

# MEETING OF THE NATIONAL LOTTERY COMMUNITY FUND BOARD

26 September, 2024

09:45-15:15

National Lottery Community Fund Newcastle Office, 2 St James Blvd, Newcastle-Upon-Tyne NE1 4BE / via MS Teams

## MINUTES

### BOARD MEMBERS

#### PRESENT:

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

#### IN ATTENDANCE:

David Knott	Chief Executive
Becky Morrison (Teams)	Director, Youth and Civil Society, DCMS
Laura Lucking	Funding Strategy, Communications & Impact Director
Phil Chamberlain	England Director (Items 5 & 9)
Emma Corrigan	England Director (Items 5 & 9)
Stuart Fisher	Chief Finance & Resource Officer
Neil Ritch	Scotland Director (Item 5 & 9)
John Rose	Wales Director (Items 5 & 9)
Mel Eaglesfield	Deputy Director, UK Portfolio (Items 5 & 9)
Liz Church	People & Culture Director (Items 5 & 6)
Tom Leftwich	Senior Strategy Advisor (Item 5.1)
Tom Walters	Deputy Director, Impact (Item 7.4 & 7.5)
Catherine Roberts	Head of Governance (Minutes)
Patrick George	Senior Governance Officer (Minutes)

### 1. CLOSED SESSION

1.1. The Board and the CEO met for a closed 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 thanked the Vice-Chair, England Deputy Director Mark Purvis and all involved for their work organising the morning's Stakeholder Breakfast.

2.2. There were no apologies.

2.3. The minutes of the meeting held on 27<sup>th</sup> June 2024 were APPROVED as an accurate record.

## **ACTIONS ARISING - P27**

- 2.4. The Board **NOTED** the status of the actions. The Board mentioned the status of a number of actions and it was agreed these would be reviewed.
- 2.5. The Board noted that the Audit & Risk Committee had asked for a further review of the Fund's whistleblowing policy and clarity of the role of the Senior Independent Director.

**ACTION: Governance**

## **3. CHAIR'S INTRODUCTION**

- 3.1. The Chair welcomed the new People & Culture Director to the Fund and thanked Peter Stewart for becoming a member of the Remuneration and Appointments Committee. He also noted that a new non-executive member had been appointed to the Audit & Risk Committee with another person scheduled to join in the spring of 2025. A positive meeting had been held between the Chair, CEO and the Minister for Sport, Media, Civil Society and Youth and both the Minister and Secretary of State had showed a strong commitment to the sector.
- 3.2. He went on to note that the annual Board appraisal was due to commence shortly with a similar structure to the previous year. The Chair also acknowledged the leadership of the Vice-Chair in taking forward the Governance Review.

## **Board Development Overview**

- 3.3. The Vice-Chair provided an overview following the recent Board Development activity and discussed the findings. The need for more rigorous decision-making and reviewing the consequences of those decisions was highlighted. He emphasised the importance of building confidence in the Board's relationships with the Senior Management Team and the Country Committees.
- 3.4. The Board welcomed the update from the Vice-Chair and an action was agreed for the new Chief of Staff to conduct a review of the structural and technical relationships between the Board and the Country Committees.

**ACTION: Chief of Staff, Governance**

## **Governance Review Update - P28**

- 3.5. The Vice-Chair informed the Board that a written report was submitted to the September Audit & Risk Committee meeting who noted that the recommendations had been completed. He confirmed that all actions had been initiated, most completed, and some residual actions moved to a business-as-usual cycle of reporting. The Board **APPROVED** the recommendation that the Governance Review would transition to business as usual, and it was **AGREED** that the Vice-Chair would continue to monitor the tracker annually and report any findings to the Board.

**ACTION: Governance**

## **Youth Representation on Board - P29**

- 3.6. The Board received an update on the proposal to add Youth representation to the Board. This followed the agreement at the June meeting to the Country Committee recommendations and concerns raised then by Board members about guaranteeing a young person's involvement and remuneration. The reviewed proposal involved collaboration with the Young Trustee movement who provided initial training and ongoing support from across the wider Board.
- 3.7. The Board **APPROVED** the recommendation and welcomed the update. Members endorsed the programme but recommended that attention should be paid to ensuring papers and reporting should be clear to enable greater understanding of content for the new member. The overall cost of the programme would also be checked.

