)
Shane Ryan	Senior Advisor (Items 5, 8)
Laura Lucking	Funding Strategy, Communications & Impact Director
Emma Corrigan	England Director (Items 5 & 6)
Stuart Fisher	Chief Finance & Resource Officer
Kate Beggs	Northern Ireland Director (Items 5 & 11)
Neil Ritch	Scotland Director (Item 5)
John Rose	Wales Director (Items 5)
Michelle Everitt	People Deputy Director (Item 6)
Tom Leftwich	Senior Strategy Advisor (Item 8.3)
Catherine Roberts	Head of Governance (Minutes)
Patrick George	Senior Governance Officer (Minutes)

1. CLOSED SESSION

- 1.1. The Board met in closed session, with the CEO invited to join for the second part of the session.

Becky Morrison, Stuart Fisher, Verity Prime, Laura Lucking, Catherine Roberts and Patrick George joined the meeting.

2. INTRODUCTORY REMARKS

- 2.1. The Chair opened the meeting and welcomed all. He greeted Becky Morrison (Director, Youth and Civil Society, DCMS) who was observing. He congratulated Helen Stephenson on her recent inclusion in the King's Birthday Honours 2024 and extended thanks to the Belfast Team for organising very successful Board visits.
- 2.2. There were no apologies.
- 2.3. It was noted that Richard Collier-Keywood was prepared to recuse himself during the discussion on Dormant Assets if necessary. There were no other conflicts of interest.
- 2.4. The minutes of the meeting held on 28th March 2024, as revised after the meeting, were **APPROVED**, with Governance to amend paragraph 5.5 liaising with Laura Lucking.

ACTIONS ARISING - P12

- 2.5. The Board **NOTED** the status of the actions. Clarification was provided regarding the numbering of open and closed actions. Catherine Roberts advised Board members that the Terms of Reference under review would be brought to the September or December meetings of the Board.

ACTION: Governance

3. CHAIR'S INTRODUCTION

- 3.1. The Chair thanked Neil Ritch for his work in making the recent Board and Committee Day a great success. He noted that a follow up in person meeting was confirmed for 14th November in conjunction with the Fund's 30th Birthday celebrations on the 14th November. He went on to mention that Kate Still had now stood down from the Remuneration and Appointment Committee and invited members interested to volunteer to join the Committee.
- 3.2. It was noted that the Chair and the CEO had attended online a meeting organised for DCMS sponsored NDPBs. The meeting was addressed by the Permanent Secretary and focused on the preparation for the next administration post general election.

4. CEO UPDATE AND OUTLOOK - P13

- 4.1. The Board **NOTED** the overview provided by the CEO:
- He congratulated the Northern Ireland Directorate on their efforts in creating a successful Board visit.
 - The new Corporate Plan had a successful launch and there was good momentum within the organisation as a result.
 - The appointment of a new Chair of the Board had paused, due to the General Election.
 - Looking forward, the Fund was planning 30th Birthday Celebrations for November.
 - Organisationally, the recruitment of a new Director of People and Culture and a Chief of Staff had seen some really strong candidates, with a view to being able to announce appointment soon. The CEO thanked Board members who had supported the process.
 - The CEO thanked the People Committee for their support on the development of the new Employment Framework, work was continuing and he noted it was a well-developed piece of work which had involved a lot of efforts across the organisation.

Phil Chamberlain, Emma Corrigan, Kate Beggs, John Rose, Neil Ritch, Mel Eaglesfield and Shane Ryan joined the meeting.

