

MEETING OF THE NATIONAL LOTTERY COMMUNITY FUND BOARD
Thursday 28th September, 2023
09:30-14:00

NCVO Office, Regents Wharf, 8 All Saints St, London N1 9RL

MINUTES

**BOARD MEMBERS
PRESENT:**

Paul Sweeney	Interim Chair and Chair, Northern Ireland Committee	David Knott	Chief Executive
		Phil Chamberlain	England Director (Items 7, 8, 9, 10)
Kate Still	Chair, Scotland Committee	Neil Harris	Corporate Services Director
		Shane Ryan	Senior Advisor (Items 4.5, 5, 6, 7, 8, 9, 10)
Simone Lowthe- Thomas	Chair, Wales Committee	Laura Lucking	Funding Strategy, Communications & Impact Director (Items 4.4, 4.5, 5, 6, 7, 8, 9, 10)
John Mothersole	Chair, England Committee	Stuart Fisher	Finance Director
Richard Collier- Keywood	Chair, Audit and Risk Committee	Kate Beggs	Northern Ireland Director (Items 8, 9, 10)
		Neil Ritch	Scotland Director(Items 7, 8, 9, 10)
Emma Boggis	Board Member	John Rose	Wales Director(Items 7, 8, 9, 10)
Danielle Walker Palmour	Board member		
		Melissa Eaglesfield	Deputy Director, UK Portfolio (Items 4.5, 5, 6, 7, 8)
Peter Stewart	Board member		
		Catherine Lindsey	Senior Governance Officer (Minutes)
Helen Stephenson	Board member		

1. INTRODUCTORY REMARKS

- 1.1. The Chair welcomed all and opened the meeting.
- 1.2. Apologies were received from Stuart Hopley (Board Member) and Dr Tracy Long (Observer).
- 1.3. There were no declarations of interest.
- 1.4. The Board, having received the previous minutes with the meeting papers, discussed and **AGREED** suggested amendments. The minutes of the meeting held on June 29th, 2023 were subsequently **APPROVED**, with the updated minutes to be circulated in the week following the Board meeting.

ACTION: Governance

Actions Arising - P35

- 1.5. Taking the Action Log as read, the Board **NOTED** the current status of actions. Neil Harris acknowledged the large number of actions listed and advised that the executive would be looking to rationalise this as a part of a wider review of governance processes.
- 1.6. Regarding Closed Action 40, it was confirmed that the Cultural Inquiry Tracker had been circulated to the Board amongst papers relating to the Deloitte review in July (Board(23)P35 - Appendix 5).
- 1.7. The Chair invited Neil Harris to update on accessibility matters relating to the Fund's systems. Neil confirmed the Fund did meet level AA accessibility standards across its systems estate, with further investment planned next financial year to upgrade the external website. The Technology Team were in discussion with the Convene supplier with a view to improving accessibility for Board members. Neil also invited Board Members to contact him directly with any specific needs that were not currently being met.

ACTION: Board Members, Neil Harris

2. CHAIR'S INTRODUCTION

- 2.1. The Chair thanked those who had attended the Board's workshop with DCMS previous day. Members acknowledged the constructive engagement throughout the workshop and the related outcomes. Members commended the role played by Dr Tracy Long in facilitating the deliberations of the workshop
- 2.2. Reflecting on his initial weeks in the role, the Chair advised that a number of positive meetings and engagements had taken place, and he highlighted that he was focused on building relationships across the organisation and with the Fund's sponsor department, the DCMS. He was also keen to emphasise the Board's position that there should be no disconnect between themselves and Fund staff, and updated on a constructive meeting with trades union representatives.
- 2.3. Arrangements for Board and Country Committee Member appraisals were discussed and **AGREED** by the Board.
- 2.4. The Board discussed arrangements for upcoming events, including Black History Month and marking the Fund's 29th birthday. The Board suggested that a broader range of significant dates could be denoted in Board Members' calendars.

