

**The Oversight Trust**  
**Meeting of the Directors**  
**at Toynbee Hall**  
**22 March 2024 at 9.30am - 12.30pm**  
**BOARD AGENDA**

	<i>[OpCos join at beginning of meeting]</i>	<b>Presenter</b>	<b>Documents</b>	<b>Timing</b>
<b>1.</b>	<b>Welcome. Introduction. Apologies. Conflicts.</b>	<b>SE</b>		
<b>2.</b>	<b>Quarterly OpCo Updates</b> <ul style="list-style-type: none"> <li>• Youth Futures</li> <li>• Access</li> <li>• Big Society Capital</li> </ul>	<b>SO/BF NH/SEI RHF/DB</b>	Quarterly Reports These docs are in a separate Board Pack for each OpCo	<b>30 mins</b>
<b>3.</b>	<b>F4AF Deep Dive</b>	<b>RCK/SR</b>	Deep Dive Presentation These docs are in a separate Board Pack	<b>50 mins</b>
<b>4.</b>	<i>[OT Board only]</i> <b>Discussion of OpCo presentations</b>	<b>SE/Link Directors</b>		<b>20 mins</b>
	<b>Break</b>			<b>5 mins</b>
<b>5.</b>	<b>Approval of Minutes and Meeting Notes</b>	<b>SE</b>	Draft Minutes of 18 Dec 2023 Board meeting and note of 9 Feb 2024 Away Day	<b>10 mins</b>
<b>6.</b>	<b>Noms and Rems Committee Report</b> <ul style="list-style-type: none"> <li>• Board Recruitment</li> <li>• Board and CEO Appraisals</li> <li>• Compensation Review</li> </ul>	<b>SH</b>	Board Rotation New Director Job Description Directors/CEO Compensation	<b>20 mins</b>
<b>7.</b>	<b>Updates</b> <ul style="list-style-type: none"> <li>• Governance Review</li> <li>• OpCo Letters of Assurance</li> <li>• BSC Quad Review</li> <li>-</li> </ul>	<b>SE/AB SE/AB NP</b>	Dormant Assets Governance Review slides	<b>30 mins</b>
<b>8.</b>	<b>Quarterly Financials</b>	<b>AB</b>	March 2024 Budget Vs Actuals	<b>5 mins</b>
<b>9.</b>	<b>Risk Registers</b>	<b>SE/IH/AB</b>	Key Risks, Risk Register	<b>10 mins</b>
<b>10.</b>	<b>AOB (Conflicts Register)</b>	<b>AB</b>	Conflicts Register	<b>5 mins</b>

Dinner following meeting  
Board off site (Reform Club Offsite) 20 May 2024 12:00noon-9:00pm

**Minutes of the meeting of the Board of the Oversight Trust  
9:30am-12:30pm 22 March 2024**

**In attendance, Board:**

Sir Stuart Etherington (SE) Chair  
 Ian Hughes (IH)  
 Nicola Pollock (NP)  
 Kevin Davis (KD)  
 David Lindsell (DL)  
 Andrew Rose (AR)  
 Vicki Thornton (VT)  
 Jo Fox (JF)  
 Rob Bell (RB) (by video conference)  
 Stephen Howard (SH)

**Company Secretary:**

Alastair Ballantyne (AB) (Items 1- 10 only)

**OpCos by video conference (except SR who attended in person)**

**Fair4All Finance** (Items 1,2&3 only)

Richard Collier-Keywood, Chair (RCK)  
 Sasha Romanovitch, CEO (SR)

**Youth Futures Foundation** (Items 1&2 only)

Seyi Obakin, Chair (SO)  
 Barry Fletcher, CEO (BF)

**Big Society Capital** (Items 1&2 only)

Robin Hindle-Fisher, Chair (RHF)  
 David Burndred, CFO (DB)

**Access** (Items 1&2 only)

Seb Elsworth, CEO (SEI)

**Apologies:**

Helen England (HE)  
 Nick Hurd (NH)  
 Stephen Muers (SM)

1	<p><b>Introduction</b></p> <p>The Chair introduced the meeting noting apologies from HE, NH and SM. No additional conflicts were declared. (RCW reminded the meeting of his role as a NLCF Board member when the DCMS review of Dormant Assets (DA) Governance was discussed under Item 2.)</p>
2	<p><b>Presentation of OpCo Quarterly Updates</b></p> <p><b>Big Society Capital</b></p> <p>RHF updated on the planned change of name to Better Society Capital in April. There is an Extraordinary Shareholders Meeting on 15 April to approve the change at which SE and VT will represent OT (they are delegated to vote on behalf of the OT Board).</p>

BSC's current strategy period ends in 2025 and it is about to engage in a major strategy review led by Camilla Parke (Investment Director) with support from the consultants Bain. He emphasised that the mission of BSC would remain unchanged. He also highlighted two reports published in Q1: the BSC Impact report and a report outlining 10 Lessons Learned after 10 Years.