5. FUNDING STRATEGY - P14

Strategy Implementation and Portfolio Development Update

- 5.1. Phil Chamberlain opened the discussion advising that, following a request at the previous meeting, a quarterly update would be given on Portfolio reviews to provide assurance to the Board. The focus was on 'It Starts with Community' and all Portfolios would be looking at providing the Board with an update on cross cutting themes in the December meeting. From an England perspective, following the General election announcement, the launch of the Framework had been paused. Tom Leftwich added that each Portfolio was looking to develop against each of the four missions and the next step was to review this collectively.
- 5.2. The Board thanked the team for the update and noted the sense of momentum amongst Portfolios to achieve against the missions set out in the new Strategy. The discussion focused on the need to have metrics available to assess the Fund's ability to provide equity-based funding and the need to ensure assessment frameworks across the directorates are aligned to the Strategy. The Board felt assured that plans were progressing and it was AGREED that the executive team would bring a further update to the September or December Board meeting.

ACTION: Portfolio Directors, Governance
- 5.3. The discussion also focused on the need to embrace risk as a learning organisation and the importance of being dynamic in implementing strategies. It was noted that there was a need to strengthen the tolerance for failure whilst maintaining zero tolerance for fraud. The executive emphasised the need to adapt and change the risk monitoring approach when assessing applications without evidence-based models.

Innovation Unit

- 5.4. The CEO praised the Innovation Unit for the pace of innovation and project development, highlighting the successful integration of AI conversations and emphasised the need to test and expand the organisation's capabilities. Shane Ryan discussed the decision-making process and the importance of fitting into organisational priorities.
- 5.5. The Board emphasised the importance of a comprehensive approach, expressing the desire for transparency in the process, and an opportunity for increased Board engagement was welcomed.
- 5.6. The discussion involved feedback and suggestions on governance, innovation and funding strategies. They recognised the need for external support, the focus on technology and the importance of understanding the impact of new initiatives. The Board expressed some concern about the length of the list of activities for the Innovation Unit and at the same time encouraged the retention of some capacity to continually innovate and pick up new projects. The CEO emphasised the wide-ranging nature of AI and the need for a more inclusive governance approach. Overall, the conversation revolved around refining strategies and ensuring a comprehensive understanding of the potential implications of the proposed projects.

Phil Chamberlain, Kate Beggs, John Rose, Neil Ritch, Mel Eaglesfield and Shane Ryan left the meeting.

Michelle Everitt joined the meeting.

6. PEOPLE COMMITTEE REPORT - P17

- 6.1. Helen Stephenson noted that the People Committee had established a good rhythm and had conducted a deep dive into each aspect of the People Plan, specifically the Employment Framework. Helen stressed the importance of the Employment Framework and the sense of strong ownership by all SMT, marking a significant move towards One

Fund as part of the strategy. The Board added that the Audit & Risk Committee had also been updated and the Remuneration and Appointment Committee had been actively involved in the Framework around senior executive pay.

- 6.2. The Board **NOTED** the minutes of the People Committee meeting and thanked the team for the work conducted . An action was taken to amend the minutes to accurately reflect the role of the Audit & Risk Committee in risk management.

ACTION: Governance

Michelle Everitt and Emma Corrigan left the meeting

7. AUDIT AND RISK COMMITTEE REPORT - P24

- 7.1. Richard Collier-Keywood presented the annual report of the Committee, noting the moderate assurance provided by the Head of Internal Audit. There had been ongoing improvements in the Fund's risk and governance controls. The timeframe for fraud detection had been significantly reduced. Specific deep dives had been held on safeguarding, property, governance review outcomes and cyber security concerns. The ARC effectiveness review would be revisited in September with a renewed focus on addressing outstanding internal audit risks.
- 7.2. The Chair thanked Richard for a comprehensive report. Richard acknowledged the improvement that have been made recently with regard to assurance, the process of dealing with fraud, as well as the control environment and general diligence following up actions. He thanked Stuart Fisher and team for the progress made.
- 7.3. The Board noted that the Annual Report and Accounts had been reviewed at the June Audit & risk Committee meeting and suggested amendments had been completed.
- 7.4. The Board noted the contents of the report and there was a request for an update on Fraud to be brought to the next Board meeting.

ACTION: Richard Collier-Keywood

8. OPERATIONS

Annual Report and Accounts incl. Expenses and Declarations.