ACTION: Governance

3. CHIEF EXECUTIVE'S UPDATE - P36

- 3.1. David welcomed the Chair to his first formal meeting in his new role, and thanked him for his leadership. David also welcomed the Board to the NCVO building which would become the Fund's London home in coming months.
- 3.2. David's update to the Board covered a range of topics including:
 - Activity around the Fund's new Strategy
 - Colleague engagement through programmes such as Colleague Council and a revised approach to staff surveys
 - The recently agreed pay remit
 - Progress on third party and dormant assets work

- The transition to the new National Lottery Operator, Allwyn
- Upcoming changes to Awards for All grants
- Recent senior recruitment.

3.3. Regarding the renewal of the Fund's Strategy, the Board discussed the pace of work underway and how the Board expected to play a more active role in setting expectations and driving change within portfolios. It was noted that the Fund's 30th birthday in 2024 could serve as an effective milestone deadline for elements of the Fund's Strategy, Corporate Plan and KPIs.

3.4. In terms of updates brought to Board meetings (particularly portfolio reporting), members suggested that there should be more focus on key strategic issues being faced. The Board **AGREED** that following the updates brought to this meeting, they would consider which common themes they would like to see covered going forward, with new and more consistent content to be devised on this basis.

ACTION: Board, Chief Executive, Governance

3.5. The Board noted that different Committees and Sub-committees received different updates. Regarding the development of the Corporate Plan, and it was **AGREED** that a session be arranged with the recent Chair of the Strategy Sub-Committee to discuss engagement with the Sub-committee members ahead of the Board's December meeting.

ACTION: Richard Collier-Keywood, Governance

4. GOVERNANCE

Board Effectiveness Review - P37

4.1. David presented the paper which provided an update regarding progress made with the recommendations and actions arising from the Deloitte Board Effectiveness Review.

4.2. The Board felt that it was important that they lead on the actions, and **AGREED** that a newly appointed Vice-Chair, working with sub-committee Chairs, should play a leading role in this work with a dedicated meeting to be set up in the near future. It was also suggested that this become a standing item for Board's consideration at meetings.

ACTION: Governance

4.3. While the output of the Governance review had become Board-focused, Neil Harris assured the Board that actions to improve the Fund's Governance function remained in progress.

4.4. The Board suggested that a revised Governance framework would be required to clarify and codify the process of seeking The Board's assent on matters where it was required and would be expected.

ACTION: Governance

Vice-Chair role & responsibilities - P38

4.5. The paper aimed to facilitate a discussion and decision on the role and responsibilities of Vice-Chair, and a procedure for appointment.

- 4.6. Following the Board's recent workshop with DCMS, members clarified the difference between the roles of a Vice-Chair and a Senior Independent Director (SID). The Board **AGREED** that both roles were separately required and that their responsibilities should be clearly articulated.
- 4.7. As the paper addressed the role of the Vice-Chair alone, the Chair suggested that a further short paper defining the respective roles of the Vice-Chair and the SID be circulated to the Board for consideration via email.

ACTION: Chair and Chief Executive

- 4.8. Regarding the process of appointing a Vice-Chair, the Chair had requested prior to the meeting that Board members approach him privately to indicate their interest in the role. He requested that any members who would be interested in the SID role do the same. The Board **AGREED** that, of those members who had not indicated an interest in either role, a small panel be comprised to conduct informal interviews and determine the appointments, which would be confirmed subsequently with the Board via correspondence.

ACTION: Governance, Chair

Sub Committee Chair's Report: People

- 4.9. Kate Still provided the Board with an update on the People Sub-committee and its recent activity, which had included a session on the Fund's EDI work with Fiona Joseph, and supporting the executive with the implementation of changes to staff engagement, for instance the shift to more frequent 'pulse' surveys alongside the usual annual staff survey. Kate had also attended the September meeting of the Audit and Risk Committee (ARC) to hear feedback following an HR data internal audit.
- 4.10. The Sub-committee was due to have sight of the draft People Annual Report prior to it being considered by the Board at their December meeting. Neil Harris added that the Sub-committee would also be supporting with the ongoing work on the Fund's operating model.
- 4.11. The Chair thanked Kate for taking the work of the Sub-Committee forward.

