

The Oversight Trust
Meeting of the Directors
20 December 2022 at 9.30am - 12.30pm

BOARD AGENDA

		Presenter	Documents	Timing
1.	Introduction. Apologies. Conflicts. Approval of Minutes and matters arising.	SE	Draft Minutes of 4 Oct meeting Draft Minutes of 6 Dec meeting	10 mins
2.	YFF Deep Dive	SO	YFF Deep Dive These docs are in a separate Board Pack	60 mins
3.	Quarterly Updates from Link Directors <ul style="list-style-type: none"> • Fair4All Finance • Big Society Capital • Access 	AR CB KD	Quarterly Reports These docs are in a separate Board Pack for each Opco	30 mins
4.	Risk Register	SE/AB	Key Risks Risk Register	15 mins
5.	F4AF Quadrennial Review Response	NP	Draft F4AF Response Draft OT Response	20 mins
6.	Financials	IH/AB	Dec 2022 Budget Vs Actual Proposed 2023 Budget Funding Request to NLCF	15 mins
7.	Big Society Foundation	AB	Background Paper Bates Wells Paper Notes of discussion with SM	15 mins
8.	Updates <ul style="list-style-type: none"> • Board Recruitment • Away Day Planning 	SH HE		10 mins
9.	AOB		Expense Policy	5 mins

Next OT Board meetings: Offsite 23 Feb 2023;
Board meeting (F4AF Deep Dive) 24 March 2023 9:30am-12:30pm

**Minutes of the meeting of the Board of Oversight Trust
9:30am-12:30pm 20 December 2022**

In attendance, Board:

Sir Stuart Etherington (SE) Chair
Ian Hughes (IH)
Helen England (HE)
Andrew Rose (AR)
Nicola Pollock (NP)
Kevin Davis (KD)
Stephen Howard (SH) (by video conference)
Clara Barby (CB) (by video conference)

Company Secretary:

Alastair Ballantyne, COO OT (AB)

Apologies:

Jo Fox (JF)

OpCo attendees:

Youth Futures

Seyi Obakin (Chair) (SO)
Felix Adenaike (Acting Co-CEO) (FA)
Chris Goulden (Acting Co-CEO) (CG)
Barry Fletcher (CEO appointed with effect from 3 Jan 2023) as Observer (BF)

1	<p>Introduction</p> <p>The Chair welcomed everyone to the meeting, including representatives of Youth Futures, and noted apologies from Jo Fox. The OT Board had no additional conflicts to declare.</p> <p>The minutes of the Board meetings on 4 October and 6 December were amended and approved.</p> <p>On matters arising, SE agreed that the DCMS Directors should be invited to a future meeting when the issue of the Governance of Dormant Assets was not being discussed.</p>
2	<p>Youth Futures Deep Dive</p> <p>SO introduced his colleagues and outlined the structure of the presentation and referred to the quarterly update and business plan circulated to the Board.</p> <p>1. Achievements</p> <p>CG outlined the achievements in 2022 as detailed in a paper distributed to the Board:</p>

- Set-up seven partnerships with a total of £16m funding in the Connected Futures programme
- Targeted £1.7m to infrastructure organisations in youth employment and training
- Launched a survey of 2,200 young people exploring ethnic disparities in employment at the House of Lords, where the minister for social mobility, youth and progression announced her new role
- Worked on “Your Voice, Your Say, Your Future” participatory youth forum with Youth Employment UK, DfE and DWP
- Reached 250,000 HR professionals in partnership with CIPD with guidance on recruitment and retention of young people from marginalised backgrounds
- Engaged employers and influencers at the Anthropy event
- Secured £7.1m of cumulative match funding and an additional £20m from dormant assets
- Recruited to leadership positions to be positioned for scaling-up in 2023
- Became the 10th full What Works Centre

2. Governance

SO noted the need for a Statement of Assurance to be delivered in the new year (as detailed in the Tripartite Funding Agreement with NLCF).

He emphasised the cohesion between the Board and the Management team.

3. Looking Forward in 2023

The forward plan is being developed looking to achieve systemic change but focusing on specific actions around identified themes.

