

The Oversight Trust

Meeting of the Directors at Tintagel House, Vauxhall, 92 Albert Embankment SE1 7TY
18 December 2023 at 9.30am - 12.30pm

BOARD AGENDA

		Presenter	Documents	Timing
1.	Introduction. Apologies. Conflicts. Approval of Minutes and matters arising.	SE	Draft Minutes of 6 Oct meeting Draft Minutes of 1 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 by Link Directors <ul style="list-style-type: none"> • Fair4All Finance • Big Society Capital • Access 	DL VT KD	Quarterly Reports These docs are in a separate Board Pack for each Opco	30 mins
4.	Updates <ul style="list-style-type: none"> • Quad Review • Board Changes and Board Recruitment 2024 • Away Day 	NP SH AB	Final Report and Responses Draft Agenda	30 mins
5.	Financials <ul style="list-style-type: none"> • Year-end projections • 2024 Budget • NLCF Funding Request 	IH/AB	Dec 2023 Budget Vs Actual Proposed 2024 Budget Funding Request to NLCF	15 mins
6.	Risk Registers	SE/AB	Key Risk Reports Risk Register	10 mins
7.	Oversight Trust Governance Review <ul style="list-style-type: none"> • Independent reviewer 	SE/AB	Initial draft ToR (to follow)	15 mins
8.	AOB - conflicts	AB	Related Parties Register of Interests	10 mins

Next OT Board meetings: Offsite 9 Feb 2024;

Board meeting (F4AF Deep Dive) 22 March 2024 9:30am-12:30pm Toynbee Hall

**Minutes of the meeting of the Board of the Oversight Trust
9:30am-12:30pm 18 December 2023**

In attendance, Board:

Sir Stuart Etherington (SE) Chair
 Ian Hughes (IH)
 Helen England (HE)
 Nicola Pollock (NP)
 Kevin Davis (KD)
 David Lindsell (DL)
 Rob Bell (RB) (by video conference)
 Stephen Howard (SH) (by video conference)

Company Secretary:

Alastair Ballantyne (AB)

Apologies:

Clara Barby (CB)
 Andrew Rose (AR)
 Vicki Thornton (VT)
 Jo Fox (JF)

Youth Futures Foundation (Item 2 only)

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

1	<p>Introduction</p> <p>The Chair introduced the meeting noting apologies from CB, AR, VT and JF. No additional conflicts were declared.</p> <p>The minutes of the 6 October and 1 December Board meetings were approved as an accurate reflection of what was discussed. [ACTION: publish redacted minutes from 6 October meeting (AB)] The matters arising were reviewed and outstanding items addressed.</p>
2	<p><i>The YFF representatives joined the meeting.</i></p> <p>Deep Dive</p> <p>SO introduced the presentation and updated on the organisation’s governance changes (Board appointments). The first meeting of the re-shaped Board had been held last week. DL commented on the challenges of building and managing the integration of new members when there is a review of strategy in 2024. SO reflected that the Quadrennial Review had not produced any surprises and had been helpful. YFF was also tracking well against all agreed review actions.</p> <p>BF indicated that one of his initial areas of focus had been on developing relationships, particularly with Government departments.</p> <p>Significant progress had also been made on developing evidence resources. He highlighted the launch of the Youth Employment-Toolkit and the Data Dashboard in 2023.</p>

The Toolkit has had over 4,000 unique users access it and there is growing evidence that in addition to employers, Local Authorities, Combined Authorities and funders are finding it a useful resource. In addition, it has been helpful in engaging with central Government (including HMT).

He outlined examples of areas of focus for the Connected Futures grant programme, which is now working in eight areas, and just starting work in a ninth (Leeds and Bradford). Larger grants are expected to be made in 2024.

Engagement with employers has been a priority throughout 2023 and YFF has been getting its structures and strategy in place with a specific directorate now engaged on this initiative. More needs to be done, including developing partnerships with employers' groups to share practical evidence and running trials (such as anonymous hiring trials).

The Building Futures programme (prevention of NEETs) will be launched next summer.

Approaches to impact measurement (including systems change for the longer term) will continue to be a key focus.