Given the economic situation, BSC and its investees had a challenging 2023. BSC will be reporting a loss of £6m for 2023 [(less than the £8.5m that had been expected)] reflecting valuation adjustments [and better than anticipated results for the social banks it has equity investments in (Charity Bank and Unity Trust)]. Commitments had been lower than planned (£44m) given the challenging co-investment environment. (It was encouraging that commitments of £14m had been completed early in the new year).

IH and VT will be meeting DB and his team to understand the 2023 financial report in more detail.

RHF also mentioned that DB would be stepping down from his role at BSC in the summer.

#### **Youth Futures Foundation**

SO commented that the new Board members were settling in well and the Board is now working on the refresh of the company's strategy. [He confirmed that all the actions of the Anthony Collins review had now been addressed and signed off by the Board.]

Other developments outlined by BF included:

1. DCMS is working on its new Statement of Intent on how it will allocate Dormant Assets and YFF has been engaging with the Department on its future plans [which could result in a broadening of YFF's remit (eg to cover issues around mental health and well-being)];
2. As mentioned by the Chair, the strategy refresh is on-going with support from consultants;
3. YFF has launched its ethnic disparity research – which had had helpful media coverage. Grants have been secured for follow-on work in specific regions.

In terms of developing evidence, YFF are progressing a Jobs Plus initiative (in partnership with DWP and the Learning and Work Institute) and working on employer and self-employment trials.

KD asked about engagement with Regional Mayors. BF responded that there had been some positive engagement in specific areas, in particular in related to the Youth Employment Tool Kit. He outlined the positive initiatives taken in the West Midlands including with apprenticeships.

#### **Access**

SEI commented on Access' recently concluded external (Blue Jay) governance review. The review was, in general, very positive but suggested some areas for improvement which the Board is taking forward including:

- Enhancing the Register of Interest Process
- Looking at the skills mix of the Board
- Enhancing the Risk assessment processes to look again at risk appetite
- Looking at processes for feedback from Committees to the Board

	<p>Access has also been engaged in a strategy refresh with more focus on joining-up work streams and resilience of fund managers and leveraging more funding into the sector. There is also more focus on public policy and influencing work.</p> <p>The Board has just signed off on the new operational plan for the year ahead.</p> <p>The Blended Finance Community of Practice is an initiative to bring together organisations involved in UK domestic blended finance work with others involved in international development finance to learn from each other.</p> <p>SEI updated on progress on Access' EDI strategy. Reporting on pay gap data is challenging for a small organisation and Access would welcome any guidance from other OpCos about how to approach this. There was encouraging data on the £7.5m of the Flexible Finance Programme currently deployed to-date where 42% had supported black and minoritised community-led organisations.</p> <p>Access has received some helpful legal analysis of its processes around subsidy control.</p> <p>He also shared highlights of Access' 2023 financial results.</p> <p>KD asked about some of the issues from the Governance Review notably the issue of annual CEO appraisals. SEI emphasised that while conversations happened, they were not always adequately documented and that this is being addressed.</p> <p>SEI also commented on how well the partnership with Pathway was developing.</p> <p>SE asked AB to update the OpCos on the DCMS DA Governance Review.</p>
3	<p><b>Fair4All Finance Deep Dive</b></p> <p>RCK updated on the changes F4AF's Committees with new Chairs and new co-opted members (they are also looking at potentially adding another Finance, Grants and Investment (FGI) Committee member with unsecured lending experience).</p> <p>When Joanna Elson steps down, she could be replaced with someone with lived experience. The changes are intended to give the Committees more breadth of experience.</p> <p>Overall, the changes have worked well so far, Board and Committee meetings are all well attended and there is frequent engagement between meetings.</p> <p>SR and RCK are engaged in discussing Chair/CEO succession planning.</p> <p>It has been agreed that, given its mission, 2032 would be a reasonable target end date for the organisation.</p> <p>From reviewing the minutes and paperwork, DL was impressed with the level of Board engagement. He understood that RCK was considering if the responsibility for Finance may be transferred from the FGI Committee to the Audit &amp; Risk Committee and asked whether this made sense. RCK outlined the reasoning behind the suggestion, given that discussion of, and decisions concerning, investments tended to dominate the workload for the FGI Committee.</p>

SR provided an overview of the paper circulated to the OT Board.