He emphasised that fundamentally the data and outlook on youth unemployment is not encouraging and it is currently three times the level of unemployment in the overall population.

CG commented that the strategic framework has been simplified into four broad buckets:

1. Changing the System by working with others to transform the youth employment system – including extending the Connected Futures Programme to three new areas.
2. Building Capacity by equipping practitioners to deliver training and support and by providing the evidence needed to influence policy makers and commissioners in order to achieve scale.
3. Creating Opportunities by working with employers and creating networks and developing toolkits and pilots.
4. Addressing Organisational Health to establish the strong foundation needed to deliver long-term viability including engaging with DCMS on further dormant asset funding.

He outlined the strategy under the first three themes in detail and FA outlined initiatives under the fourth theme.

4. Q&A

HE asked whether the mission of YFF, expressed in terms of “igniting ideas” to achieve change, needed to be more clearly articulated specifically around whether it meant producing evidence and testing ideas for others to carry forwards, or driving systems change in partnership with others. There is a strategic question of how YFF will be focusing its

resources and what level of systems change can be achieved with the resources YFF currently has.

SO commented that the strategy was evolving and becoming more focused. He emphasised the need to influence policy to achieve systems change and the strategy was to focus on specific issues where it was possible to achieve traction.

HE and KD asked about how place-based expansion was targeted and engagement with regions with devolution deals. CG emphasised the place-based approach of Connected Futures and the need to identify achievements in particular areas and then look at how to expand them in the context of the larger scale systems change agenda, linking with key partner organisations.

IH was impressed with the comprehensive plan that YFF had outlined despite the distractions they had been faced with and asked how YFF will ensure that its culture supports the delivery of the plan. SO indicated that some of the output from current work examining leadership, governance, policy and process had been anticipated and there was a discussion of how recommendations and proposed improvements to governance and issues of culture would be tracked across to specific actions and organisational changes.

NP asked about the timeline for cash flows (spending commitments and income). Given the scale of the systems change and dependence on others to achieve it, there needed to be a periodic review of targets. She also asked about YFF's consideration of randomised control trials.

SO and FA responded and outlined the approach to securing match-funding and developing programmes.

SH observed that the papers presented a detailed and complex business plan. It was understandable that there was a focus in the KPIs on outputs rather than impact at the early stage of the organisation and this would need to be revisited over time. He also mentioned SH observed that the papers presented a detailed and complex business plan. It was understandable that there was a focus in the KPIs on outputs rather than impact at the early stage of the organisation and this would need to be revisited over time. He also mentioned the need to be cognisant of when it might be necessary to start considering the implications of winding-down the organisation and the need to bear this in mind when planning.

SO outlined YFF's approach to planning.

CB asked about how the framework developed for measurement will relate to the toolkits being produced and if they were consistent with the frameworks being used by policymakers. CG emphasised that the frameworks developed were as user-led to be as agile as possible and emphasised that the various consultants used for evaluation were academic experts in this field.

IH reiterated his concern that YFF should not draw down excessive amounts of dormant account money before it was needed. CG commented on long terms planning and associated commitments and suggested it would be helpful to have advice from OT on how to approach this in a balanced way.

