# THE NATIONAL LOTTERY COMMUNITY FUND

**UK FUNDING COMMITTEE MEETING**

**12th March 2020 10am**

**Plough Place, London, EC4A 1DE**

**MINUTES**

|  |  |
| --- | --- |
| **PRESENT:** |  |
| Tony BurtonAaliya SeyalKevin BoneEileen MullanSian CallaghanElizabeth Passey | ChairScotland Committee Member (VC)England Committee Member (Phone)Northern Ireland Committee Member (VC)Wales Committee Member (VC)Board Member (Phone) |
| **IN ATTENDANCE:** |  |
| Dawn AustwickJohn Knights Dominic NewlynCassie RobinsonNick GardnerLiz WatchornTamsin ShukerJohn RoseBeth Bell | Chief Executive OfficerSenior Head of UK PortfolioGovernance Officer (minutes)Head of Digital Grant MakingHead of Climate Action FundPortfolio ManagerSenior Head of EvaluationWales Director (VC)Portfolio Manager |
|  |  |

1. **CHAIR'S WELCOME & ANNOUNCEMENTS**
	1. Tony Burton welcomed the Committee and thanked everyone in advance for their understanding on what would be a logistically challenging meeting. The Committee welcomed Eileen Mullan and Aaliya Seyal to their first UK Funding Committee meeting.
2. **APOLOGIES FOR ABSENCE**
	1. The were no apologies for absence.
3. **DECLARATIONS OF INTEREST**
	1. There were none.
4. **MINUTES OF PREVIOUS MEETING – UKFC(19)M04**
	1. The Minutes were approved as seen.
5. **ACTIONS ARISING – P01**
	1. The Committee noted that the team continued to work with Ian Hughes and Finance to monitor cashflow. This action would be amended and closed.
	2. The Committee would receive an update on improving the use of evidence and insight in Civil Society later in the meeting.
6. **UK PORTFOLIO OVERVIEW – P02**
	1. The Committee received UKFC(20)P02 and John Knights provided a verbal overview.
	2. The Committee noted an update on the People’s Projects at P02 Annex E. The team were working with ITV to understand the potential impact of Coronavirus on the plans to film projects for the People’s Projects revisited campaign.
	3. The voting system was being reviewed and would be moving to a completely online set up, as postal votes had diminished significantly over recent years.
	4. Providing an update on the portfolio team, John noted that Yvonne Campbell leaving had meant the senior managers had picked up further responsibilities. Cassie Robinson would be taking over as Senior Head in April and this would allow for a rebalancing of responsibilities throughout the senior team.
	5. The Committee noted the business plan in P02 Annex B. This was a draft version which was being presented to UKFC for a forward look and would remain flexible.
	6. The three main areas of focus for the next year would be;
		1. Developing the portfolio further – including the approach to responsive funding
		2. Working to support civil society – delivering grant funding that helps civil society prepare for the future and then sharing insight and analysis across the sector
		3. Effective delivery of the Climate Action Fund
	7. Alongside these focus areas, the portfolio would be reopening for applications in a number of areas, with the fully responsive element of the portfolio opening towards the end of next year, however this remained unconfirmed.
	8. The Committee discussed the financial outlook of the portfolio. The grant budget would come in at c.£3m over budget for the current year, primarily due to awarding the Manx Lottery Trust which remained a key part of the Fund’s delivery. The Finance team were comfortable with this outcome, and the teams would work closely in the coming weeks to finalise budgets and cash flow projections for the next 2-3 years.
	9. The Committee discussed the current developing situation of Coronavirus and the impact this may have on the portfolio. The Committee noted that opportunities could develop for the portfolio to bring communities together in difficult times, and use learning from this situation to inform collective action in response to other issues. This would be discussed in further detail later in the meeting.
7. **UK PORTFOLIO PROGRAMME DEVELOPMENT**

