

**Minutes: Scottish Charity Regulator (OSCR) Board
meeting, 20 November 2024. Quadrant House,
Dundee**



Board Members Present: Marieke Dwarshuis (MD) – Chair
Jill Vickerman (JV) – Vice-Chair
Kirsten Howie (KH)
Neil MacKay (NM)
Robin Strang (RS)
Bill Maxwell (BM)

OSCR attendance: Judith Hayhow (JH) – Head of Corporate
Martin Tyson (MT) – Head of Regulation & Improvement
Senior Manager, Higher Risk Cases & Quality Assurance
HR & Learning Coordinator
Finance Governance & Business Manager
Senior Manager Policy and Sector Improvement
Senior Legal Advisor
Senior Manager Digital and Comms

Item	Area	Action
1	Chair's introduction, welcome and apologies MD welcomed everyone to the meeting. Apologies were noted from Katriona Carmichael (KC), CEO and Lynn Bradley (LB), Board member. The Board continue to wish KC well and as speedy a recovery as possible.	
2	Declaration of interests There were no declarations of interest.	
3	Minutes of previous meeting and Action Log The minutes from the 25 September meeting were agreed as a true record. The Action Log was reviewed. It was agreed following a further review at the end of the meeting that those remaining items listed as "proposed closed" could be closed.	

4	<p>Chair update</p> <p>MD gave an update on her recent activity.</p> <ul style="list-style-type: none"> • MD (together with JH and MT) met with SG Director General Communities and Director of Public Service Reform and they discussed – <ul style="list-style-type: none"> ○ Mitigations to deal with the absence of the CEO and agreed an increase in hours worked by MD until end January ○ Spending Controls ○ Learning from investigations work, reflecting on SG funding and grantmaking practices ○ The Wider Review • Mid-year conversations with all Board members have been completed. • Board member reappointments process has been started. • MD attended an ELT meeting where KPIs were discussed. • MD took part in an all-staff call. • KC and MD are in regular weekly contact • During KC's absence there will be monthly meetings with SG. This month MD met with Deputy Director – Strategic Third Sector and Public Service Leadership. Discussions included the impact of legal costs on the OSCR budget and further mitigations due to CEO absence. <p>MD thanked JV for deputising during a period of MD's leave.</p>	
5	<p>CEO update</p> <p>MT gave an update on the following:</p> <ul style="list-style-type: none"> • MT and the Senior Manager, Higher Risk Cases & Quality Assurance held a meeting with the Fairer Funding team in relation to SG's monitoring and oversight of its funding to charities. • MT attended a meeting of international regulators. There was substantial discussion and MT noted that compared to the other regulators OSCR are doing very well with their digital offering and risk appetite. • OSCR, The Charity Commission for England and Wales, Charities Regulator Ireland and The Charity Commission for Northern Ireland have had a discussion around SORP and mitigating the resource call and risks from this work. <p>Action – An update is to be provided in relation the work with other regulators around SORP.</p>	MT

