

MINUTES

OSCR BOARD MEETING

Held on 18 September 2009 @ 9.45 am

OSCR, Dundee

Present: John Naylor, Chair
Lindsay Montgomery, Deputy Chair
David Hughes Hallett, Board Member
Iris McMillan, Board Member
Fiona Ballantyne, Board Member
Oscar Mendoza, Board Member
Martin Crewe, Board Member

Apologies Annie Gunner Logan, Board Member

In attendance: Jane Ryder, Chief Executive
Judith Hayhow, Head of Resource Management
Marieke Dwarshuis, Head of Policy & Development
Martin Tyson, Acting Head of Charity Services
Nick Hex, Audit Scotland
Nicola King, Audit Scotland

		ACTION
1.	<p>Chairman's Introduction</p> <p>The Chairman welcomed the two representatives from Audit Scotland to the meeting. Audit Scotland are undertaking a study into the role of Boards in public bodies and colleges. It is intended that the results from the study will provide the Parliament with assurance that boards are operating effectively, as well as identifying examples of best practice which can be shared across different sectors.</p> <p>OSCR has been identified as one of the 17 sample organisations for the study, and</p>	

	<p>consequently the two Audit Scotland representatives were present to observe the OSCR board in action. In addition, they would be conducting interviews of individual Board members, the Chair, the Chief Executive and staff who support the Board, over the coming week. Audit Scotland confirmed that the report would be made available to OSCR for factual accuracy prior to issue. The final Report on the outcomes of the study will be available in April 2010.</p> <p>A welcome was also extended to Martin Tyson, who was attending the Board for the first time in his capacity as Acting Head of Charity Services. It was noted by the Chair that the staff restructuring had taken effect from 1st September, and the Chair wished the SMT success in taking forward their new or amended roles. It was noted that Laura Anderson, who is the other new member of the Senior Management Team would be present at the next meeting.</p>	
2.	<p>Minutes and Declarations of Interest.</p> <p>The Board considered the Minutes from the meeting on 7th July 2009, and subject to minor amendment they were approved.</p> <p>Declarations of Interest in respect of the National Trust For Scotland were made by Martin Crewe; David Hughes Hallett and Iris McMillan. All are personal members, but have no particular role in the governance of NTS.</p>	
3.	<p>Matters Arising.</p> <p>3.1. It was noted that the recruitment process for new Board members had commenced with the publication of an advert in the press on 11.09.09. Board members had received advance copies of all the materials and had agreed the profile for the new members. The new members will join the Board in March 2010.</p> <p>3.2 The 2009-11 Corporate Plan is now published on the OSCR website, together with an Executive Summary paper.</p> <p>3.3 Members noted that a Section 102 Order, removing all aspects of ministerial control from the</p>	

	<p>GTCS had been laid in Parliament and would be considered by the Scottish Parliament Education Committee in October.</p> <p>3.4 The Chair and Chief Executive advised that they had recently held a very productive meeting with Mike Russell, the Minister for Culture, External Affairs and the Constitution, at which they had discussed Creative Scotland, and specifically whether or not it was likely to meet the Charity Test. The outcome of the discussion was noted.</p> <p>3.5 Members noted that OSCR had submitted formal written evidence in respect of the PSR Bill. As is usual, no response or comment has been received, and we will be contacted only if requested to appear before any of the relevant Committees.</p> <p>3.6 A representative from the SSPCA has been confirmed as the external speaker for the OSCR Open Meeting. All 250 places at the event have been allocated, and a waiting list opened.</p> <p>3.7 The Chief Executive confirmed that she was in the process of preparing an Anti- Fraud Strategy for OSCR. This strategy will outline OSCR's approach at different stages of engagement. This includes signposting to good governance information which is applicable to charities, rather than providing specific advice to charities on the development of fraud strategies for their organisations. Board Members confirmed the approach proposed and noted Fergus Ewing, the Minister for Community Safety, is particularly interested in this area of OSCR's work.</p>	
4.	<p>Rolling Review</p> <p>4.1 Affordability Study.</p> <p>Members considered the additional information provided as to how the Ability to Pay model could be kept up to date. It was agreed that the Statistical tables should be periodically updated with information from the Family Resources Survey, with the next data upgrade taking place in 2010/11. As there is a year time lag between the survey taking place and the results being available for use, this update will show data captured by the</p>	