**Digital Fund Update – P03**

* 1. Cassie Robinson provided the Committee with an update on the Digital Fund.
	2. Strands 1 and 2 had been awarded and the planning for Strand 3, which focused on micro-organisations and small charities, was underway. The team had commissioned a piece of research for this strand to better assess the needs and requirements of these smaller organisations, digital and otherwise. Plans for this work would come back to the Committee in June.
	3. Of the £15m available to the Fund, the first two strands had committed c.£12.6m. The completion of the third strand would take funding to c.£13.4m, with the remaining left for the second round.
	4. The Committee was asked to approve £800k to support grants to infrastructure bodies and the associated technical support to deliver the proposals for theme one; infrastructure and membership bodies.
	5. The Committee noted the following key points with regards to this funding;
		1. The team had found from research and feedback in this area the infrastructure in the sector was, in places, inadequate to support widespread digital transformation.
		2. Older, more established organisations, whilst having a strong physical presence lacked the capability to address digital change. Emerging infrastructure organisations had a stronger technical ability and greater appetite but lacked the capacity to upscale and extend their services.
		3. Successful outcomes from this funding would see a stronger and more connected network of peers, partnerships and alliances between infrastructure organisations. This would allow the Fund to have a sector-wide impact on capacity and capability with the limited funding available.
	6. The Committee provided some feedback on two of the outcomes detailed in the paper, asking that they be revised, including the need to also include organisations that provide support to others, but do not describe themselves as infrastructure bodies.

**The Committee approved the allocating of £800k for the above approach as part of Round 2 of the Digital Fund.**

* 1. In addition, the Committee was asked to agree to further development of a second approach for Round 2 of the Digital Fund, focusing on providing specialist tech skills for communities impacted negatively by the increasing use of technology.
	2. The team had undertaken extensive research with the BAME community to improve their understanding of how to work with communities most likely to be impacted by technology.
	3. The next stage of this approach would be to convene communities and discover the demands of these communities in response to digital and technological changes.
	4. **The Committee was asked to consider whether the focus of this work sufficiently aligned with the Fund’s purpose and people-led ethos and sought further clarification of the level and nature of the demand from these communities to ensure funding aligned with People in the Lead.**
	5. The Committee recognised that a more pro-active approach was required with regards to digital funding. Knowledge amongst communities was primarily about basic digital skills and access to digital technology, and not about foresight, thus requiring the Fund to reach out to communities.
	6. The Committee noted the merits of the approach and emphasised that an effective approach would bring foresight to communities without doing it for them.
	7. **The Committee was asked to consider how the Fund can mitigate the risks involved with this approach.**
	8. The Committee discussed ways of matching the programme to the Fund’s messaging on the appropriate use of our funding. It was agreed that more work should be carried out to ensure that the proposal fully addresses any risks that funding might be used for activities that fall outside the Fund’s areas of expertise or purposes.

**The Committee requested that the approach be further revised and brought back at the June meeting for approval.**

**ACTION: Cassie Robinson**

**Evidence and Insight in Civil Society – P02 Annex D**

* 1. Tamsin Shuker provided an update to the Committee, giving an overview of the aims and structure of the funding to bring new members up to speed.
	2. The possibility of a state aid issue was discussed, and it was noted that the risk was low and any potential challenges would likely have exemptions that would apply. The legal team had been involved in the creation of this funding to alleviate any potential risk in this area.
	3. The Committee noted that the three market testing events so far had shown the focus areas had been well received. There was a clear appetite for grantholders to become a learning cohort and to share successes and failures.
	4. In addition, the market testing showed a clear understanding from parties of the purpose of this funding, and provided the team with some clear feedback and language that would help shape their approach.

