

The Oversight Trust

Meeting of the Directors – 8-10 New Fetter Lane EC4A 1AZ

28 June 2022 at 9.30am - 12.30pm

BOARD AGENDA

		Presenter	Documents	Start time
1.	Introduction, conflicts, approval of minutes and matters arising	SE/AB	1.1 Draft March Board Minutes 1.2 Away Day Note & Actions	9:30am 10 mins
2.	Access – Deep Dive	SEI/NH	2.1 Deep Dive Materials [see separate pack]	9:40am 60 mins
3.	Quarterly Updates from OpCo Link Directors: <ul style="list-style-type: none"> • Big Society Capital • Youth Futures Foundation • Fair4All Finance 	CB/AB HE AR	3.1, 3.2, 3.3 Quarterly Reports [see separate packs]	10:40am 40 mins
4.	Review of Risk Registers	SE	4.1 Key Risks 4.2 Risk Registers	11:20am 15 mins
5.	Updates <ul style="list-style-type: none"> • Dormant Assets • Noms and Rems Committee • Quad Review 	SE SH NP	5.1a Consultation Outline 5.1b Additionality 5.2 N&R Terms of Reference 5.3 F4AF Call for Evidence	11:35am 30mins
6.	Big Society Foundation	AB	6.1 Paper on BS Foundation	12:05pm 10 mins
7.	Terms of Reference: <ul style="list-style-type: none"> • Quad Review Team • Governance Review Team 	AB	7.1 ToR Quad Review Team 7.2 ToR Governance Review Team	12:15pm 10 mins
8.	AOB	SE		12:25pm 5 mins

Minutes of the meeting of the Board of Oversight Trust
9:30am-12:30pm 28 June 2022

In attendance, Board:

Sir Stuart Etherington (SE) Chair
Stephen Howard (SH)
Ian Hughes (IH)
Helen England (HE)
Andrew Rose (AR)
Kevin Davis (KD)
Jo Fox (JF)
Nicola Pollock (NP)

Apologies:

Clara Barby (CB)

Company Secretary:

Alastair Ballantyne, COO OT (AB)

OpCo attendees:

Access

Nick Hurd (NH) (for Item 2 by video conference)
Seb Elsworth (SEI) (for Item 2)

1	<p>Introduction</p> <p>The Chair noted the apologies of Clara Barby and confirmed that there were no additional conflicts to declare.</p> <p>The Minutes of the 18 March 2022 meeting were approved and it was noted that matters arising had been addressed.</p> <p>No questions were raised about the notes of the Away Day on 26 May and the actions detailed.</p> <p>[ACTION: publish March minutes on website – AB]</p>
2	<p>[NH and SEI joined the meeting.]</p> <p>Access Deep Dive</p> <p>Access' strategy has looked at addressing its legacy in two main strands:</p> <ol style="list-style-type: none">1. Enterprise Development there are a number of interested parties including foundations supporting this space but there is a need for co-ordination and shared vision.2. Blended Finance there is an ongoing need for subsidy at scale that will require Government support.

Unlike previous strategies that focused on individual programmes and what they would do, the revised strategy looks at how Access fits into the broader ecosystem of charities and social enterprises.

There is a focus on sharing and mobilising others – with a slide in the Strategy 2022-25 document showing how Access programmes map onto the ecosystem.

The advocacy objectives include:

1. Making the longer-term case for Blended Finance
2. Building out the blended finance eco system (involving social banks, combined authorities etc)
3. Grant development of enterprise activity (eg work with SSE)
4. Total Impact – working with Foundations.

The Theory of Change has been discussed at the Access Board - reflecting there is an inflection point for the organisation and for the future of blended finance.

The detailed KPIs with four Primary Goals and five Secondary Goals were discussed in detail. Emphasis was given to measuring the proportion of Access' money flowing to deprived places.

A timeline presented scenarios for the future of Access, depending on whether blended finance continues to be funded from dormant assets or not. If dormant assets are not available, it is assumed that Access would wind down its operations as originally planned by 2025/6.

SEI presented the Community Enterprise Growth Plan that Access has been working on and promoting with other social economy actors.

The focus of the group has been on defining what the sector can offer to government in particular in developing enterprise in communities where other businesses struggle to provide economic opportunity.

Part of the message is that this builds on what has been achieved over the last ten years, and that there is a continuing need for subsidy for blended finance and other grant support for enterprise.

Access is leading and co-ordinating the very targeted campaign, which focuses on securing future blended finance for the sector rather than on Access's own role. Others (Adebowale Review, NPC Review, Quad Review) have called for an expanded role for Access. The Access Board will be discussing its position should further dormant asset money be forthcoming at its Strategy Away Day in September.

SE flagged that the key issue is when Access will make a decision about its future role and the implications this will have for OT in terms of structure, governance, management and leadership of the organisation. Does this decision need to wait until September?

KD asked about lobbying activity and if, NHS Integrated Care Boards could be a potential source of funding and commissioning resource. SEI and NH responded that many areas of Government need to be covered, including Combined Authorities, and Health should be explored further. It was noted that the NPC report had been particularly helpful with DCMS and it aligns with the Levelling-Up Agenda. There was a discussion on the economic value and leverage of the public subsidy involved.

SH asked if the business plan KPIs were sufficiently ambitious. Access' data is primarily based on the Growth Fund and its IMD targets need to look at the broader programmes provided by Access. While the strategy was to target deprived places generally, SEI highlighted the challenges of smaller scale specific placed-based interventions in terms of: timing, the diseconomies of scale and challenges around deployment. KPIs around protected groups are being further refined.

NH highlighted that there was balance in the breadth of what Access is doing with a small executive team.

Questions were raised about the People Strategy if the organisation were to grow and the implications for governance and culture, particularly if Access were to take on new responsibilities and need to behave differently.

SEI responded that the advocacy exercise had been helpful in bringing together the Access Team around the strategy of the whole organisation rather than focusing on the delivery of particular programmes. The culture of the organisation reflects that it was set up as a fixed terms organisation.

He acknowledged that there would be a careful process to manage if the organisation were to close and there were lessons to be learned from other spend-down foundations.

There would also be challenges if Access took on new roles, such as being responsible for the repayable element of blended finance. This would require news skills.

To date, empowering and building partners and intermediaries has been Access' principal approach to delivery and he believed this would continue. NH emphasised the evolution of the culture of the organisation.

IH suggested that Access needed to make it clear to Government that it was willing to continue.

NH emphasised that no decision had yet been taken and outlined why Access had been given a fixed life in the first place. Access is being very transparent about its role with the Coalition. By September there should be a clearer picture and if there are alternative approaches to the delivery of blended finance coming from the sector.

SE suggested that it would be important to engage with the financial services community which will be handing over the dormant assets and also with NLCF. When a decision about its future is made, OT will need to satisfy itself that Access has appropriate governance in place.

[NH and SEI left the meeting.]

The OT Board further discussed the challenges facing Access and OT's role.