HE asked about how the employer strategy that was already in train fitted with the overall strategy refresh. BF emphasised that the work with employers had needed to be addressed urgently and the revised strategy would slot into the overall strategy. She also asked about the output from the Stakeholder Perceptions survey on employers using the Toolkit. BF recognised that, while the survey was limited in scope in terms of types of employers, there were specific examples of successful engagement, particularly in places where YFF already had a footprint (e.g. through the Connected Futures Programme) of working with employer representative organisations.

Utilisation of evidence resources, especially Toolkits is seen a key measure of effectiveness by the majority of What Works Centre's. YFF is also exploring developing a separate employer targeted website to emphasise practical applications of their learning on What Works.

SE suggested that working with larger employers' supply chains was a possible route to engaging with smaller employers. BF agreed that it would not be possible to work with every organisation representing employers across the country and realistically YFF could only work with 4 -5 employers' organisations who would disseminate practical evidence through their networks, including suppliers to those networks.

There was a discussion about technical qualifications and the benefit of introducing the Advanced British Standard. BF saw the new standard as having the potential to be a positive initiative but recognising the danger to BTEC and other existing qualifications that currently have high take-up. These qualifications can be a critical pathway into work, particularly for those from marginalised communities.

KD asked about Connected Futures work in collaboration with schools and the Careers and Enterprise Company. BF outlined how YFF has engaged flexibly with local initiatives and gave examples of Blackpool and Tottenham, and it has also been working closely with CEC.

NP asked about the phases of Connected Futures and the shift in focus for developing evidence. BF said that the Programme design had not envisaged that all areas would be taken forward to a second phase and that learnings in those areas that had not continued to Phase 2 were not lost.

	<p>YFF’s approach to systems change is to provide specific evidence to change policy and practice and to direct resources to producing higher quality evidence which is critical for Government to drive initiatives for longer term system change.</p> <p>SH emphasised employers’ need for practical tools – there needs to be a compelling business case. RB asked about the balance between the rational approach to change and the idea of igniting a movement for change (potentially driven by Youth Voice). BF saw the need to raise the issue up the political agenda but while YFF can play a part in providing evidence for a movement, others are better placed to drive it. SO agreed that supplying Youth Voice with evidence was critical. There was a discussion of why youth employment was not getting the political attention it deserved and why the issue was more prominent at a local level.</p> <p>In terms of securing future funding, SE suggested that it would make sense to engage with the Reclaim Fund (RFL) and the new dormant asset donor community. He had discussed the idea of getting all the dormant asset players together with the new RFL Chair. OT should help facilitate the discussion between RFL and YFF.</p> <p><i>The YFF representatives left the meeting.</i></p> <p>The OT Board discussed issues raised by the presentation.</p> <p>Note: Changes to the Remuneration Policy that had been agreed with the YFF Board were discussed by SE and HE with BF and approved.</p>
3	<p>Fair4All Finance</p> <p>DL updated that F4AF had successfully received the £91m of dormant account monies requested from NLCF, made up of £46m from the first two funding agreements and £45m allocated to them in March for Cost of Living (COL) initiatives. Prior to receiving the funds, F4AF was able to prepare for disbursement and bids for the two COL subsidy schemes have now closed and F4AF are forecasting deployment of over £50m in 4Q23.</p> <p>Detailed evaluation processes (as required by funders) are in train for the NILS pilot funded by HMT and associated funding from JP Morgan; interim reporting is in due Q1 2024; however, the full socio-economic evaluation is not due until 2026.</p> <p>There are challenges for F4AF in terms of recruiting experienced executives with financial services backgrounds. F4AF’s operating model has evolved to supplement the core executive team with consultants/contractors delivering specific non-core activities such as evaluation. It was noted that it is critical that there is effective phasing of the workload.</p> <p>There was a discussion of the presentation of risks, which it was felt should be enhanced to explain the “net risk assessments” and “risk appetite” and “risk mitigants”. It would be helpful to see the underlying Risk Register at the forthcoming deep dive with F4AF in March.</p>

It was encouraging that the new Economic Secretary to the Treasury (Bim Afolami) has historically been very engaged in financial inclusion.

DL also updated the Board on the issue of PwC's consulting contracts with F4AF, which raised concerns and OT needing to be comfortable with auditor independence. (This issue had been mentioned at the previous OT Board meeting.) He will follow-up with Sacha Romanovitch (SR) and co-ordinate OT's response with IH and VT.