	<p>In conclusion, SE emphasised that OT was pleased that YFF had been able to deliver and progress in difficult and challenging circumstances.</p> <p>SO, CG, FA and BF left the meeting.</p>
<p>3</p>	<p>Quarterly OpCo Updates</p> <p>Fair4All Finance</p> <p>AR referred to the improved CEO quarterly update. It was encouraging that the issue of KPIs and measuring impact were being addressed in the report and this will need to be followed through at the F4AF Deep Dive at the OT Board meeting in March.</p> <p>It has been a busy period for F4AF’s Board in terms of governance matters with both an external Governance Review and the Quadrennial Review to consider.</p> <p>The F4AF Board discussion of the Governance Review had shown common themes to the Quadrennial Review in terms of defining strategic goals, looking for clarity on long and short term KPIs, how the programmes fit in with those goals, and the need to define and monitor progress. They had also raised the need for clarity around measuring value and impact.</p> <p>The Quadrennial Review was discussed at the last OT Board meeting and is a separate agenda item (see below). He highlighted the issue of engagement with the major UK banks and the suggestion of a possible role for OT helping F4AF engage with Government. He pointed to the action plan coming out of the Review being the most important document that should emerge from the exercise.</p> <p>SE updated on his conversation with the F4AF Chair on the Quadrennial Review conclusions.</p> <p>Big Society Capital</p> <p>In the context of the previous conversation, CB found it encouraging that the BSC Quadrennial Review had been embraced by the organisation and had resulted in an Action Plan that was actively monitored (as reported to the last OT meeting) and the staff were fully engaged.</p> <p>The new Chair is settling-in well. He had had helpful and constructive individual meetings with each of the shareholder banks.</p> <p>It was encouraging that a new non-executive Director is being recruited specifically with experience of Impact.</p> <p>CB also talked to SM about Just Transition (to a net zero world) and was pleased to note that the team at BSC have been looking at their portfolio through this lens. There is quite a lot of relevant BSC investment activity. She has offered to introduce him to a group involved in considering how impact investment can be presented to Government as being helpful to this agenda.</p> <p>She had also discussed the BS Foundation with SM (see below).</p>

	<p>Access</p> <p>KD updated on the CEO’s visit to Australia to share experience of the operational model Access had developed.</p> <p>He also outlined staff changes in the last quarter.</p> <p>Access’ approach to extending its life/legacy had not yet been made public as they are waiting for the outcome of the Dormant Aset consultation to be communicated.</p> <p>He also referred to the cost-of-living crisis, commenting that Access’ investees (intermediaries) seemed optimistic that they will be seen as accessible providers of lower-cost funding to the sector as interest rates rise.</p> <p>The delay in Barclays Capital funding was discussed.</p> <p>HE suggested that there could be more narrative around successes/challenges of programmes – in particular Local Access. This will come to the Deep Dive in June, but it could be useful to include some highlights in the quarterly CEO update. [ACTION: KD/AB]</p> <p>AB mentioned that, in relation to annual remuneration reviews, the OpCos were all considering one-off cost-of-living payments to their staff this year. This had been communicated to SE – but is not seen by OpCos as constituting a change to their Remuneration Policies (which would require OT approval).</p>
4	<p>Risk Registers</p> <p>The Key Risks were discussed.</p> <p>As well as making suggestions of changes to the current scoring, IH thought the risk themes should be re-classified and he also suggested including risk appetite (hungry/balanced/cautious) into the presentation of risks. He offered to review and propose a new format for the Register.</p> <p>[ACTION – IH].</p>
5	<p>F4AF Quadrennial Review</p> <p>NP updated on progress with the process for producing and sharing responses to the Review since the last Board meeting. She is keen for there to be a detailed action plan by the time of the OT Board F4AF Deep Dive meeting in March.</p> <p>As the meeting to discuss responses with the F4AF Chair had been postponed to the new year, she proposed that OT asks F4AF for the latest draft of their response. [ACTION: message from SE to RCK -DONE]</p> <p>HE asked if OT should mention in the letter the potential for it to help influence policy change. NP responded that this had not been asked for by F4AF.</p> <p>IH suggested that the introduction to the response should refer to financial “inclusion” rather than “exclusion”. [ACTION: AB to amend response letter – DONE]</p>