**ACTION: Laura Lucking/Verity Prime**

#### **4. CEO UPDATE AND OUTLOOK - P30**

- 4.1. The Board **NOTED** the overview provided by the CEO:
- He thanked all involved for a successful event in Newcastle.
  - Good strides were being made on the Corporate Plan.
  - Positive changes were happening within the organisation, with events organised to celebrate the National Lottery 30<sup>th</sup> Birthday scheduled for November.
  - Engagement with the new Government was a continued priority.
  - The new operator was due to complete a major technology project in February 2025 to enable growth in National Lottery good causes from Spring 2026.
  - The DCMS Framework Document was ready for signing after going through several approval processes.
  - He advised of a shift in business and budget planning to a 3-year outlook and reporting cycle.
  - He reflected on the response to the civil unrest events from the summer, what that meant for supporting grant holders and measuring the impact on groups. He noted reflections from the Race, Ethnicity And Cultural Heritage staff network had been shared with and discussed by the Board. These related to communications and colleague support. It was noted a facilitated reflections session would be held.
- 4.2. The Board welcomed the update and acknowledged the progress being made. There was an action to circulate the agenda for the upcoming Board & Committee Day in November.

**ACTION: Governance, John Rose**

*The Board took a 10-minute break at 11.15*

#### **5. FUNDING STRATEGY - P31**

*Phil Chamberlain, Emma Corrigan, Liz Church, John Rose, Neil Ritch, Mel Eaglesfield and Tom Leftwich joined the meeting*

## Strategy Implementation - Bringing it Together: A One Fund Approach

- 5.1. The Board received an update on the overview of the initial stage of the new Strategy. The update represented the commencement of the strategy's implementation, focusing on assessing the impact and value of interventions. The Annexes provided a high-level evaluation of the missions framework across all Portfolios, with Annex C concentrating on specific funding commitments and cross cutting themes, emphasising regenerative and equitable funding.
- 5.2. The Board welcomed the update and noted the organisation's success in the initial implementation of the strategy. Members highlighted the importance of intentional and responsive funding and urged separate consideration of equitable and EDI funding. There was a request for the reporting to be developed further to represent the future direction and impact of the strategy.

**ACTION: Tom Leftwich**

- 5.3. The discussion also focussed on partnerships and the need for involvement of the statutory sector. An action was taken to conduct a deep dive at a Board level for each of the missions held in the strategy to facilitate greater discussion.

**ACTION: Laura Lucking**

*Tom Leftwich left the meeting.*

### **Our Funding Response to Civil Unrest**

- 5.4. The Board **NOTED** the update provided and welcome the opportunity to discuss the recent events. They highlighted the importance of a long-term funding approach and the value of investing in community cohesion. They emphasised the need to understand and listen to the perspective of those feeling marginalised and the role that quality community spaces can play in bringing communities together. They also expressed the significance of partnerships and education in community development.

### **Engagement and Stakeholders**

- 5.5. Laura Lucking provided the Board with an update on recent Engagement with Stakeholders. There was a new mission-led and impact-focused approach to communications, aiming for a coherent strategy across the four nations. Focus was on engagement with stakeholders, including over sixty MPs, and planning interactions with the new Government. The next phase would involve seeking feedback and enhancing stakeholder engagement, including with devolved administrations.

*The Board took a lunch break with staff at 12.30 for 30 minutes.*

### **Strategic Risk Framework**

- 5.6. Stuart Fisher and Emma Corrigan provided the Board with an update following recent discussion at previous Board and Audit & Risk Committee meetings. They highlighted the role of the Audit & Risk Committee in driving improvements in the control framework and engagement with the Internal Audit team. Previous Board conversations had focussed on how to become more open to risk in a controlled way, with particular attention paid

to technology and cyber. The desire to fund at a higher risk level and balancing short-term financial concerns with future growth considerations was also discussed.

- 5.7. Members welcomed the update, and the discussion revolved around specific risks, including funding and cyber security. Concern was expressed about maintaining a low risk for fraud without increasing bureaucracy and strengthening controls. The Board emphasised the need for a high level of assurance and ownership of risk and highlighted the importance of regular discussions on cyber security. The Board agreed that a non-executive, with specific cyber security knowledge, should be co-opted to provide further assurance for the Board.

