

**THE NATIONAL LOTTERY COMMUNITY FUND
BOARD**

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

MINUTES

PRESENT:

Tony Burton Interim Chair
Emma Boggis Vice-Chair, Chair Audit
& Risk
Perdita Fraser Board Member
Elizabeth Passey Board Member
Rachael Robathan Board Member
Adrian Webb Board Member, Wales
Chair
Kate Still Chair, Scotland
Committee
Sandra McNamee Interim Chair, NI
Committee
John Mothersole Chair, England
Committee
In attendance:
Loren Townsend YPiTL representative,
Elliott Board Shadow

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
Joe Rich Head of Youth Voice
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.

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

2. INTRODUCTORY REMARKS

- 2.1. The Chair welcomed attendees, and opened the meeting noting that they would be joined by a representative from the Young People in the Lead Advisory Panel, Loren Townsend-Elliott who will shadow the Board for a year.
- 2.2. He reminded the Board that they had received a proposal for Third Party funding in Scotland for approval.

Joe Ritch, Head of Youth Voice joined the meeting.

- 2.3. Joe Ritch, Head of Youth Voice, formally introduced Loren and provided an update on Young People in the Lead explaining that prior to Covid we had been in the

process of recruiting a young person from our lottery funded programmes to bring the perspectives of diverse lived experience to the Board.

- 2.4. Perdita Fraser was thanked for her support with the work on the prospective IKEA partnership, which opened interesting opportunities for the future.
- 2.5. Apologies for absence had been received from Danielle Walker Palmour.
- 2.6. No interests were declared.
- 2.7. The minutes of the meeting held on 25th June 2020 BOARD(20)M02 were approved as an accurate record. Emma Boggis had flagged a couple of minor changes prior to the meeting. Actions arising were reviewed and updated.

3. INTRODUCTION OF BOARD SHADOW

Joe Rich provided an update on Youth Voice at the Fund and Young People in The Lead panel. She highlighted that Young People in The Lead members have reached over 200 external stakeholders directly through online short sessions which they have planned and delivered. They have participated actively in a collaboration of youth funders leading the youth voice work.

Coming out of Covid, they will focus on four priorities: employment, mental health, support for their trusted adults and helping to shape the future.

A number of YPiTL advisory panel members have taken positions of influence, joining the Board and England Committee as youth representatives, but also sitting on the DCMS steering group and co-chairing the i#will Leadership Board.

Loren introduced herself and spoke of her passion in empowering others and creating impact on a wider scale through her participation in organisations such as Mind and Bright Futures. She looked forward to bringing her young person's perspective to the Board. The Board welcomed Loren and Perdita shared how she looked forward to mentor Loren during her time on the Board.

Joe Rich left the meeting.

4. CEO OVERVIEW - P52

- 4.1. The Board received the latest CEO report and welcomed Dawn's comprehensive overview. The organisation had adapted well and remained productive throughout the period of emergency funding, however the next six months would be testing for staff morale working remotely but also to sustain the creativity and agility that bringing people together generates to move the organisation forward. The immediate and mid-term future would be difficult financially for civil society organisations. The Board noted that this would coincide with a time of leadership transition for the Fund.

4.2. The Board raised staff well-being and were reassured that colleagues mental health is a key consideration. Local offices are opened for those needing to use them, in line with government guidance.

4.3. Tony gave a brief overview of the recent meeting of ALB Chairs with the Secretary of State.

5. COVID 19 - Funding Response - P39

5.1. The Board received an update on the Fund's response to the Covid crisis since their last meeting. Following the withdrawal of External Delegated Agreements from the Coronavirus Crisis Support Fund (CCSF), which mostly became part of the Fund's own response, an extension to the time taken to process applications had been agreed. The government scheme had closed on 17th August with a high number of applications to be processed.

5.2. Excellent progress had been made and we were on track to have spent the response funding as scheduled, which was testimony to the hard work of the teams. The Board noted the principles set out to guide our funding beyond the emergency phase and the Fund's public message was that we are still opened for business with some variation according to different country contexts. The teams were confident that the £300m commitment to support communities over the first 6 months of the financial year would be met by mid- November.

6. THIRD PARTY FUNDING SCOTLAND - P53

6.1. The Board received Board(20)P53 and were asked to consider and agree a proposal for third-party funding in Scotland to continue the Fund's role in the delivery of Covid 19 funding for the Scottish Government and help deliver the Community and Third Sector Recovery programme in Scotland.