It was noted that the report from F4AF indicated that there was strong progress with engagement with the banking sector.

Big Society Capital

In her absence, VT had sent a note outlining comments.

Overall, the revised net financial position of BSC had been a projected loss of £13m for the year. This primarily reflects investment values (17% of the portfolio has some negative uncertainty) reflecting the current challenging market environment.

A major focus for 2024 will be on political influencing.

BSC will be refreshing its five-year strategy towards the end of 2024, so the underlying analysis and investigative work could helpfully dovetail with the Quadrennial Review.

It was noted that the full effect of higher interest rates is not yet known as it has yet to crystallise in areas like the housing stock (which is revalued every six months) and equity where changes are realised on sale.

SM had updated AB on projections for when OT would start to pay dividends. Their best guess will be 2027 – but the analysis suggested that there should be sustained profits in subsequent years. SM had suggested progressing preparations for the BS Foundation. It was agreed that the Charity Commission should be approached early. NP flagged that there was still an issue of who appoints the Directors of the Foundation. **[ACTION AB to progress the project in 2024.]**

SH asked about the SID appointment. **[ACTION: SE to check with RHF]**

Access

KD presented the quarterly update.

Blue Jay is conducting a governance review of Access and will report its findings to the Access Board in January. KD and AB had provided input.

KD updated on Martin Rich ending his term SID in 2025 and so the organisation needed to consider his replacement.

Access' approach to working with Pathway Fund was discussed and the genesis of the relationship. Pathway is seen as the most advanced player with underrepresented groups in

	<p>the sector. The former COO of YFF has been hired to perform a consulting exercise. KD is speaking to Stephen Bediako (co-founder) later in the week.</p> <p>There will be a further reflection on strategy in March. Access had worked closely with BSC on articulating how £200m of dormant assets could be utilised for social investment. The likely figure for the next 4 years will be around £87m.</p>
4	<p>Updates</p> <p>Quadrennial Review</p> <p>The Quad Review had been launched on 12 December. The Report and responses from OT and YFF are published on the OT website.</p> <p>There was no press coverage, but the report has been viewed 40+ times.</p> <p>Board Changes</p> <p>SH updated that CB was standing down from the OT Board on 31 December.</p> <p>The need for expertise in the area of Impact had been discussed at the last Board meeting and it would seem appropriate to use this opportunity to appoint someone to the Board with Impact expertise. It was noted that it was important to have an open recruitment process and encourage applications from people from diverse backgrounds. It was suggested that the OT Board may possibly have greater awareness of potential suitable candidates than headhunters. HE suggested looking at jobs platforms to encourage diversity.</p> <p>SH recommended that we should not wait for the results of the DCMS review before starting the recruitment process. AB to get the pack together and take stock at the Board meeting in March 2024. [ACTION: AB to develop a ToR and share with the Noms and Rems Committee in the first instance.]</p> <p>Away Day</p> <p>AB outlined the speakers lined up for the planned Away Day in February. We are still waiting to hear from the Greater Manchester Mayor’s office. GMCVO should be invited to provide their perspective of working with the GM Combined Authority.</p>
5	<p>Financials</p> <p>AB outlined the Budget.</p> <p>NP asked about the allocation for Quad Review – which could be more challenging in 2024. SH also suggested that the proposed Governance Review could also cost more than the sum indicated (£30,000).</p> <p>IH suggested that the amount held in contingency could be potentially earmarked for these purposes.</p> <p>AB noted that, because of inflation, the Budget for 2025 would very likely exceed £500,000.</p> <p>The Budget (£499,000) and the funding request to NLCF were both approved by the Board.</p>