**ACTION: Governance**

*Phil Chamberlain, Emma Corrigan, John Rose, Neil Ritch, Mel Eaglesfield left the meeting*

## **6. PEOPLE COMMITTEE REPORT - P35**

- 6.1. The Board **NOTED** the minutes of the recent People Committee meeting and Helen Stephenson reflected on a busy quarter for the Committee. She advised that the Senior Management Team had agreed to provide more indicators for reporting in order to provide further transparency.

**ACTION: Liz Church**

## **7. OPERATIONS**

### **Period 3 Financial Summary - P36**

- 7.1. The Board **NOTED** the update on the financial performance of the Fund to end of August 2024, reflecting a strong start to the financial year with grant budgets. The focus was to carry the current momentum into the second half of the year.

### **Grant Award Budget Update - P37**

- 7.2. Stuart Fisher provided members with an update on the Grant Award Budget, focussing on financial risks and a cautious outlook for growth projections. The allocation of grant budgets was discussed and the Board was informed that a recommendation would be brought to the December meeting for a further draw down from the NLDF budget. The potential impact of partnerships and EDAs on grant budgets was also discussed. The Board were invited to approve and note the recommendations outlined in the paper.

**ACTION: Stuart Fisher**

- 7.3. The Board **APPROVED** the recommendations and thanked Stuart for the update. A plan for potential growth was requested to be brought to the December meeting to provide the Board with greater assurance.

**ACTION: Stuart Fisher**

## KPI Performance Report - P38

*Tom Walters joined the meeting*

- 7.4. The Board received an update following the initial reporting round of the new KPIs. Tom Walters highlighted to members that some red indicators were not a cause for concern and there were some gaps and ongoing work to be completed. Initial reporting for the KPIs showed that two were green, three were red and one was amber. Progress had been significant, and members were invited to discuss the progress made.
- 7.5. Board members **NOTED** the report and welcomed the update. The discussion focussed on the impact of success rates on targeted missions and the importance of consistent Portfolio reviews. They expressed a need for annual reporting and requested interim indicators to assess progression prior to the full cycle being completed.

**ACTION: Tom Walters, Laura Lucking/Verity Prime**

## Impact/ Missions Framework - P39

- 7.6. The Board welcomed the update regarding the impact and missions framework. They discussed the overlap between the missions and the importance of comprehending how projects and communities are understanding the mission areas.

*Tom Walters left the meeting*

## 8. AUDIT & RISK COMMITTEE -P40

- 8.1. Richard Collier-Keywood provided the Board with an update on the recent Audit & Risk Committee meeting. He advised that a deep dive on growth projections would be conducted at the November meeting. An updated version of the Whistleblowing Policy and more clarity on reporting would be brought to the December Board following discussion at the next Audit & Risk Committee meeting.

**ACTION: Governance**

## 9. ANNUAL FUNDING REPORT

### Wales - P41

- 9.1. John Rose presented the Wales report to the Board, noting the Portfolio's focus on responsive funding for community needs, intentional funding for young people entering green jobs and impact work related to mental health and homelessness. He also discussed the organisation's emphasis on environmental improvements.
- 9.2. The Board **NOTED** the update and the discussion focussed on the depth of sharing learning across the Fund and the need to systemise it. The example of the Environment was given for Wales, with an emphasis on sharing learning and applying the data relevant to each Portfolio.

### Scotland - P42

- 9.3. Neil Ritch presented the Scotland report to the Board. He discussed the current focus in Scotland which had been sustaining the sector rather than long-term strategic work. Efforts had been made to engage with communities through participatory grant-making and to strengthen partnerships with other funders. A new Scotland Portfolio was due to be launched in 2025 with a focus on partnership building. Work was also being done to assess and improve environmental impact.
- 9.4. The Board thanked Neil for the update and discussed the impact of a growth in demand, a trend towards fewer larger grants and how the Fund would manage that.

## **10. BOARD FORWARD LOOK - P43**

- 10.1. The Board **NOTED** the contents of the Forward Look and it was agreed that members would assess their availability in order to attend the 30<sup>th</sup> Birthday Celebration event in November.

**ACTION: Board Members**

- 10.2. There was an action to hold a 5<sup>th</sup> informal Board meeting, to be held in the 2<sup>nd</sup> quarter of 2025 in between business meetings.

**ACTION: Governance**

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## **11. ANY OTHER BUSINESS**

- 11.1. With there being no further business, the Chair closed the meeting at 15:10.

END

Date: 5 December 2024

Chair's signature:

