

The Oversight Trust
Meeting of the Directors
at Script, 3rd Floor, 44 Featherstone Street, London EC1Y 8RN
20 June 2025 at 9.30am - 12.30pm
BOARD AGENDA

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| 1. | Introduction. Apologies. Conflicts. Approval of Minutes, Matters Arising | Presenter SE | Documents Off-site meeting note (May 21) Noms & Rems Minutes (May 13) | Timing 10mins 9:30 |
| 2. | BSC Deep Dive | RHF/SM | Deep Dive Presentation These docs are in a separate Board Pack | 60 mins 9:40 |
| 3. | Quarterly OpCo Updates <ul style="list-style-type: none"> F4AF Access Youth Futures | DL KD HE | Link Director Quarterly Reports These docs are in a separate Board Pack for each OpCo | 45 mins 10:40 |
| 4. | Updates <ul style="list-style-type: none"> DCMS DA Announcement BS Foundation Noms and Rems Committee Access Quad Review | SE/AB AR/AB RB NP | DCMS Annoucement – 2024-28 Amounts and Youth Programme BS Foundation MoU Charity Commission Application Skills Matrix | 30 mins 11:25 |
| 5. | Financials <ul style="list-style-type: none"> OT Group Annual Report Quarterly Financials | IH/AB | OT Board Related Parties 1H25 Budget Vs Actual and Full Year projection | 15 mins 11:55 |
| 6. | Risk Registers | IH/AB | High Value Risks Out of Threshold Risks Score Changes Risk Register | 10 mins 12:10 |
| 7. | AOB Follow-up to Impact Session | MC | | 10 mins 12:20 |

Next Board meeting 2pm 23 July 2025 (sign-off of Annual Report and Accounts) Zoom call

Minutes of the meeting of the Board of the Oversight Trust
9:30am-12:30pm 20 June 2025

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| <p>In attendance, Board: Sir Stuart Etherington (SE) Chair Vaughan Lindsay (VL) Phil Chamberlain (PC) Kevin Davis (KD) David Lindsell (DL) Andrew Rose (AR) Helen England (HE) Vicki Thornton (VT) (by video link) Rob Bell (RB) (by video link) Nicola Pollock (NP) (by video link) Company Secretary: Alastair Ballantyne (AB)</p> <p>Apologies: Meera Craston (MC) Jo Fox (JF)</p> | <p>Better Society Capital (Item 2) Robin Hindle Fisher, Chair (RHF) Stephen Muers, CEO (SM)</p> |
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| 1 | <p>Introduction</p> <p>The Chair introduced the meeting welcoming the Board and noting apologies from MC. The Board was asked to declare conflicts. VL updated the Board that NPC (which he chairs) had received funding from BSC. No additional conflicts were declared. The minutes of the Off-site Board meeting on 21 May were approved and the minutes of the Noms and Rems Committee meeting on 13 May were noted.</p> |
| 2 | <p>Better Society Capital Deep Dive</p> <p><i>RHF and SM joined the meeting.</i></p> <p>BSC Quad Review</p> <p>RHF emphasised that BSC wanted to demonstrate that it is “living” the actions in response to the Quad Review and not just documenting/monitoring them. He saw it as critical that the Boards of BSC and OT work closely together to understand each other noting that it needs to be recognised that there are some BSC stakeholders who would want BSC to do something other than what it was set-up to do.</p> <p>NP welcomed RHF’s remarks and emphasised the shared approach of having a broader on-going dialogue between OT and BSC. She raised three specific queries/points:</p> <ol style="list-style-type: none"> 1. What had been BSC’s Board’s response to the Quad Review at their March meeting? |