3	<p>Quarterly OpCo Updates from Link Directors</p> <p>Big Society Capital</p> <p>In CB's absence, AB provided the update.</p> <p>BSC's AGM on 22 June 2022 was attended by NP and CB. The new Chair, Robin Hindle Fisher is now officially in post and Harvey McGrath has retired. NP expressed the thanks of OT to HM for his stewardship of the organisation since the end of 2013.</p> <p>A major focus for the BSC Board has been the effect of economic turbulence on the organisation and in particular on its social investment portfolio. They are undertaking an analysis of the likely consequences (similar to the one they did two years ago for the impact of Covid).</p> <p>The Investment Trust after the last capital raise has £85m in assets and will need to look for another capital raise to take it to £100m which is seen as a threshold that could significantly expand the universe of potential investors. It was noted that considerable legal and accounting resources are required to support the Trust.</p> <p>While staff turnover had been an issue in the finance team and to a lesser last year in the investment team, BSC was still able to attract junior staff to its Investment Team. Inevitably, investment professionals are finding external opportunities for career progression and BSC is developing an initiative to build its engagement with alumni.</p> <p>In response to the Manchester Square Governance Review, NEDs are becoming more engaged in an organised way with the Staff Council and in attending the Investment Committee.</p> <p>Youth Futures Foundation</p> <p>HE reviewed progress on programmes including the Connected Futures which had about 60 applications and has selected a list of 7 partners so far. YFF are looking to broaden the programme's geographic coverage. She confirmed that the Inspiring Futures Programme (with Children in Need) is coming to an end. The work with employers now needs more focus and the Interim CEO reported that work has commenced on the development of an employers' toolkit and a dashboard of sources of advice and information.</p> <p>The organisation is very pleased to have become a fully accredited What Works Centre.</p> <p>It was highlighted that while the organisation is underspending on budget, its programmes remain on track.</p> <p>HE confirmed that the organisation is delivering well. NP emphasised that the OT Governance Review meeting had shown the quality of the organisation's core competencies as also reflected by the Board.</p>

	<p>AB outlined the involvement of OT in the YFF Chair recruitment process.</p> <p>Fair4All Finance</p> <p>The CEO report identified four key areas:</p> <ol style="list-style-type: none"> 1. Acceleration of interventions where they can impact cost of living They are establishing targets and accelerating and focusing their interventions in areas including a consolidation loan pilot and integrating income maximising tools. They now have frameworks in place for delivery partners (from the No Interest Loan Scheme) and are establishing measurable targets and timelines, which are detailed in the CEO report. 2. Engagement for Dormant Assets consultation They are very engaged with the dormant assets consultation exercise and looking to establish financial inclusion as a cause. They have an awareness raising event with John Glen (HMT) and Nigel Huddleston (DCMS) at the House of Commons on Monday 4th July. 3. Securing bank participation in key initiatives There continues to be challenges with engagement with the banks given the number of conflicting demands. There are encouraging responses from select institutions and it is recognised that a combination of regulation and subsidy may be required for more industry wide engagement. 4. Building evidence base for serving customers well Research programmes are on target. <p>It was observed that F4AF is understandably accelerating activities to respond to the cost of living crisis and this could result in a challenge in relation to available resources.</p> <p>It was noted that the cost of living crisis means that F4AF is currently particularly politically relevant and the donors of dormant assets are sympathetic to the cause. F4AF is helpfully very engaged with the dormant assets donors group.</p>
4	<p>Review of Risk Registers</p> <p>The Risk Registers were discussed and reviewed, in particular the new risks associated with the cost of living crisis.</p> <p>It was suggested that reference to the war in Ukraine be removed as the economic crisis would likely continue long after the war ended.</p> <p>There is a question of whether and how the OpCos are addressing the challenges. Staffing is a key issue. They could be asked to comment on this in their next quarterly report.</p>