The overall vision and strategy reflected F4AF's position in the financial inclusion eco-system. Work on this initiative has very much involved the Financial Inclusion Action Group (FIAG), recognising that, for F4AF to be successful, responsibilities need to be structurally embedded. The plan emphasises who within the eco-system will be responsible for what, after F4AF has gone.

SR noted that because of prevailing economic conditions, since F4AF started the problem of financial inclusion has got worse and so the time frame for addressing it has shifted. It is recognised that near-term milestones are much easier to define than those for the longer-term development the system. There was a discussion about the ambition of the plan and SR outlined some of the structural issues that need to be addressed.

RCK emphasised that the actions of mainstream banks and policy changes are vital components for addressing the issue of financial exclusion.

DL asked about the international study F4AF had commissioned on experience from other countries. SR responded that the Board was going to consider if there needed to be more work on this or if the key messages around "what works" had already been sufficiently identified.

NP asked about evaluation against the programme. SR referred to how F4AF planned to review and develop the impact milestones.

The last year has seen significant progress on strategic priorities. In terms of affordable credit, F4AF has become more engaged with investee organisations and they are now more on track with plans; this is feeding into the evidence gathering and analysis. Progress is also being made with the larger banks and their commercial lending teams. F4AF is helping to work out investment structures that will work for the banks (eg by providing guarantees to limit their risk). Nat West has helpfully recognised financial inclusion as part of its corporate strategy as a commercial opportunity. Lloyds has announced an CDFI initiative focused on SMEs which has the potential to develop into the personal lending area in the future. All the banks are engaged with the FIAG, with each focused-on elements of what the Group is doing, reflecting their different strategies.

Customer segmentation research has been well received, particularly by the banks. F4AF has held a number of workshops with individual banks.

KD asked about political cover. SR responded that HMT officials are very supportive and policy makers, including Opposition politicians are increasingly engaged.

2023 saw significant progress with the NILS and consolidation loans pilots. As pilot programmes they have needed to be "slow burn" to test to see what works as they have developed, so that they can achieve the projected volumes. Encouragingly, F4AF is seeing evidence that: some of the most financially challenged are being reached; there is transitioning to mainstream finance; and arrears rates are stable.

There are also learnings such as that the big on-line providers are helping a less disadvantaged demographic and overall the diversity of the customers being reached is not representative of the UK population as a whole (11% Vs 17%).

	<p>The Quadrennial Review actions had been reviewed by the F4AF Board in September and it was felt that the items that were not on-going had been addressed. SR will send to DL the paper the Board had reviewed. <b>[ACTION: SR]</b></p> <p>SR also noted that F4AF organisationally was making the changes necessary to transition from a small start-up to a more established entity.</p> <p>NP asked about the composition of F4AF’s investment portfolio. F4AF looks at the portfolio holistically with investments in Salad and Fair for You demonstrating that co-investment can be raised (by targeting a limited demographic) while Fair Finance and Moneyline focus on a more challenging customer base, for which the right products need to be developed, testing different dimensions and exploring the need for subsidy.</p> <p>AB commented that the other OpCos are very interested in sharing learning from F4AF’s impact research and on working with CDFIs.</p>
4	<p><b>Discussion of OpCo Presentations</b></p> <p>There was a discussion of succession planning at F4AF.</p> <p>JF was encouraged that F4AF was looking at its exit strategy and commented that the plan is optimistic.</p> <p>RB asked about the partnership with Pathway. KD reminded the Board that Pathway had wanted to be an OpCo. <b>[ACTION: raise again at Access Deep Dive.]</b></p>
5	<p><b>Approval of Minutes and Meeting Notes</b></p> <p>The minutes of the 18 December Board meeting and the note of the 9 February Off-site meeting were both approved as accurate reflections of what was discussed. <b>[ACTION: publish redacted minutes from 18 December meeting (AB)]</b> The matters arising were reviewed and outstanding items have been addressed.</p>
6	<p><b>Noms and Rems Committee Report</b></p> <p>SH pointed out that he will be rotated off the Board in July and will be handing-over his role as Chair of the Committee to RB. SE will also need to step down from the Board in July 2025.</p> <p>The Committee debated pushing ahead with the recruitment of a Director with impact assessment and measurement expertise (as had been discussed at the December Board meeting). It was suggested that the Board should, in the first instance, use its own networks to try to find suitable candidates. <b>[ACTION: AB to reach out to Board.]</b> Failing that, a headhunter would be hired.</p> <p>AR expressed concern that the role needs to be clear and wondered if the current uncertainties related to the DA Governance Review could put-off potential candidates. SH</p>