6.2. The recommendation was **AGREED**.

7. CURRENT PERFORMANCE AND FINANCE

KPI Performance Report - P41

7.1. The Board noted the content of the Fund's performance report to 31st August and the green rating for the four KPIs reported.

7.2. At KPI7, the threshold of 80% of grants being awarded to charities and community organisations and the significant variance shown were queried. The variance was partially explained by the work on Covid response, but it was noted that the threshold is also historic; this would be further looked at in the future.

7.3. The Board were reassured that more work is in train to improve the report format and set out trends more clearly.

ACTION: Matthew Green

Financial Summary - P09

- 7.4. The Board received the financial summary to 31st August. While income was below budget in August, it was suggested that recovery so far in September meant that at half-way point in the financial year income levels were recovering to budget level. Operating costs were significantly below budget and SMT had continued to discuss how the underspend could be strategically re-invested.
- 7.5. It was noted that the upward trend in FTE movement was due to additional funding and ensuing additional resources.
- 7.6. The Board pointed to cash payments being ahead of forecast and were re-assured that payments are being closely monitored against agreed maximum cash outflows, with sufficient headroom.
- 7.7. The Board also raised the ESF funding in Scotland and prospective 25% financial correction following an audit of Scotland's ESF Delivering Financial inclusion programme. Emma informed the Board that there had been a meeting since the paper was prepared and it was unlikely that we would contest the correction, which would be managed within the contingency budget.
- 7.8. The Board thanked Emma for clear answers.

Income and Grant Budget - P44

- 7.9. The Board received Board(20)P22 and noted the updates to 2020/21, the projected indicative allocations and forecast payments, forecast for NLDF balances and reviewed the cash outflows compared to maximum cash outflows.
- 7.10. They were content with the forecast outturn for 2020/21 and the indicative awards allocations

8. AUDIT AND RISK COMMITTEE REPORT - AR(20)M03

- 8.1. The minutes of the Audit & Risk Committee meeting held on 11th June were noted. Emma Boggis provided an update on recent ARC activity noting that the Committee had looked at risk and undertaken two deep dives focusing on the topics of data governance and cyber security.
- 8.2. The Committee had been reassured that the Fund had visibility of databases and assets across the organisation and were in a position to make progress against the outlined priorities. Neil Harris would bring an update to the next ARC meeting, while the topic of the next deep dives is to be confirmed.

ACTION: Neil Harris, Emma Kavanagh

- 8.3. A question was raised as to the reason for the red rating on GMS. It was explained that this is because GMS is still in final phase of implementation. The Committee

also noted that SMT would ensure that the approach to the Internal Audit Plan adds value moving forward.

ACTION: Emma Kavanagh

9. ANNUAL PEOPLE REPORT - P45

- 9.1. Neil Harris introduced the Annual People Report highlighting that the organisation had responded well to the challenges presented by Covid. The Board noted that communications with staff had been improved throughout the crisis and that progressive policy changes had been implemented to support staff with home working. It was pointed out that while there was no engagement survey this year there was instead a pulse survey focused on colleague perceptions around the crisis and our organisational response. The results of this survey have provided us with lessons for future focus in 3-4 broad areas.
- 9.2. The Board welcomed the positive changes highlighted in the report, particularly the push for leading from the front on staff wellbeing and mental health. A question was asked about plans to address staff morale going forward, especially in the face of ongoing restrictions. The Board was informed that the Fund is keeping a close eye on data and carrying out 'temperature checks' of the mood among staff and responding accordingly.
- 9.3. On the number of apprenticeships currently being run across the Fund, it was noted that there are 9 at present with a third of these having been offered a permanent role within the Fund at the end of the programme. The Fund is also looking at developing its own apprenticeships in grant making next year.
- 9.4. It was suggested to include Equity, Diversity and Inclusion for the consideration of the Remuneration and Appointments Committee in the future. This would be discussed at their next meeting in May 2021.