	<ul style="list-style-type: none"> The Financial Action Task Force (FATF) work around not for profit organisations will involve OSCR working with the UK regulators with input from financial organisations. <p>Action – Briefing at the March Strategy Day on the topic of Financial Action Task Force (FATF), terrorist financing and money laundering.</p> <ul style="list-style-type: none"> Results from the consultation around the Wider Review are expected to be analysed by the end of the year. OSCR is expecting to have some input before they are presented to the Cabinet Secretary at the end of January. <p>Action – An update on the Wider Review of Charity Regulation to be brought to the next Board meeting</p> <p>JH gave an update on the following:</p> <ul style="list-style-type: none"> Budget 2025 will be issued in the Budget Bill on 4 December 2024 – indications are that the funding pressures facing SG whilst significant, may be slightly less severe than was anticipated pre UK Budget. It is expected that OSCR’s budget allocation for 2025–6 will take account of costs associated with implementation of the new Act, since these were included as part of our budget planning return. A parliamentary debate on 20 November was planned to consider how the 2025–6 increase in National Insurance would be funded, and specifically whether additional resources to cover it might be found. The increase for OSCR staff costs associated with the NI uplift is around £20,000. Corporate Function Data. A report was published on the SG website on 19 November outlining the costs of providing corporate functions across SG delivery Bodies. This includes micro data from 104 public bodies. This is not a league table as each public body operates and delivers corporate services differently, however there is an awareness that the data may be interpreted in that way and we are aware that media inquiries may be made. <p>Action – Link to the Corporate Function Data report to be shared with the Board.</p> <ul style="list-style-type: none"> JH thanked the Board for signing off the procurement for digital changes. The tender for the network support contract was published on Monday. This contract is for 3 years The Senior Manager Digital and Comms will write to Board members in January for approval as this is over threshold. 	<p>MT</p> <p>MT</p> <p>JH</p>
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	<ul style="list-style-type: none"> Internal Audit had made provision for advisory work to be informed by KC. It is proposed these days will now be used to carry out audit work relating to the use of data in OSCR, and specifically how this is informing target setting, operational delivery and performance monitoring. A remit for the work is being discussed with Internal Audit and will be circulated to ARAC members for consideration and sign off over the coming weeks. <p>MD noted that work continues at pace and expressed thanks to MT, JH and the staff team for keeping things going in a professional manner.</p>	
6	<p>Performance Update (including Financial Report)</p> <p>The Finance Governance & Business Manager gave an update on the following</p> <ul style="list-style-type: none"> The reasoning behind the recommendation not to hold an autumn event The KPI dashboard RAG status will become a standard part of the performance review <p>Board members noted the good news story of Revitalising Trusts and confirmed that they agreed with the rationale and decision not to hold an OSCR autumn event.</p> <p>Board members asked questions around KPIs and considered whether it was better to pause a KPI that was unachievable part way through the year, or explain the obstacles to delivery through year end narrative. This latter option was agreed.</p> <p>Board members reported that they found the refreshed presentation of the performance information very useful and requested that the dashboard be shaded with the RAG colours.</p> <p>Board members noted that delivery of the Business Plan and KPI's is discussed at ELT monthly business meetings, and that a further in depth analysis would take place in January.</p> <p>There was discussion around KPI 10 and how to achieve this KPI, and it was agreed that additional consideration was needed around how to frame this KPI for the future.</p> <p>The Finance Governance & Business Manager provided an overview of the finance update highlighting the following:</p>	

	<ul style="list-style-type: none"> • The costs of the Judicial Factor are not included in the costs assumptions as they were not known when the paper was written. • Extra hours worked by MD in KC's absence will impact on the budget <p>Some savings have been made on projected staff costs, which will be included in the next set of management accounts.</p> <p>Board members asked questions around the change in dilapidations. JH explained this is due to an increase in the dilapidation costs for the whole building stemming from increased work costs nationally. The dilapidation costs were calculated by an independent surveyor.</p> <p>The HR & Learning Coordinator gave an update on People</p> <ul style="list-style-type: none"> • The results of the People Survey are expected at the end of November and will be shared early December • There are challenges around obtaining the figures for KPI 17 due to the changeover to Oracle • There has been positive feedback on the change to the 35 hour working week especially around wellbeing. Flexi levels will be monitored. <p>Board members noted the good 80% response rate to the People Survey. They asked questions around AI training for staff and it was confirmed this is being investigated.</p> <p>MD said that the Performance Update was noted.</p>	
7	<p>Environmental report</p> <p>The Finance Governance & Business Manager introduced this item explaining that the data highlighted in the paper is a summary of the report to Sustainable Scotland Network. Board members noted that there was an increase in the 2023-24 emissions, as the calculation now includes emissions data relating to staff commuting, where it did not do so before.</p> <p>Board members noted the challenge created by asking staff to come into the office 2 days per week while recording commuting emissions.</p> <p>There was a discussion around the presenting of the information including greying out the two years affected by the pandemic. It was also suggested that it may be possible to show what the emission reductions would have been without the commuting data. The title of the graph should also be updated.</p>	

