

**THE NATIONAL LOTTERY COMMUNITY FUND
BOARD**

**MEETING OF THE NATIONAL LOTTERY COMMUNITY FUND BOARD HELD VIRTUALLY ON
25 JUNE 2020**

MINUTES

PRESENT:

Tony Burton	Interim Chair
Emma Boggis	Vice-Chair, Chair Audit & Risk
Natalie Campbell	Board Member
Perdita Fraser	Board Member
Elizabeth Passey	Board Member
Rachael Robathan	Board Member
Danielle Walker	Board Member
Palmour	
Adrian Webb	Board Member, Wales Chair
Kate Still	Chair, Scotland Committee
Sandra McNamee	Interim Chair, NI Committee
John Mothersole	Chair, England Committee

IN ATTENDANCE:

Dawn Austwick	Chief Executive
Neil Harris	People Director
Faiza Khan	Engagement & Insight Director
Elly De Decker	England Director
Kate Beggs	Northern Ireland Director
Emma Kavanagh	Acting Finance Director, Finance
Matthew Green	Technology & Data Director
Neil Ritch	Scotland Director
John Rose	Wales Director
Catherine Roberts	Head of Governance (minutes)
Katie Crystal	Governance Officer (minutes)

1. CLOSED SESSION

- 1.1. The Board held a closed session ahead of the main business meeting with the Chief Executive in attendance. The minutes of the Closed Session are available at Annex 1.

SMT members, the Head of Governance and Katie Crystal, Governance Officer joined the meeting.

2. INTRODUCTORY REMARKS

- 2.1. The Chair welcomed attendees, and extended a special welcome to Kate Still, new Scotland Chair and John Mothersole, new England Chair, thanking them for their patience over the long process of appointment. Kate and John introduced themselves to Board and SMT colleagues. They were delighted to be part of the Board and hoped that their skills and experience would be of use to Board colleagues and the wider organisation.
- 2.2. The Chair acknowledged that it was Emma Kavanagh's first meeting as Acting Finance Director.
- 2.3. With regret the Chair noted formally that Dawn had announced that she would be stepping down as Chief Executive at the end of the calendar year.

- 2.4. Adrian had just been re-appointed Chair of the Wales Committee for another year, which was welcome news for the continuity of the Board and Committee.
- 2.5. Tony's interim appointment as Chair of the Board had been extended until February 2021 or until a new Chair is appointed and his term as a Board member had also been extended for an extra nine months from November 2020.
- 2.6. Finally, Tony thanked Nat Campbell for having remained slightly longer on the Board, acknowledging that this might be her last meeting. Tony thanked her for her significant contribution over the past years. She would no doubt continue to support the Fund in her other roles.
- 2.7. The Chair outlined the protocol for the virtual meeting reminding all that silence would be taken as consent.
- 2.8. There were no apologies for absence.
- 2.9. No interests were declared.
- 2.10. The minutes of the meeting held on 25th March 2020 BOARD(20)M01 were approved as an accurate record. Actions arising were reviewed and updated.

3. CEO OVERVIEW - P18

- 3.1. The Board received BOARD(20)P with the latest CEO report. The Board noted the results of the staff pulse survey which sought views on the Fund's handling of Covid-19 from a staff perspective Results were broadly positive, particularly around the flexibility the Fund had offered all staff. Many colleagues wanted to retain some of that flexibility moving forward, particularly in view of how well the organisation had worked during and despite the crisis.
- 3.2. The Board asked about the changes to the EDI statistics in the annual report which had been reduced as a result of the implementation of GMS. They were reassured that SMT had just signed off a new approach to gathering EDI data that should be operational and able to report for the 20/21 Annual Report.

4. COVID 19 - Funding Response - P19

- 4.1. The Board discussed Board(20)P19. They had covered much of the response in the closed session but the paper gave an additional factual account of progress so far. A point was raised around the contrast in responses across the four nations, some aspects of our evaluation work may cover this. This would be further explored by the Executive.
- 4.2. The Board sought clarification on the consequences of pausing applications for non-Covid applications. The teams had proactively reached out to these applicants to point them to our emergency funding offer. The Board also noted that when government funding reduced from £310m initially to £200m key national

organisations were still eligible for funding and could still apply although we would no longer proactively approach them. Some were funded through TNLCF.