ACTION: Remuneration and Appointments Committee Chair, Governance

10. ANNUAL DIVERSITY AND INCLUSION REPORT - P46

- 10.1. The Board received the annual Equity, Diversity and Inclusion report tracking the progress made over the last year towards delivering the Fund's EDI ambitions. It was noted that there was more structure and improved co-ordination across our EDI work. Relevant leads had been or were in the process of being appointed and would help to co-ordinate resources for a more consistent approach across the Fund. Good use had been made of data, and it was hoped to have greater insight in the coming year into the difference our funding makes.
- 10.2. There had been an encouraging increase in the number of BAME organisations and communities we support. Efforts to engage pro-actively over the emergency funding period was starting to make a difference. In England 16% of CCSF funding had been awarded to BAME communities, and a significant proportion of those were organisations with governance from the communities they serve. The teams

will be looking to embed those changes moving forward and ensure we keep the momentum.

- 10.3. The Board asked that we continue to monitor our impact to ensure that our approach is effective. Noting the reference to the lack of EDI data in the annual report, the Board were reassured that we are committed to have better quality data next year.
- 10.4. The Chair invited the executive to make EDI considerations the norm in every area of activity, and make sure we have robust data to inform our approach.

11. ENVIRONMENTAL ACTION PLAN - P47

- 11.1. John Rose introduced the Environmental Action Plan noting that we had strengthened the work to reflect against 3 priority elements of our corporate plan ensuring that progress becomes everybody's responsibility and not a niche part of The Fund's aspirations. The Board welcomed the changes to the plan.
- 11.2. A point was raised that we should be careful not to emphasise climate change at the expense of other environmental concerns such as biodiversity which should also be included in the plan. A question was raised on how to embed sustainability through learning so that it becomes integrated and less likely to be dropped in the face of other pressures.

12. BOARD FORWARD LOOK - P48

- 12.1. The Board noted the proposed forward look to Q2 2021/22.

13. PORTFOLIO UPDATES - P49

- 13.1. The updates were taken as read.

STRATEGIC DISCUSSION

14. DELIVERING PEOPLE IN THE LEAD WALES REPORT - P30

- 14.1. John Rose provided the Board with an update on the delivery of People in the Lead across the Wales portfolio, noting that they are currently undertaking a number of internal changes, introducing an advice line and looking at how they work regionally. Thought is now being given as to what to do next in terms of a review of the portfolio.
- 14.2. The Board received the report positively commending the progress across all areas of the portfolio, particularly with regards to stakeholders and engagement, dormant assets review and the potential opportunities this will bring. The possibility of developing new strategic partnerships going forward was also raised.

- 14.3. It was suggested that we could say more about the impact responsive funding has been having, giving some solid examples of this.

15. HORIZON SCANNING - P51

- 15.1. Faiza introduced the session explaining that the aim was to look at how to influence strategy going forward, test whether we are using the correct messaging, and give thought to what role we want to play with our partners in the emerging context.
- 15.2. It was noted that we are leading the way for grassroots and can reach the hidden voluntary community sector. Further we are well placed to address policy issues and can demonstrate how our funding complements government commitments.
- 15.3. A further point was made that our ongoing stream of insight and intelligence allows us to keep abreast of the changing realities for communities and the sector. It was noted that it would be good to give more thought to how we can best support organisations in our future funding strategy.
- 15.4. It was noted that the Fund is one of the tools available to the government to address some of the challenges facing society in the current context of societal fragmentation.
- 15.5. It was suggested that it may be worth looking at how to utilise non-traditional forms of media in order to engage sections of society where there has historically been a gap in our ability to reach, particularly around young people.

ACTION: Faiza Khan

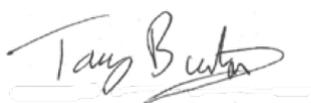
- 15.6. The Board broke into breakout groups for further discussion before reporting back key points discussed. Board was generally supportive of the key messages, with an emphasis on the need for nuance in the language of messaging targeted at different audiences. It was suggested that it may be worth broadening focus to wider stakeholders to increase reach beyond political stakeholders. It was noted that one of the Fund's biggest assets is the knowledge base and capability we have to put forward ideas backed by trusted data. It was suggested that we should produce elevator pitches based on key statistics chosen to support our messaging on a range of our priority policy areas to give members a communications toolkit for stakeholder engagement.

16. ANY OTHER BUSINESS

- 16.1. There being no other business the business meeting closed at 14.15.

SIGNED:

DATE: 29/09/2020

A handwritten signature in black ink, appearing to read "Tony Burton". The signature is written in a cursive style with a long horizontal stroke at the end.

Tony Burton
CHAIR