**THE NATIONAL LOTTERY COMMUNITY FUND**

**UK FUNDING COMMITTEE MEETING**

**Friday 12th November 10:00 – 13:00**

**Online via Teams**

**MINUTES**

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| **MEMBERS:** |  |
| Blondel Cluff (Chair)  Aaliya Seyal  Paul Sweeney  Kevin Bone  Danielle Walker-Palmour | Chair of the Board  Scotland Committee Member  Northern Ireland Committee Chair  England Committee Member  Board Member |
| **IN ATTENDANCE:** |  |
| Emma Ackerman  John Knights  Ruth Bates  David Knott  Hannah Paterson  Nick Gardner  Harnish Hadani  Nigel Crompton  Faiza Khan  Abigail Campbell  Dominic Newlyn | Funding Strategy Director  Senior Portfolio Manager  Deputy Director, Funding Strategy  Chief Executive (Item 6)  Senior Portfolio Manager (Item 8)  Head of Climate Action (Item 8)  Interim Finance Director (Item 7 & 9A)  Portfolio Manager (Item 9A)  Engagement & Insight Director (Item 9D)  Portfolio Officer (Item 10)  Governance Officer (Minutes) |
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1. **CHAIR'S WELCOME & ANNOUNCEMENTS**
   1. The Chair welcomed the Committee, noting that it would be Ruth Bates’ first meeting in her role as Deputy Director for Funding Strategy. Ruth had been seconded to this role following Cassie’s departure from the Fund.
2. **APOLOGIES FOR ABSENCE** 
   1. Apologies were received from Sian Callaghan.
3. **DECLARATIONS OF INTEREST** 
   1. Danielle Walker-Palmour declared a conflict of interest in relation to the Financial Innovation Lab funding application, for whom her organisation were a core funder. This was agreed to be a disqualifying interest and Danielle would leave the meeting for this discussion and decision.
4. **MINUTES OF PREVIOUS MEETING – UKFC(21)M02**
   1. The Minutes were approved as seen.
5. **ACTIONS ARISING**
   1. The Committee noted the open actions, which would be addressed in the Portfolio Update and could be marked as complete following this.
6. **CEO UPDATE – FUND STRATEGIC CONTEXT – *Verbal***
   1. David Knott provided an update on the results of the inquiry into the Fund’s culture, which had been published a few days prior. The Committee noted David’s statement that outlined the Fund’s acceptance of the findings and the commitment to meeting the recommendations in the report. David reiterated to the Committee the content of this statement and the commitment of the SMT, non-executives, and himself as CEO, to improving and maintaining standards.
   2. In addition, David highlighted the work contributing to the production the Impact Report, the second phase of which would be published imminently. This was a powerful report that demonstrated the real-life impacts of funding distributed by teams across the Fund, and would help illustrate to key stakeholders the difference that the Fund was having across the UK.
   3. As a final point, David reiterated the importance of the UK portfolio in the integral strategy of the Fund; to continue the core busines of making active decisions as a community funder, with a recognition of the need for decisions that are clear on the impact they are having.
7. **FINANCE UPDATE**
   1. Harnish provided context and explanation of the formulation for income allocation and grant budget figures for each portfolio. These were reviewed on a quarterly basis and reported to the Board. The grant awards budget for the UK Portfolio was set as per the original budget.
   2. The Committee were asked to note the financial impact that varying lengths of grants awarded would have. Longer grants needed to consider the ongoing financial commitment for the resources required to deliver the grant, whilst shorter grants would have an impact on cashflow. The Committee noted the need for monitoring any effects on cashflow of an increase in small, quick grants as this had been flagged as a potential area of development for the UK Portfolio.
   3. The Committee noted the above and discussed their role in contributing to the financial set-up of the portfolio. It was agreed that a regular financial update to the Committee would help identify the strategic direction required from the Committee, and Harnish would present a financial update as a regular item

**ACTION: Harnish Hadani, Governance**

* 1. The Committee noted that the data supporting portfolio grants budget setting dated back to 2017. Harnish flagged that with the 2021 census having just completed, a similar exercise would need to be completed, with an external partner and subject to Board approval, which reviews population and need across the UK. This would be considered alongside the Fund’s risk appetite and share of income to produce the budgets for the coming years.
  2. The Committee requested that the papers outlining the Fund’s financing of the Manx Lottery Fund be recirculated to the Committee for reference.