**Climate Action Fund – P04**

* 1. Nick Gardner provided a comprehensive overview of the Climate Action Fund to date to ensure all the Committee, including new members, were fully informed.
	2. The first round involved funding up to 15 projects. With over 630 applications received, many interesting ideas had to be turned down. The team had shortlisted 40 applications which embodied People in the Lead and together provided a wide geographical and thematic spread.
	3. The Committee discussed the steps that could be taken with unsuccessful applicants to direct them to other funders, or potentially considered for joint funding.
	4. The Fund was delivering two types of funding; development funding which delivered grants of up to £200k to develop ideas that require further exploration, and full awards of up to £2.5m. This was determined on the assumption that significantly more development awards would be made than full awards.
	5. The Evidence Review, which looks at models for communities acting on climate, had initially been completed however the technical understanding behind this had developed in the months since completion. This would be further reviewed and finalised in the coming weeks prior to release.
	6. The team continued to explore how youth voice can be used to mobilise climate action. Jo Rich, Head of Youth Voice, was developing a youth advisory board which would feed into the Climate Action Fund, and youth would continue to feature in the Fund’s Advisory Board with its two youth members. The Committee noted that further focus was needed on how both funders and grant holders in this space support the younger population, including the increasing levels of eco-anxiety.
	7. The Committee discussed the ongoing Coronavirus outbreak and the impact it was having on behaviour and collective action in comparison to the threats of the environmental emergency. The team would review how and when learnings could be taken from this ongoing crisis.
1. **UK PORTFOLIO FUNDING DECISIONS**
	1. The Committee did not receive any funding proposals at this meeting.
2. **UK PORTFOLIO FUTURE DEVELOPMENT**
	1. Cassie Robinson provided a slide deck on thoughts for the future development of the UK Portfolio.
	2. Discussion centred around two key points;
		1. What is the UK Portfolio uniquely placed to do?
		2. What are the new opportunities that the portfolio should be focusing on?
	3. The role of the UK Portfolio as a unifying presence was discussed. It was agreed that a core purpose of the portfolio was to connect and unify themes and communities across countries.
	4. Building on this discussion, Cassie would provide an update at the next Committee meeting and lead an interactive session at the next meeting to further define the role of the portfolio.

**ACTION: Cassie Robinson**

1. **INTERNATIONAL PORTFOLIO OVERVIEW – P05**

**Safeguarding**

* 1. The Committee received an update on the ongoing safeguarding work undertaken by the Fund. Investigations had been led internally with support from Nick Blake (Head of Internal Audit) and Laura Furness (Safeguarding Lead).
	2. The team are close to recommending the resumption of funding for projects in Uganda. The team had experienced some challenges on getting INGOs to take ownership and responsibility of the safeguarding issues in Uganda, however there was now a solid action plan in place to address the issues.
	3. The investigation into grants in Tanzania has revealed cultural and behavioural issues across the sector. The Committee noted that the approach of INGOs and grant holders had been refreshing as they had taken ownership and were tackling issues directly. There was an awareness that DPOs (Disabled People’s Organisations) needed to be on board for this cultural change to occur and for safe work environments to be created. The Committee noted it was likely that the team would recommend the resumption of funding in Tanzania in the next few weeks.
	4. The Committee noted that the underlying issues revealed in the investigation were potentially sector-wide issues in Tanzania, and not necessarily amongst the organisations we fund but those connected to them.
	5. The Committee discussed the extent to which the Fund would be involved in the sector’s safeguarding issue. It was noted that grant holders had been challenged on what they expect the Fund’s role and their own roles to be, making clear what would be the responsibilities of INGOs and not the Fund.
	6. The Committee asked for clarity on whether there were any legacy funds that existed in the portfolio that would see the Fund continue to operate in this space beyond our current funding commitments. This would be clarified by John Knights for the next meeting.

**ACTION: John Knights**

* 1. The Committee discussed the future of the International portfolio. It was noted that the recommendations from last year’s external review were to honour commitments across the EDAF in the short-term, but that this was not a viable model in the long-term. Geographical distance had caused difficulties in monitoring and assessing grants, epitomised by the safeguarding issues. In addition, the international set-up and principles were quite different to our core funding model.
	2. An international knowledge sharing approach had been highlighted as a potential direction for the portfolio. This would be driven by a thematic approach and be structured through a set of agreed design principles. This notion was being explored and activity was underway to map the networks and geographical areas that the portfolio should focus on. This would form part of the UK timeline and wider portfolio review. The Committee asked that discussions about the future direction of the International portfolio include external input.
1. **ANY OTHER BUSINESS**
	1. The Committee discussed their role in the Fund wide focus on diversity and inclusion. The Committee should have a role in assessing diversity and inclusion as a guiding principle within the UK portfolio.

**The meeting ended at 13:00. The next meeting would take place on Tuesday 2 June 2020.**

**MINUTES AGREED DATE**

**TONY BURTON**

**UK FUNDING COMMITTEE CHAIR**