	<p>It was suggested that definitions for the grading system should be added to the Register [ACTION: AB].</p> <p>The key person risk associated with the COO needs to be recognised. In mitigation AB had agreed at his appraisal to document processes and where information can be found. [ACTION: AB to adjust Register to reflect.]</p>
5	<p>Board Updates</p> <p>Dormant Assets</p> <p>SE updated the Board on his recent meetings with the Reclaim Fund (Chair and CEO) and Becky Morrison (Morrison/Malik) Director at DCMS.</p> <p>Quarterly meetings have now been scheduled with Morrison/Malik, reflecting their increased engagement with OT’s activities. It was suggested that they could be invited to a Board meeting. [AB to invite].</p> <p>The BSC shareholder banks have requested a meeting which is scheduled in July.</p> <p>On dormant accounts - detail of the consultation had been circulated with the Board papers. The consultation will look at causes rather than vehicles. In terms of others looking at dormant accounts, besides the OpCos and the Community Wealth Fund, there is understood to be a youth consortium looking at the consultation, but SE is not aware of an environmental consortium.</p> <p>Noms and Rems Committee</p> <p>Draft Committee minutes had been distributed prior to the Board meeting.</p> <p>The proposed changes to the Terms of Reference of the Noms and Rems Committee were approved.</p> <p>Board recruitment was discussed and it was agreed that two new Board members, one with Accountancy skills and the other with Organisational Development skills should be hired.</p> <p>Three headhunters had been suggested in the paper and the Board was invited to add a search firm to the list or raise any objections. Diversity, including not being London-centric, was an important part of the brief and this should be emphasised in the search firm procurement.</p> <p>The Board appraisal process was outlined. The formal reviews would start in spring 2023 with a formal process every two years and an informal one in the intervening years. The review of the Chair would follow the same pattern.</p> <p>The revision to the Code of Conduct concerning Gifts and Entertainment was discussed and agreed.</p> <p>Quadrennial Review</p> <p>There had been a kick-off meeting of the Quad Panel and Secretariat with F4AF (including the Chair and CEO).</p>

	<p>Keith Leslie (KL) did a good job of explaining the scope of the review and the time involved. There will be preliminary meetings with F4AF management and Board representatives on 26/27 September followed by external interviews. KL suggested that that, from past experience, it was likely that the major issues/themes would be highlighted by the initial internal interview process.</p> <p>The call for evidence will be published on the OT and F4AF websites on 1 September with a deadline for submissions of 1 October.</p> <p>The interviewee list is being developed. NP will feed in suggestions of names and encouraged the Board to provide suggestions of names. [ACTION: Board to suggest names to NP.]</p>
6	<p>Big Society Foundation</p> <p>AB outlined that there is a job to do in setting-up the Foundation to potentially receive OT dividends which are unlikely to be received for at least 3 years.</p> <p>It was agreed that setting up the Foundation should be done sooner rather than later.</p> <p>It was agreed that BSC should be invited to work with OT on this project.</p> <p>Further preliminary background work is required on how the monies should be used, legal and tax advice on how this vehicle should be established and structured. This should be prepared for a longer conversation at the next quarterly Board meeting in October. [ACTION: AB to prepare a scoping paper with BSC.]</p> <p>It was agreed that a working group of IH, AR and AB should be established. [ACTION: AB]</p>
7	<p>Terms of Reference</p> <p>The Terms of Reference for the Governance Review Team and the Quadrennial Review Team were approved.</p>
8	<p>AOB</p> <p>It was agreed that the EBM scheduled for 19 July should be rescheduled to be on 28 July at 9:00 am as a video conference call.</p>

Next meetings: Extraordinary Board Meeting 28 July 2022

Quarterly Board meeting: 4 October 2022 9:30am -12:30pm BSC Deep Dive – BSC offices

ACTION LOG

Item	Action	Status/ Owner
1.	Publish minutes on website	DONE
4.	Update Risk Registers	DONE
4.	Add description of grading to Risk Register	DONE
5.	Explore inviting Morrison/Malik to a Quarterly Board meeting	AB
5.	Follow-up on Recruitment Agency procurement	DONE
6.	Prepare Scoping document on Big Society Foundation with input from BSC, and co-ordinate with OT Working Group	AB
Away Day		
2.	Board paper on BSC distributions	DONE
3.	Publish Governance Review Conclusions and Recommendations on OT website	DONE
4.	Protector Forum – follow-up	RM, AB
5.	Agree Board Evaluation Process	DONE
7.	SE and SH agreed ToR for Board not required	DONE
10.	Agree Code of Conduct and Policy Documents	DONE
12.	AB to follow-up with SH on Board Recruitment	DONE
13.	Training: JF to contact Will Garton, AB to look into Social Media training, set date for Climate Investment training	JF,AB
14.	HE to start planning for Feb Away Day in Bristol	HE
15.	Reappointment of Chair	28 July Board