	<p>said the Committee had considered this, and if it proved to be the case, the search could be delayed.</p> <p>NP suggested that the Role Description should specify having impact experience and knowledge or experience of impact evaluation practices. <b>[ACTION: AB to add to Person Specification document.]</b> The OT Board also needs to ensure that it has a diverse field of candidates.</p> <p>Recruitment of Chair should commence in the summer with a view to recruiting by year end. Role description and headhunters need to be appointed by a review committee comprising RB, NP and JF.</p> <p>Following the Campbell Tickell Governance Review in 2022, it had been established that there should be an annual Board appraisal with a full review (involving a questionnaire) every two years with a light-touch review in the intervening years. As OT did a full review last year, this year the Chair would contact Board members individually for comments on Board performance and the SID would contact them separately for the Chair appraisal process. <b>[ACTION: AB to organise calls.]</b></p> <p>It was agreed (based on the Committee’s recommendation) that NED Remuneration should be increased by 4% in line with January CPI. It was also agreed the payments should be rounded to the nearest pound. <b>[ACTION: AB]</b></p> <p>IH has extended his contract with NLCF for a year but will need to review this in a year, in light of the DA Governance Review. JF will have a conversation with DCMS about her position on the OT Board over the summer.</p>
7	<p><b>Updates</b></p> <p><b>Governance Review</b> Agreeing the Terms of Reference for OT’s Review of itself will be led by a working group comprising HE, RB and AR.</p> <p><b>OpCos Letters of Assurance</b> AB confirmed that the letters had been received from all the OpCos and letters from SE to NLCF confirming this had been sent to the CEO of NLCCF.</p> <p><b>Quad Review</b> NP outlined how Quad Reviews had worked in the past. SH will need to be replaced on the Quad Review Team. As the first Review, the one for BSC had been less collaborative than the subsequent ones. In light of lessons learned, it is likely that the process will run more smoothly for their second Review. The Review will focus on issues coming from the last Review and areas that have since emerged. The Panel will be Keith Leslie, Claire Brown and one of Carey Oppenheim or Magdalene Bayim-Adomako (both strong on evaluation of impact).</p>

	<p>As recommended by the Noms and Rems Committee, the Board agreed that the payments to the Panel and Secretariat should be increased by 10%.</p> <p>VT said that BSC is keen to align the Quad Review with their Strategy Refresh process.</p>
8	<p><b>Financials</b></p> <p>AB reviewed the projection of finances for the year.</p> <p>It was agreed that the need for Comms support will be reviewed after the BSC Quad Review report. <b>[ACTION: AB to add to March 2025 Board Agenda.]</b></p>
9	<p><b>Risk Registers</b></p> <p>AB noted the risks that had changed since December:</p> <ol style="list-style-type: none"> <li>1. Funding withdrawn from OT probability raised in light of OW DA Governance paper.</li> <li>2. Costs exceeding Budget increase in probability (reflecting inflation).</li> <li>3. OpCo fraud risk impact raised given size of cash holdings of OpCos.</li> <li>4. ESG risk lowered OT engaged with plans for the 2024 Group accounts to address carbon reporting.</li> <li>5. EDI trending lower with planned training and current recruitment.</li> </ol> <p>KD expressed concern about loss of institutional memory with the departure of SH and SE. Could the Risk Register be a source of intelligence about why decisions were made?</p> <p>IH asked that Further Actions be revised to be more forward looking. <b>[ACTION: AB]</b></p> <p>JF asked that in future we circulate Risk Register definitions (from the cover page). <b>[ACTION: AB]</b></p>
10	<p><b>AOB</b></p> <p>The Conflicts Register was reviewed.</p>
11	<p><b>CEO Review</b></p> <p>AB's performance and remuneration were discussed.</p> <p>It was agreed that he should be offered a 4% increase in salary from April 2024.</p>

**Next meetings:**

**Board Of-site meeting 20 May 2024 11:00am - 9:00pm Reform Club**

**Quarterly Board meeting 21 June 2024 9:30am -12:30pm BSC offices, New Fetter Place**

**ACTION LOG**

Item	Action	Owner/Status
3	Deliver Quad Review Follow-up Actions	SR - in June Board pack



4	Circulate Access Governance Review	AB – DONE
4	Various issues to be raised in Governance meetings	DONE
5	Publish December 2023 redacted minutes	DONE
6	Board to contact their networks for NED recruitment	DONE
6	Adjust Board remuneration in April	DONE
8	Review needed for Comms advice in March 2025	AB- add to Agenda
9	Revise “Further Actions” in Risk Register	AB – DONE
10	Circulate Risk Definitions	AB – in June Board pack
11	Adjust CEO remuneration from April 2024	AB - DONE