6	<p>Financials</p> <p>AB presented the year-end financial projection, the Budget for 2023 and the NLCF Drawdown Request.</p> <p>The major issues are:</p> <ul style="list-style-type: none"> • the legal costs incurred in 2022; • the approach to reflecting inflationary pressures in the budget; and • contingency provided for costs involved in responding to possible changes in OT’s governance responsibilities in light of the dormant assets consultation. <p>The Budget and the NLCF Drawdown request were approved. [ACTION: AB to forward Drawdown Request to NLCF – DONE]</p>
7	<p>Big Society Foundation</p> <p>AB outlined the papers provided to the Board on BS Foundation and the BSC CEO’s reluctance to bring this to the Board until the prospect of paying dividends was closer to being realised.</p> <p>There was a discussion of the influence OT should have in appointing Directors. It was suggested that this would give more credibility to the activities of the organisation being seen as clearly independent of BSC management’s control and not as a vehicle for subsidising BSC investments. SE suggested a Board comprising one OT appointee, one BSC appointee and three independents could be considered.</p> <p>IH cautioned that having rights to make specific appointments could create a problem of having too much influence. He supported the idea of OT being the member rather than BSC to emphasise its independence and avoid consolidation in BSC accounts.</p> <p>SE reiterated the Board’s concern that it was easier to resolve any structuring issues before there was money “on the table”. This type of exercise can take a considerable amount of time to work through.</p> <p>CB raised the issue of donations as it would be helpful to have a vehicle in place to receive any offered charitable donations for building the social investment market in future.</p> <p>AR suggested the OT working group should prepare its position before engaging with BSC. [ACTION: AB to draft note from SE to Robin Hindle-Fisher and organise OT Working Group response - AB]</p>
8	<p>Updates</p>

	<p>SH updated on progress in appointing two new NEDs. The longlisting meeting on 13 December had resulted in lists of six candidates for each of the two roles. Shortlisting will be in January with interviews scheduled for 1 & 2 February.</p> <p>There had been a full consideration of diversity issues in the longlisting process.</p> <p>HE outlined plans and speakers being lined-up for the Board Away Day in Bristol on 23 February.</p>
9	<p>AOB</p> <p>Travel and Expense Policy</p> <p>In light of current inflation, it was agreed to increase the allowance in the Expense Policy for overnight hotel accommodation in London to £180. (IH confirmed that NLCF had also revised their policy.) [ACTION: AB to amend Board Travel and Expense Policy - AB]</p> <p>DCMS Review of Dormant Asset Governance</p> <p>A draft paper on this issue had been circulated to the Board the previous day.</p> <p>SE outlined what he saw as key points in the paper:</p> <ul style="list-style-type: none"> • A helpful outline of why we are where we are. • A restatement of the need to keep the Group in the private sector. • A longer process for deciding on governance for the Group in the future. <p>There was an extensive discussion of issues raised in terms of the difficulty of establishing KPIs and impact measurement consistently across the Group; Value for Money considerations; and the involvement of the funders of the scheme being very different from that of the banks in the past.</p> <p>The Board agreed that OT should approach the question of future governance constructively and encourage co-creation with all the stakeholders involved. It was important to recognise that the greater control sought by government risked the Group being reclassified by ONS as “public sector”. I was agreed that, as the classification decision reflected views and judgement within ONS, it was not worth seeking legal advice on this issue. [ACTION: AB to reflect this position to DCMS - DONE]</p> <p>The Board agreed that it needs to understand what specific KPIs and impact measures would be required for and how they will help policy making. It strongly supports the idea that any reporting requirements need to be co-created by those involved, including financial services donors and also recipients under the scheme. DCMS needs to appreciate there will be a significant cost of requiring a more extensive reporting environment.</p> <p>It would be helpful if DCMS could share the governance note broadly, in particular with the OpCos.</p> <p>AB to debrief JF on the conversation around this item. [ACTION - AB]</p>

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Next meetings:

23 Feb Bristol Away Day

24 March Board Meeting at Toynbee Hall (F4AF Deep Dive)

ACTION LOG

Item	Action	Status/ Owner
3	Ask Access for high level update on programmes	DONE - KD/AB
4	Revise Risk Registers to bring to next Board meeting	DONE - IH
5	Request F4AF Response	DONE - SE/AB
5	Amend OT response letter to refer to "inclusion"	DONE - AB
6	Send drawdown request to NLCF	DONE and Funds Received -AB
7	SE to send message to RHF on BS Foundation	DONE -SE/AB
8	Amend Travel and Expense Policy	DONE - AB
9	Reflect OT position on constructive engagement with DCMS on dormant asset governance	DONE - AB
9	Update JF on Dormant Asset governance discussion	DONE - AB