<p>6</p>	<p>Risk Registers</p> <p>AB noted the risks that had changed since October:</p> <ol style="list-style-type: none"> 1. PwC independence (newly identified) 2. Directors' experience wide enough (raised in light of CB departure from the Board) 3. Funding withdrawn from OT (lowered in light of reduced scope of DCMS review) 4. OpCo people grievance issue (lowered as situation with OpCos has now stabilised) 5. Cost of Living crisis (lowered as inflation is now less) 6. EDI (lowered reflecting initiatives to address the issue now progressing) <p>There was a discussion of the registers. [ACTION: AB was asked to raise the probability of governance failures in OpCos risk (after mitigation) from 2 to 3.]</p>
<p>7</p>	<p>OT Review</p> <p>The Board agreed that OT's planned review of governance structures should be postponed until after DCMS had completed its own review of Dormant Asset governance in England, which should be done by the end of March.</p> <p>The Board discussed the DCMS review and noted that OT had not been asked to review or comment on the tender document that had been published at the beginning of December. SE had expressed his disappointment to Becky Morrison (DCMS Director).</p> <p>The timetable for the review seems exceedingly tight (award of contract on 27 December 2023 and completing of work by 31 March 2024). It would appear that DCMS is being driven by time constraints on the funding that is available for the work.</p> <p>The DCMS tender document (circulated to the Board separately) suggests a number of questions specific to OT. These were discussed.</p> <p>The review team should talk to OT Directors and the OpCos. ACTION: AB to circulate the ITT to the OpCos.</p> <ul style="list-style-type: none"> • What is the distinction between the roles of TNLCF and OT? The two organisations have clear and distinct roles. Owner Vs provider of funding. NLCF is responsible for accountability of following compliance rules concerning spending public money and the OpCos' Funding Agreements and following instructions from DCMS on how money should be distributed in the UK. NLCF has powers to withhold payments (or clawback funds) if there is a breach of an OpCo's Funding Agreement. OT is responsible for ensuring Governance Agreement is complied with. OT provides scrutiny of the OpCos and an annual letter of assurance to NLCF. • Who is the OT accountable to? NLCF CEO is the Accounting Officer. The Accounting Officer is accountable to Parliament. If called to give evidence, it would likely involve OT. DCMS clearly has influence and can cut funding to OT. NLCF and DCMS are both represented on OT's Board.

	<ul style="list-style-type: none"> What are the requirements for OT to comply with demands from DCMS? There are no legal obligations. OT has been categorised by ONS as an independent private sector organisation and DCMS has, on two occasions, had to change OT’s Articles to maintain this status. As a result of this, the DCMS representative on OT’s Board no longer has a power of veto. Are the OT’s powers enough, can they be strengthened? OT can refuse to sign an OpCo’s letter of assurance. As sole Member or majority shareholder, OT can dismiss members of an OpCo’s Board. OT does not have powers to replace the management. Would Charity Commission’s powers in this regard be helpful/appropriate for OT? OT currently does not have the ability to instruct its subsidiaries on accounts being consistent for all companies in the group. DCMS could make changes to Governance Agreements through negotiation with OpCos and OT. What are the consequences for OT? The OT Group is currently an independent private sector organisation strengthening DCMS powers could jeopardise this classification. Dormant Assets Scheme reflects private donations from financial institutions. There is a question of who reviews Impact and Value for Money for the scheme as a whole? SE suggested that reviews could be commissioned jointly by DCMS, NLCF and OT. IH reiterated that only DCMS and NLCF have responsibility for the whole UK scheme. <p>NP raised the issue of DCMS not being consistently interested in the Dormant Assets Scheme over time, which affects how accountability and transparency work in practice.</p> <p>SE asked how other activities funded by Dormant Assets (such as financial education) would be overseen if not done by an OpCo.</p> <p>IH and RB pointed out that the tone of the document is more about strengthening oversight rather than providing clarity of understanding and alignment of existing powers.</p>
8	<p>AOB</p> <p>The Board were asked to update the Register of Interest and Related Party documents that had been circulated and return them to AB. [ACTION: The Board]</p>

Next meetings: 9 February Off-site meeting in Manchester

ACTION LOG

Item	Action	Status/ Owner
1	Publish Board Minutes	DONE - AB
3	Prep for F4AF Deep Dive	DONE - DL/AB
3	Progress BS Foundation set-up	In process - AB
3	Check on BSC SID appointment	DONE - SE
4	Prepare ToR for Director recruitment	DONE - AB
6	Update Risk Registers	DONE - AB
7	Circulate DCMS DA Governance Review ITT to OpCos	DONE -AB

8	Update Register of Interests	DONE - AB
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