- 4.3. Staffing was being monitored and we were proactively looking at resourcing across England and across the Fund, bringing in external resources where required and working in close collaboration with the People Director.
- 4.4. It was clarified that government funding addresses the first two priorities on the taxonomy in England whereas our funding supports organisations in the third category. The transition period towards a new normal and how the funding could best support organisations coming out of the crisis were being explored across the Fund.
- 4.5. The Board were pleased to note that the Fund had responded well to the crisis while maintaining ongoing business; the four-country structure had proved to be resilient and effective. They acknowledged the extraordinary amount of work accomplished by staff.

5. SUPPORTING BAME COMMUNITIES - P33

- 5.1. The Board received Board(20)P33. Kate Beggs introduced the work done to accelerate our efforts to support BAME colleagues and engage with BAME communities and organisations to encourage applications and ensure that our funding is equitable and accessible to those hardest hit communities.
- 5.2. The Board would be receiving a full EDI and People report in September with an update on our ambitions. They were informed that one action underway to improve our support to BAME organisations and colleagues was through the collection of stronger and more consistent data about distribution and diversity.
- 5.3. The Board discussed the need to be ready to evidence the action we are taking as an ALB, and the diversity profile of BAME employees and funding.
- 5.4. They acknowledged that we need to look at both our approach and how we communicate what we do, ensuring that they are an integral part of who we are as an organisation. They re-emphasised the need to be a supportive employer, to focus on increasing diversity and inclusion amongst staff to reflect the communities we serve, widening our lens to think of equalities more broadly and asking the right questions to ensure we collect useful data. We should also ensure that our funding profile changes accordingly.

6. BOARD SHADOW OUTLINE - P37

- 6.1. In March the Board had agreed to pilot a Board Shadow Scheme subject to clarification on the practical aspects of implementation. Joe Rich has been involved in setting the practicalities of having a young person from the Young People in The Lead group joining Board meetings so that they have a positive and enriching experience. There would be a governance induction session and introductory meetings with the young person in advance of September. Perdy was pleased to act as Board Mentor.

7. CURRENT PERFORMANCE AND FINANCE

KPI Performance Report - P08

- 7.1. The Board noted the content of the Fund's performance report to 31st May 2020. Four of the seven KPI results were not available yet, as they were only partially released, but timescales had been included in the KPI table and results would be reported as soon as data became available. More work would be done in the future to adjust the phasing and align better with reporting.

Financial Summary - P09

- 7.2. The Board received the financial summary for the two months to May 2020. They noted that when the initial £300m commitment was made there was no suggestion that we would not spend this by the end of September. However, our positioning had changed. In addition to the government funding we are now distributing, we are no longer in a three-month emergency crisis but an evolving, longer term situation with the likelihood that the funding will be committed by November/end of year.

- 7.3. The operating cost underspend for the year to date was driven by the decrease in travel and expenses. It was likely that we would maintain an underspend throughout the year and would continue to forecast in September and reflect on how to use savings strategically.

Income Update and Risk - P10

- 7.3 The Board reviewed Board(20)P22. They **APPROVED** the proposed approach to income projections. They noted how National Lottery income, having dipped by 20% at the end of March, had recovered to near budget levels on a week to week basis.

Grants Budget - P11

- 7.4. The Board noted the update on the grant award allocations for 2020/21 onwards, noting that they would come back at Q1 review. They were content with the initial forecast outturn for 2020/21 and the indicative awards allocations presented. Teams were working closely with portfolios to ensure that commitments for 2020/21 are maximised.

8. ANNUAL REPORT AND ACCOUNTS - P35

- 8.1. The Board noted the Annual Report and Accounts and congratulated Emma Kavanagh and her team on a clean audit. The ARA would be laid in Parliament in July.

9. AUDIT AND RISK COMMITTEE REPORT - AR(20)M01

- 9.1. The minutes of the Audit & Risk Committee meeting held on 11th June were noted. Emma Boggis shared highlights: The Audit Completion Report from KPMG had found no misstatements or errors and KPMG were very complimentary of the work of the team; the Committee had discussed the impact of Covid on risk; and how the new Grant Making System had made the assessment easier for the auditors.

10. ARC ANNUAL REPORT TO BOARD - P26

- 10.1. The Board received Board(20)P26, summarising the activities of the Audit and Risk Committee to June 2020. Emma thanked the team for their hard work particularly as they had to embed new internal audit providers. There had been significant progress on fraud management. The Head of Internal Audit in his report had provided moderate assurance drawing attention to an increased number of outstanding recommendations and delays in implementing recommendations.

11. RISK MANAGEMENT POLICY - P36

- 11.1. The Board received the annual Risk Management Policy at Board(20)P36 updated to reflect the agreed roles and responsibilities within the risk management process.