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| | <p>RHF said the BSC Board had felt frustration that it had not been successful in communicating to OT some critical aspects of what BSC does, and why, through the Quad Review process. As a key stakeholder, it is imperative that OT is comfortable with BSC's approach and this can only be achieved through effective dialogue between the organisations.</p> <p>2. The action log is helpful, but there is a concern that broader issues, such as culture and Board hearing alternative views, may not be addressed solely through individual actions.</p> <p>On the specific areas mentioned, RHF was of the view that there may be issues, but a significant cultural change to the Board of organisation is not needed. There is a clear commitment to openness and listening to feedback. SM referred to recent engagement with fund managers.</p> <p>BSC has plans for an independent perception survey of managers in next 12 months. SM commented that the Board was keen to establish some form of KPIs to assess this activity.</p> <p>3. The Panel had identified 22 opportunities, but BSC were confident of achieving improvement in a much smaller subsection of these. Did this reflect that there was a limit to how much progress could be made?</p> <p>SM emphasised that the Quad Review covers areas that reflect activities that BSC was not set-up to do and so realistically cannot address beyond communicating this more effectively to stakeholders. RHF referred to many involved in the social investment space looking for more subsidised capital. BSC's approach is to publish papers providing more detail to explain what it does (and does not) do. The Quad Review refers to there being a "power imbalance" – RHF's view is that this will always be there, but it is important that people understand the reasons behind the decisions being taken by BSC (even if they don't agree).</p> <p>BSC Strategy 2026-30 Development</p> <p>SM presented on the Strategic Review.</p> <p>The last strategy had focused on building the size of the social investment market. The next phase focuses on impact and is framed around four big challenges where BSC's tools can be most effective: housing; economic opportunity; transition to net zero; and health. Defining it in these terms helps alignment and engagement with delivery and funding partners.</p> <p>Bringing-in other capital is essential given the size of the challenges. This includes money seeking commercial return and catalytic capital. A way of doing this could be through exploring BSC providing advice, including through research.</p> <p>Views were shared on BSC's current portfolio and risk.</p> <p>The processes for developing the strategic focus areas were further explained.</p> <p>HE and SE emphasised the Comms messaging opportunity around the strategy.</p> |
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| | <p>VL asked about the spread of Investment Team experience needed for the different types of investment - including venture capital, private equity and advisory – which in the commercial sector represent very different skill sets. SM explained that the investment team had been built around investing across the portfolio and in fund-of-funds which is how he saw BSC’s role and business developing in the future.</p> <p>NP asked about Comms and how this could help with the Quad Review follow-up. She also asked about capacity in the new areas covered by the strategy. SM outlined work that had been done in related to Net Zero and Health in the existing BSC portfolio. The various elements of the strategy would be phased, reflecting the development of the pipeline.</p> <p>KD highlighted the amount of work requiring investment already being done specifically in Health and saw this as an opportunity.</p> <p>VL asked about BSC’s financial sustainability. RHF emphasised that the overall portfolio return target was 3-5% and 1% was the return after costs which BSC hoped to be able to outperform. There could also be further dormant assets available in the future. He also pointed out the importance of the sustainability of the impact delivered. SM also highlighted that, as the social investment market grows, BSC could achieve more through leveraging other capital.</p> <p>AR summed up his earlier initial Link Director conversations with BSC. He had sensed BSC’s frustration with the Quad Review – highlighting a gap in communication. It is important that the two organisations remain in dialogue, particularly important whilst BSC is finalising its strategy. He was optimistic that a shared understanding could be achieved.</p> <p>Board Changes</p> <p>RHF outlined Board changes in the last quarter. Kieron Boyle had stood down with Fiona Miller-Smith having already joined the Board as a new Director. Chris McComb and Alan Giddens were leaving the Board and he emphasised the important contribution they had made in particular to the investment process. He was confident the Board would successfully manage the transition.</p> <p>The external Board evaluation process is ongoing with input from individuals on the OT Board.</p> <p><i>RHF and SM left the meeting.</i></p> <p>The OT Board shared views on elements of the BSC presentation. [ACTION: Engage in an ongoing dialogue on strategy with input from OT. BSC to take forward meeting on Comms to include NP and AR.]</p> |
| 3 | Quarterly OpCo Reviews |