8	<p>Digital Strategy</p> <p>The Senior Manager Digital and Comms introduced this paper highlighting the changes</p> <ul style="list-style-type: none"> • Use of USB ports – added to potential projects • IT support – currently in tender process • Logistics – Digital roadmap extended <p>There was a discussion around the cost of the move to Scots (including the cost of purchasing new equipment) and the benefits (cyber-risk being managed by a larger organisation).</p> <p>It was noted that contract renewal dates have been set up in a way which enables staggering in the future.</p>	
9	<p>Communications Strategy update</p> <p>The Senior Manager Digital and Comms introduced this item saying it has been a successful first year of the strategy.</p> <p>There was a discussion around the changing landscape of the media away from traditional newspapers. Board members discussed challenges of getting our message out to those who need it and that it is most important that accurate information can be found when searched for online.</p> <p>MD thanked The Senior Manager Digital and Comms for the helpful update.</p>	
10	<p>Board effectiveness and board succession planning</p> <p>The HR & Learning Coordinator introduced this item and board members discussed the Self-Assessment survey and skills mapping.</p> <p>Board members discussed planning for future reappointments and skills which would be desirable including organisational leadership, KPI setting, standards of public life, public sector reform, HR, and Risk.</p> <p>MD said that key points will be included in the effectiveness questionnaire.</p>	

11	<p>Cases committee report</p> <p>JV updated on the work of the Cases Committee.</p> <p>JV said there are currently a number of high-profile cases which can often take over six months to complete. Three of the current cases brought to the Cases Committee are moving towards being completed.</p> <p>JV noted the continuing upward trend in Concerns with a higher number of those that are appropriate for OSCR. MT said there is also a higher number of Status Applications</p> <p>JV updated on the Defaulting Charities paper which was discussed at the last board meeting. There have been further useful discussions and the team are now taking a different approach. MT said an update on this new approach will be reported on at a future meeting</p> <p>MT said that training is ongoing across the Low Risk team to allow for staff development and cover across the team.</p> <p>There was then a discussion around the steps that had been taken in a case, covering the way that OSCR became aware of the issues within the charity and possible lessons learned from recent legal precedents around the use of Judicial Factors in charities undertaking direct activities and where there is extreme urgency in taking action.</p>	
12	<p>ARAC update</p> <p>BM gave this update and covered the following points</p> <ul style="list-style-type: none"> • The use of Internal Audit days that were to be used by KC for advisory work are now being decided upon. • Risk Register – the Risk around the introduction of Oracle and payment of staff and suppliers has been removed. • Absence of CEO, it was decided not to add this as a risk unless this absence continued into January. • Testing of the Business continuity plan to be performed. <p>The board agreed with the recommendation to remove the Oracle Risk.</p>	

13	<p>Programme Board update</p> <p>MT updated that the contract with Softcat and Dogma was signed last week. This took longer than anticipated due to ensuring best value and delineation around the support contract. In answer to members' questions MT noted that some contingency time had been allowed for this, but that there was little contingency remaining for further delay.</p> <p>MT said that there is ongoing intensive external engagement. There are concerns around some TSIs not cascading the information and this endangers the implementation journey.</p> <p>It was agreed that the difficulties around finalising the SORP and the resulting dependencies may need to be added to the Programme Board Risk Register.</p> <p>Board members requested to see the project implementation Gantt chart.</p>	
14	<p>Review of Board papers and agreement of Action Log</p> <p>Board members said the papers were clear however asked that the purpose be indicated accurately on the board meeting agenda.</p>	
15	<p>Date of Next Meeting</p> <p>The next meeting will be on 19 February 2025. This meeting will be held online.</p>	
16 and 17	<p>Private session for board members and close</p> <p>MD closed the formal meeting. A private session for board members followed.</p>	