12. ANNUAL SAFEGUARDING REPORT - P27

- 12.1. The Board received the Annual Safeguarding Report and thanked Laura Furness and Kate Beggs for the progress achieved. We now had policies for grant holders and staff and dedicated Safeguarding Officers across all directorates as well as training modules. The work would continue as we continued to learn and strengthen our practice working with other organisations.
- 12.2. The Board queried the governance and whether Board members should have some oversight. They were re-assured that there was a clear internal escalation mechanism.

13. BOARD FORWARD LOOK P28

- 13.1 The Board noted the proposed forward look to Q1 2021/22.

14. PORTFOLIO UPDATES - P13

- 14.1. The updates were taken as read.

15. ANY OTHER BUSINESS

- 15.1. There being no other business the meeting closed.

STRATEGIC DISCUSSION**16. DELIVERING PEOPLE IN THE LEAD PORTFOLIO REPORTS****NORTHERN IRELAND PiTL REPORT - P30**

- 16.1 Kate Beggs provided the Board with an update on the delivery of People in the Lead in Northern Ireland. The team had adapted well to working from home and were acknowledged for their handling of the crisis response. The whole team has been temporarily restructured and staff had responded positively.
- 16.3 Kate reported that the Northern Ireland team is now significantly more connected to the wider Fund. This is partially due to increased understanding of processes through GMS, sharing experiences of navigating complex community dynamics, and becoming better connected externally with both government and stakeholders. These developments positioned Northern Ireland well to deal with the onset of the pandemic.
- 16.4 Kate Beggs noted that the economy in Northern Ireland is predicted to contract at a faster rate than in the rest of the UK, with youth unemployment increasing significantly. Northern Ireland was already a community in crisis prior to the onset of the pandemic, which has exacerbated the previous circumstances. The People in the Lead approach will assist in recovery from the crisis but the need to coordinate within the sector to reduce duplication of services was emphasised. The emergency response has driven better collaboration within the sector, and this will need to be sustained beyond the crisis.

UK PiTL REPORT - P31

- 16.5 John Rose updated the Board on the status of the UK portfolio. The portfolio has moved away from an entirely responsive approach to focussing on areas where it is believed that the Fund can have the most impact. The portfolio are currently focusing on three areas: Digital, the Lived Experiences Leader Programme and Climate Action, whilst exploring future options and approaches, for example around Bringing People Together and existing funding priorities, like for example the Big Lunch and People's Projects.
- 16.6 Cassie Robinson informed the Board that there is still room in the budget to fund more digital programmes and organisations. The Digital Fund will reopen in the future with a focus on funding existing and emerging digital infrastructure.
- 16.7 The Evidence and Insight programme will open in the autumn and will play a significant role in telling the story of the sector during Covid.
- 16.8 The Emerging Futures Fund was launched and had closed on the 25th of June. This fund has seen significant demand from the sector and the remaining budget will be utilised around the idea of bringing people together and fostering great ideas.
- 16.9 The Board questioned the future of international funding. It was noted that this had been reviewed and in future would focus more on international knowledge and ideas transfer that related to our domestic funding, for example digital, climate actions or participatory funding.

17. EMERGING FUTURE

- 17.1 The Board had a strategic discussion on what the future in the context of the pandemic might look like. Long standing issues of inequality have been exacerbated by the crisis with implications for how we operate and fund. The need to make permanent the positive developments within the sector since the onset of the pandemic was emphasised as well as support the need for changes in civil society in the future.
- 17.2 Board members divided into three groups, each assigned a set of three questions to discuss their perception and observations on how the crisis is affecting the sector, how the Fund can respond, what we should focus on in the future, and how we can enhance our external presence in the next 6 to 12 months and influence the issues that communities care about.
- 17.3 Following the group discussions Board members reconvened to share their insights. Common themes expressed included the need to bring together civil society, private and public sector perhaps in a thematic way based on current and future issues. The need to 'build back better' was emphasised, with members expressing the desire to use funding to build resilience through partnerships. The role that local business has played throughout the pandemic was also highlighted, with members stressing the important role they could continue to play in the recovery.
- 17.4 A desire to become more agile and adaptable was expressed, and the need to consider the research of think tanks and other organisations was echoed among members. The question of how to reach those communities that we do not fund was explored. Members also recognised that we cannot always talk effectively to those outside institutional frameworks and more thought should put into how we address this issue.

ACTION: Faiza Khan, Funding Development Director

- 17.5 Faiza thanked the Board for their contributions and reassured members that these conversations would continue within the Fund and with the sector more broadly.

SIGNED:

DATE: 25/06/2020



Tony Burton
CHAIR