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| | <p>F4AF</p> <p>DL outlined the transformation plan for F4AF including a significant increase in staff numbers. The process has involved providing greater clarity of staff responsibilities and strengthening the Senior Management Team.</p> <p>He mentioned the National Financial Inclusion Strategy that has been headlined by Government (without any specific further government funding being provided to date – however, the new DA funding allocation and DA strategy reflect F4AF having a significant delivery role).</p> <p>He noted that F4AF is planning on expanding its scope to include financial education (as reflected in the DA strategy announcement). This is likely to involve F4AF working with external partners.</p> <p>He also highlighted the work on the Small Sum Lending Pilot and work in the insurance market.</p> <p>Credit Union consolidation is progressing slowly.</p> <p>It was helpful that the Finance Team had provided a cash flow forecast to June 2026. which still shows a cash balance of £57m.</p> <p>He also outlined the issues OT has with F4AF’s accounting policies.</p> <p>[ACTION: AB to take forward setting-up of meeting with F4AF to discuss the accounting issues following a call SE has scheduled with RCK on Monday.]</p> <p>Access</p> <p>KD reflected that Access were very relieved to receive the new Dormant Asset funding commitment. As well as other work it means they can now move ahead with providing funding for Pathway. There has been communication with NLCF lawyers on the structuring and reporting required for this.</p> <p>The EDI report and KPI dashboard were reviewed. NP commented on the openness of the EDI report and the helpful approach to posing questions from the perspective of relevant stakeholders.</p> <p>A new Board member, Roshana Arasaratnam, had been appointed.</p> <p>The Quad Review Panel appointments had been reviewed with Seb Elsworth (SEI) and Access was keen that any potential conflicts are clearly explained and disclosed. It was suggested that Social Investment Scotland (Alistair Davis) should be interviewed for the Quad Review as he would provide an interesting and relevant perspective.</p> <p>Access’s Ten Year Anniversary Celebration event has been planned and is forthcoming.</p> <p>It was noted that Access has also featured on in some prestigious international events (including as a case study for Rockefeller Philanthropy Advisors at the Skoll World Forum).</p> <p>VL raised the issue of cyber security in the sector and this issue was discussed by the OT Board. VT commented that AI was a major threat and a potential source of cyber insecurity.</p> <p>[ACTION: It was agreed that Link Directors should ask questions of OpCos about cyber security and all the Annual OT Governance Reviews should also cover this risk in future meetings. AB to review Risk Register (see below).]</p> |
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| | <p>Youth Futures (YFF)</p> <p>HE reported positively on the Board Effectiveness Review. VL noted that the one area included for the Board was to ensure that they are challenging management and that paths to resolving disputes are clear to all. HE queried whether this could be a legacy issue from before Seyi Obakin joined.</p> <p>She noted that a lot of work had been done on Engagement.</p> <p>The recently announced Dormant Asset allocation was discussed. YFF has sufficient funding for the current period until 2028 and it was interesting that YFF had been very involved with DCMS in looking at their mandate to consider taking on funding for different opportunities.</p> <p>HE noted that YFF had been a pivotal voice in the changes to the Apprentice Programme and she outlined other governmental initiatives they have been involved with.</p> <p>The key issue for the organisation is the NEETs figures. HE noted that by 2028 YFF will have established a substantial body of evidence.</p> <p>SE had emphasised to SO that there was a need for YFF to engage in developing ministerial relationships at DWP. It was suggested that the OT Board may be able to help with individual introductions such as KD's connection with Stephen Timms.</p> <p>NP asked about follow-on work from YFF's last presentation about developing the impact reporting framework and if this had been done. [ACTION: HE to follow-up.]</p> |
| 4 | <p>Updates</p> <p>DCMS Dormant Asset (DA) Announcement</p> <p>The Board received an update of the recent Government announcement of the Dormant Assets Strategy – and their discussion focused specifically on the 'youth' cause, with the broadened 'enrichment' agenda and NLCF being named as its distributor. SE went on to raise a concern of the potential effect on the overall level of engagement of the financial services industry. VL updated on the conversation he had with Becky Morrison at DCMS who was eager to see more effort put into highlighting the Impact of DAs. VL had also raised with her the question of who was ultimately responsible for generating interest in the Scheme. She had responded that it was clearly a joint responsibility of DCMS, HMT and Reclaim Fund.</p> <p>NP commented that, at the Away Day in May, DCMS officials had commented that they had had initial discussions with NLCF on approaches to assessment of impact and operational efficiency. PC noted these discussions, but that no further action had been commissioned or undertaken by NLCF at this point.</p> <p>PC acknowledged that there has been a noticeable increase in interest from Government on Impact and Value for Money assessments of the DA scheme, and whilst NLCF has had initial conversations with DCMS about their new Impact Strategy, this is in relation to National Lottery funding money. PC agreed to share a link to this new strategy.</p> <p>AB outlined that as the draft Dormant Assets Charter document now covered the oversight of only half of forthcoming English DA funds, consistency of approach across the Scheme on these issues should be established.</p> |