Laura Lucking joined the meeting.

Sub Committee Chair's Report: Stakeholder Engagement - P39

- 4.12. Taking the paper as read, Laura advised that it had been built on conversations held around how Board members could be utilised most purposefully within their roles, particularly with regard to stakeholder engagement.
- 4.13. The paper proposed that Mark McGann (Deputy Director Engagement) hold 30-minute meetings with each Board member to discuss their interest in and capacity for increased stakeholder engagement work. The Board **APPROVED** this approach.
- 4.14. The Chair thanked John for his work Chairing the Sub-committee.

Melissa Eaglesfield and Shane Ryan joined the meeting.

UK Portfolio/Funding Committee - P40

- 4.15. The paper asked the Board to agree the governance and composition of the UK Funding Committee (UKFC). A number of governance models were set out within the paper, with Option 2 being the recommended way forward.
- 4.16. The Board discussed the need to ensure that the structures put in place would support grant-making decisions, and the importance of learning from what had worked well previously. They also requested a future Board discussion on purpose. The Board **APPROVED** the adoption of governance model Option 2, and **APPROVED** the proposed composition of UKFC as set out within the paper's recommendations, noting that this required the Country Chairs to identify suitable members from their respective Committees.

ACTION: Laura Lucking, Governance

5. CURRENT PERFORMANCE AND FINANCE

KPI Performance Report - P41

- 5.1. Laura updated the Board regarding the current position of the Fund's key performance indicators (KPIs), noting that an indicative new set of indicators would be reported at the December meeting. The Board emphasised that a new set of KPIs should focus on how the indicators helped the Fund to know whether it was achieving its desired impact.
- 5.2. Referring to KPIs 5 and 6, the Board reflected on public awareness of the National Lottery's funding of good causes, noting that a level of 45% was low, and that the Fund's milestone 30th birthday would present an opportunity to promote the connection between players and good causes.

Financial Summary - P42

- 5.3. Stuart Fisher summarised the paper which informed the Board of variances to budgets, the fully allocated investment contingency and the pay award.
- 5.4. The Board discussed the scale of work relating to the Cost of Living (CoL) Fund and its potential impact on staff workloads, particularly within the England portfolio. John advised that from the England Committee's perspective, they were confident that there was sufficient resource in place to operate the CoL Fund alongside core business.

Update of Income, Grant Award Allocation and Payment Forecasts - P43

- 5.5. Stuart Fisher introduced the paper, and advised that due to the timing of the meeting there were no major updates to report. However, a more substantial and meaningful update would be provided at the December Board meeting.
- 5.6. Stuart highlighted that a revised Allwyn income forecast was due to be received the following week. The Board discussed transition issues and David updated on work across CEOs with Allwyn.
- 5.7. The Board **APPROVED** the income projections and indicative allocations as set out within the paper, and the Chair thanked Stuart and his team for compiling the finance papers presented at the meeting.

6. AUDIT AND RISK COMMITTEE (ARC) REPORT

Minutes of ARC meeting held 5th June

- 6.1. The minutes, having been circulated with the meeting papers, were taken as read.

ARC Report to Board

- 6.2. Richard provided a brief summary of matters considered by ARC during recent months.
- 6.3. ARC were comfortable that External Audit work had taken place without incident. An additional meeting had been arranged for ARC to discuss Internal Audit (IA) activity. In addition, recruitment of a new Head of IA was underway.
- 6.4. ARC highlighted fraud levels within the Fund and noted options were explored to increase resource to address this. They had also welcomed the inclusion of 'paths to green' in the Fund's risk reporting. Kate Still had been invited to attend the most recent meeting to discuss risk around People in the Fund, noting that this remained the greatest area of focus.
- 6.5. Given that there was currently a gap in ARC's membership, the Board **APPROVED** Simone Lowthe-Thomas joining the committee.