**ACTION: Governance**

1. **UK PORTFOLIO UPDATE**
   1. The Committee confirmed the two decisions made at the Extraordinary Committee meeting from the previous week; Eden Communities and The Together Coalition.
   2. The Committee received the following updates;
      1. **IKEA Partnership** – IKEA had been the Fund’s first corporate partnership. The small grants programme, for which both the Fund and IKEA had contributed £1m, had now concluded. The programme focused on building back with environmentally sustainable methods, and had seen 64% of grants go to organisations that were ‘new’ to the fund, widening the reach and impact of the Fund amongst communities.
      2. **Together For Our Planet** – The Committee noted the progress of the programme, a Joint UK and Scotland venture. The team had already began to pick up on some key learnings from this programme and would update the Committee in due course.
      3. **UK Knowledge and Learning** – a small Digital team had provided significant support across the Fund for development of digital grant making skills and training. The Committee noted the results, with 82% reporting increased knowledge and confidence in digital grant making.
      4. **Financial update –** The Committee noted the underspend on micro-grants of c.£400k. This had been caused by issues with Celebrate25 grants being spent due to pandemic early in 2020. The Committee suggested that the team look at whether this can be utilised through other micro-grants programmes launching elsewhere.
   3. The Committee noted the termination of the BRAC UK grant. The decision to terminate the BRAC UK grant had been taken based on key reputational and safeguarding risks to the Fund, which had been a fairly difficult process and was not a decision the Fund took lightly.
   4. The Committee noted that the International programme retained an allocation in future budgets. The team highlighted that this was retained for an international programme in principle, and the Fund’s strategic approach to international programmes could be reviewed as part of the wider Portfolio Review.
   5. The Portfolio Review was discussed more generally and the Committee sought clarity on their role in the process. Members also reiterated the need for sufficient data on need, demand, and project success rates to underpin any review of the portfolio.
2. **UK PORTFOLIO DEVELOPMENT**
   1. The Committee discussed and considered the contents of the paper, noting the financial considerations and agreeing with the funding programme pauses that had been highlighted.

**The Platinum Jubilee**

* 1. The Committee received an update on The Platinum Jubilee activity. The Jubilee funding programme would launch in 5 days time, connecting with a lot of strands of activity over the next 18 months including the Queen’s Green Canopy, the Big Jubilee Lunch, UK City of Culture and Festival 2022.
  2. This flagship programme would be allocated £3.5m to Fund 70 projects across the UK, covering the 3 key focuses of Across Generations, Community Renewal, and Our Shared Natural World. The A4A programme would not be repurposed but instead would be used to direct applicants towards the Jubilee programme.
  3. The programme had a significant amount of cross-distributor engagement. The key focuses were constant across all, and activities with distributors was a main focus and included an interactive UK map of funding projects, aligned branding and logos, and references to the total cross-distributor funding figures.
  4. The Committee noted that this proposal had been accounted for in the UK Portfolio Budget for 2021/22, and were being asked to review the paper and formally note the funding amount of £3.5m allocated within this strand.
  5. **The Committee formally noted the allocation for The Platinum Jubilee funding programme.**

**The People’s Projects**

* 1. Faiza Khan provided an overview of The People’s Projects, highlighting the local focus of the programme and the value to the Fund of engagement with communities and identifying causes and issues that resonate within them. The partnership with ITV/STV also provided significant reach and brand awareness.
  2. The Committee were asked to approve the allocation, in principle, of £3m for programme, which would enable work to begin with Service Design on designing and developing the programme internally. It was noted that this would be guided significantly by a template based on previous successful programmes, and would look to open up in Autumn 2022 for applications. The design proposal would return to the Committee for sign-off in April 2022.
  3. The Committee noted that an allocation in principle would allow the team to continue conversations with ITV and explore how The People’s Projects programme may look in the future. However, the Committee were reticent to the reputational risks associated with an allocation in principle, should this be made public and the Fund decide not to proceed with the programme. It was suggested that the team look at non-disclosure agreements with any parties involved to mitigate these risks.
  4. **The Committee AGREED in principle to allocate £3m to The People’s Projects. Faiza Khan would return to the Committee with an update in due course, once the decision on the Fund’s involvement had been made.**

1. **UK FUNDING DECISIONS**
   1. The funding decisions are confidential and can be found at Annex A.
2. **ANY OTHER BUSINESS**
   1. The Committee reflected on the key discussion themes from the funding decisions, highlighting the following points;
      1. The Committee would like to see a stronger focus on community need in the proposals, both in the long term and short term outcomes of a project.
      2. Further consideration should be given to the organisational structure and sustainability, particularly with regards to new organisations requesting funding.
      3. The Committee would like to see clearer demonstrations of how organisations fit into and interact with the wider sector infrastructure.
      4. The Committee also requested clarity on the duration of grants and clearer evidence of the impact organisations expected to have over the shorter three-year grant period in comparison to the longer 10-year period.

**THE MEETING ENDED AT 12:00.**

**MINUTES AGREED DATE**

**BLONDEL CLUFF**

**UK FUNDING COMMITTEE CHAIR**