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| | <p>PC confirmed that NLCF is working on the Youth and Community Wealth Fund causes of the scheme to build the vision for a longer-term strategy for each strand. These programmes are both under development.</p> <p>[ACTION: PC to circulate NLCF new Evidence & Impact strategy and connect MC with the NLCF Impact Team.]</p> <p>BS Foundation</p> <p>The Foundation Working Group met in June to discuss the documentation provided by BSC (MoU and Charity Commission Application).</p> <p>AR reported that the latest estimate of when dividends will be paid is 2030. The question is how much time should be spent on developing the documents now?</p> <p>It was agreed that OT should not pursue further legal review and incur costs at this time. If OT were to receive a one-off dividend in the meantime, it could use it for a charitable purpose related to social investment. SE suggested, and the Board agreed, that procuring legal advice on setting up the Foundation should be postponed until two years before the first dividends are anticipated.</p> <p>Noms and Rems Committee</p> <p>Draft minutes from the Noms and Rems Committee meeting on 13 May were included in the pack for noting. The Skills Matrix was circulated to the Board for any suggested changes.</p> <p>[ACTION: Board]</p> <p>Access Quad Review</p> <p>NP outlined preparations for the Quad Review including details of the Panel and the OT Team members.</p> <p>There will be an internal meeting (with Keith Leslie) on June 24 to discuss what the review should focus on and the following week (June 30) a meeting with Access and the Panel.</p> <p>It is planned to conduct interviews in October with report due in January.</p> <p>VL asked about the interaction between BSC and Access – in particular, with the BSC Strategy emphasising seeding. The Review could helpfully also clarify what is meant by “blended finance” – in terms of risk/guarantees, technical assistance or reducing the cost of capital.</p> |
| 5 | <p>Financials</p> <p>AB updated on progress on the draft 2024 annual report. DL had made a number of changes to the previous presentation of the Strategic Report and the Directors’ Report.</p> <p>The Board was asked to review and update the Register of Interests (included in the Board pack). [ACTION: Board]</p> <p>RSM is in the process of finalising the consolidated accounts, a draft will be circulated to the Board in the next two weeks. [ACTION: AB]</p> |

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| | <p>The 1H25 Financials were reviewed. AB noted that the Budget reflects legal fees for the second half of 2025 – assuming changes will need to be made in terms of OT structures in light of DCMS’s DA Governance Review requirements.</p> |
| 6 | <p>Risk Registers</p> <p>There was a Board discussion of the Risk Registers.</p> <p>DL suggested that the Link Director concerned should confirm they are in agreement where there are statements made about OpCos.</p> <p>The probability of an issue related to cyber security should be increased. It was agreed that the risk probability should rise to 4 and after mitigation be 3. The Link Director should be raising the issue with each OpCo. (As discussed earlier in the meeting) the issue should also be raised as part of each OpCo’s annual Governance Review. SE suggested that Cyber Security Guidance Notes should be commissioned along with a half-day seminar. VT offered to help respond to questions about mitigating risk and structuring the planned training. [ACTION: AB/VT]</p> <p>RB suggested that the Strategic Risk related to the Credibility of the Dormant Assets Scheme is not fully covered – particularly in light of the independence of Scheme being brought into question as a result of the recent DA allocation announcement. [ACTION: AB to revise.]</p> |
| 7 | <p>AOB</p> <p>SE noted that MC would present a feedback paper on Impact to the September Board meeting following up her presentation to the OT Board Away Day on 13 May. [ACTION: MC]</p> |

Next meeting:

Quarterly Board meeting 24 September 10:00am- 1:00pm, Access Deep Dive at Access offices: 44 Featherstone St, London EC1Y 8RN.