Emma Corrigan, Phil Chamberlain, Neil Ritch and John Rose joined the meeting.

7. ANNUAL FUNDING REPORTS

Annual Funding Report Scotland - P44

- 7.1. Kate Still and Neil Ritch presented the Scotland Annual Report to the Board, highlighting innovative approaches undertaken by the team and the challenge of responding to the impact of CoL.
- 7.2. The paper also emphasised partnership work, and Kate noted that the voluntary sector was currently stepping up to fill gaps in public sector provision. This prompted discussion amongst the Board regarding the changing nature of the voluntary work supported by the Fund's grant-making activity. It was noted that the Fund's reports could prove to be an effective mechanism of feedback into the system, providing early warnings regarding, for instance, the kind of work being funded and at what scale, or which demographics were worst affected, and other insights which might prove useful to DCMS and government.

Danielle Walker-Palmour left the meeting.

Annual Funding Report Wales - P45

- 7.3. Simone Lowthe-Thomas and John Rose presented the Wales Annual Report to the Board, which summarised key grant-making figures across the Wales portfolio and for individual programmes. The paper also posed a question of how, in a world of competing demands, could a relatively small portfolio contribute to the Fund's strategy.

- 7.4. The Board discussed again the importance of working in partnership and maintaining an ecosystem of funders. They also acknowledged the challenges faced and gaps created through loss of access to the EU's Shared Prosperity Fund.

Kate Beggs joined the meeting.

8. PORTFOLIO UPDATES - P46

- 8.1. The updates were taken as read with no specific matters raised by the Board for discussion.
- 8.2. Reflecting on the Portfolio Updates along with both Country Annual Reports, the Chair invited discussion regarding how these reports should come to the Board.
- 8.3. The Board suggested that it would be useful for the same key themes to be covered in each report, and that all reports refer back to the Fund's strategy. The Board queried whether it would be possible to capture some data in a dashboard format for each country, with the reports providing narrative and context. It was acknowledged that differences in reporting reflected differences between the portfolios, and interpretation of a dashboard should be mindful of this.
- 8.4. Directors welcomed the challenge to reflect on how update reports were written and presented. As discussed earlier during the meeting, the Board **AGREED** to reflect on the discussion and suggest the key aspects they would like reports to cover going forward.

ACTION: Board, Governance, Chief Executive and SMT

Richard Collier-Keywood and Melissa Eaglesfield left the meeting.

9. BOARD FORWARD LOOK - P47

- 9.1. Neil Harris presented the paper which was taken as read. It was confirmed that further consideration of UKFC would take place at the June 2024 meeting.
- 9.2. Regarding the prioritised list of Board 'deep dives', David provided context regarding the content of the list and how it had subsequently been prioritised via a survey with both the Board and SMT.
- 9.3. The Board discussed approaches that might work best for consideration of deep dive topics, including the suggestion of hour long, non-mandatory 'sprint sessions', held virtually, providing members with an opportunity to inform themselves regarding a specific topic and hold an open discussion.
- 9.4. The Board **AGREED** that the executive could take this away and determine an approach. David thanked the Board for their feedback.

ACTION: Chief Executive, SMT, Governance

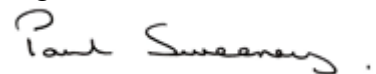
10. ANY OTHER BUSINESS

- 10.1. The Chair thanked all for their attendance and participation in the meeting.
- 10.2. Being that there was no further business, the meeting concluded at 14:00.

11. CLOSED SESSION - BOARD AND CHIEF EXECUTIVE ONLY

Date: 29th September 2023

Signature:

Handwritten signature of Paul Sweeney in cursive script, enclosed in a thin black rectangular border.