- 8.1. Subject to the requested amendments to the report and hospitality register, The Board **APPROVED** the Annual Report and Accounts.

ACTION: Governance

Governance Review - P19

- 8.2. The Vice-Chair noted that progress had been made and the governance review tracker showed most actions were complete. The refreshed governance handbook and updated Matters Reserved for the Board were presented to the Board. Catherine Roberts welcomed comments on the Handbook and Matters reserved for the Board. It was suggested that a small group of Board members could engage with the executive on the Matters Reserved to the Board paper.

ACTION: Vice-Chair, CEO

8.3. The Governance tracker was NOTED.

8.4. There was an action for all Board members to update their Biographies for the website.

ACTION: Board Members

8.5. Subject to requested amendments, the Board **APPROVED** the Handbook and the Matters Reserved for the Board.

8.6. The Board moved on to discuss the options presented for the incorporation of Youth Voice into the Board and Country Committees governance. Whilst there was general support for the principle concern was raised regarding option 1 due to the alignment with the organisation's goals, the risk of being extractive and potential remuneration issues. There was an offer from Becky Morrison of support from the wider DCMS team. It was **AGREED** that a further solution would be developed by the executive and a further proposal would be brought to a future meeting.

ACTION: Vice-Chair, CEO, Governance

8.7. The Board **NOTED** the recommendation at Option 2 to commission a tailored scheme, the Young Trustee Movement to recruit youth representation on Country Committees.

8.8. They **NOTED** at Option 3, the wider Youth Voice plan to involve Youth Voice Advisors across portfolios to meet the Fund's ambition for Children and Young People mission.

9. CURRENT PERFORMANCE & FINANCE

Period 2 Financial Summary - P20

9.1. Stuart Fisher presented the key points in the Financial Summary the end of April 2024 , noting that forecasts did not raise any significant concerns for income. Grant budgets were on track and operating costs were on budget.

Grant Award Budget Update - P21

9.2. The Board **NOTED** the update from Stuart Fisher and looked forward to a more detailed update in September.

KPI Performance Update - P22

9.3. The Board **NOTED** the update from Laura Lucking and welcomed the implementation of the new KPIs later in the year.

10. OPERATIONS

Following a general introduction, Richard-Collier Keywood recused himself for this section of the meeting.

Dormant Assets - P23

- 10.1. The Board received an update on Dormant Assets and the Community Wealth Fund in particular. Stuart Fisher addressed the challenges of managing dormant assets across the different directorates and the complexities of different arrangements.
- 10.2. The Board were grateful of the update and discussed accountability and governance arrangements, future expansion of the scheme and how the scheme may be affected by future policy direction.

Phil Chamberlain, Emma Corrigan, Kate Beggs, John Rose, Neil Ritch, Mel Eaglesfield and Shane Ryan joined the meeting. Richard Collier-Keywood also rejoined the meeting.

11. NI ANNUAL FUNDING REPORT - P25

- 11.1. Kate Beggs provided the Board with an update on Northern Ireland Directorate. She highlighted the significant pressure felt in the sector, particularly in dealing with divided communities and the need for more explicit targeting of funding for those in need. Kate's team successfully managed programme closures and welcomed a new funding strategy, with plans to launch a new inclusion programme in September. She emphasised the importance of building sustainable communities and environmental considerations in funding initiatives
- 11.2. The discussion centred around the transition to a new programme and framework, particularly regarding the potential losses from the previous approaches taken. Kate Beggs emphasized the importance of community building and networking in their current structure.

12. BOARD FORWARD LOOK - P26

- 12.1. The Board review the Forward look and it was agreed that dates for 2025 Board meetings would be circulated amongst members.

ACTION: Governance

- 12.2. There was a request for the ARC effectiveness review to be completed and presented to a future meeting.

ACTION: Richard Collier-Keywood and Governance

13. ANY OTHER BUSINESS

- 13.1. There being no other business the Chair closed the meeting at 15.15.

END

Date: 30 September 2024

Chair's signature: 