<p>2009/10 Survey. Thereafter, a statistical update every three years was agreed.</p> <p>4.1.1 OSCR Statement.</p> <p>Members considered the draft Statement on the use of the ability to pay model. The principles were agreed. Drafting Amendments were proposed and it was agreed that the redrafted Statement would be circulated round members for comment, with responsibility for final sign off resting with the Chair. Timing wise, it is proposed that the statement be issued during early October.</p> <p>4.2 Rolling Review Update</p> <p>The Board considered a progress Report in respect of those Phase 1a Charities which had been issued with Directions as a result of the review process. It was noted that considerable progress in complying with the terms of the Direction had been made by those Charities which had issues relating to constitutional matters, such as Ministerial Control.</p> <p>Discussion then moved to the Directions which had been issued to four Phase 1a fee paying schools. These Directions were issued as, at the time of the review, it was considered that each failed to provided sufficient levels of Public Benefit, either through facilitated access for potential students or through benefit provided in furtherance of their charitable purposes, for which no charge was made.</p> <p>Under the terms of the Direction, each school has until 28 October to provide OSCR with a plan outlining how, over the next 2 years, it will address our public benefit concerns and meet the Charity Test requirements. The Paper outlined a number of scenarios as to what the content of the School Plans might be, together with OSCR's possible responses.</p> <p>There was considerable discussion around the decision making process. Members confirmed that normally the role of the Board was not to make individual decisions, but rather to provide clarity on guidelines for interpretation of the principles of the Charity Test.</p>	<p>Head of Policy & Development</p>
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	<p>On this basis, it was the opinion of the Board that while the outline scenarios provided clarified thinking, and some additional interpretive guidelines were agreed, the outline scenarios provided in the paper did not sufficiently address the specific information which might be included in the schools plans. It was therefore agreed that there would be merit in the Board holding an additional half day meeting on 17th October in Edinburgh, to specifically consider revised scenarios based more closely on the issues arising from the plans submitted by the schools. Such considerations would enable the Board to provide more policy guidance to allow staff to make the specific decisions about each case.</p> <p>4.2.1 Phase 1b Update.</p> <p>Members noted the progress which had been made or was planned in respect of the Phase 1b Rolling Review, and agreed some adjustment since universities and care homes presented lower risk than other categories including zero income charities. Discussion followed on the shift to thematic reporting proposed as part of the Integrated Reporting project, and specifically to one Board Member's concerns in respect of Scottish charities whose activities took place outwith the UK. As thematic reporting is unlikely to commence until 2011/12, consideration could be given to how, when and if so on what basis further enquiry should take place. This would be considered at the November meeting with other corporate priorities.</p> <p>4.3 Rolling Review Communications Plan</p> <p>The proposals had to some extent been superseded by previous discussions and the Board agreed to consider a revised communications plan in more detail on 17 October.</p>	<p>Head of Charity Services</p>
<p>5.</p>	<p>Integrated Reporting Consultation</p> <p>a) Integration of Rolling Review The Board discussed and agreed that the proposal of more holistic individual assessments</p>	

	<p>of charities which would, where appropriate, include Charity Test issues, but would not necessarily be solely devoted to the charity test. In developing a strategy for how to target any individual assessments it was confirmed that this should be <i>risk driven</i>, and that, having assessed the relevant risks as drivers for action, choices of where to take action (undertake individual assessments) would require to be made in the context of limited resources and the work being done with umbrella bodies and others. Taking account of these comments the Board agreed the proposed approach.</p> <p>b) The Board noted the newly drafted section in relation to publishing of accounts in the consultation paper draft, and agreed this.</p> <p>c) The board noted the Summary Resource Impact Assessment, as well as the Summary Risk Assessment (which had been circulated separately), and were content that due diligence had been exercised by compiling these.</p> <p>d) Subject to amendments resulting from the comments noted above, the Board then approved the consultation document, and the communications plan.</p>	Chief Executive
6.	<p>Mid Year Financial Review</p> <p>The Board noted the content of the update on the 2009/10 budget position, and in particular the Autumn Budget Review return that has been made to Scottish Government.</p> <p>The Board was then updated on the most recent development regarding the budget for 2010/11: Justice Department has indicated the extent of savings its wants OSCR to make. We have indicated that we expect to be able to accommodate this.</p> <p>It was commented that the situation from 2011/12 onward was uncertain, across public sector expenditure.</p>	
7.	<p>Communications Strategy</p> <p>Members noted that the Communication Objectives as set out in the Communications Strategy remained valid and applicable for the</p>	

	<p>second half of the year. Similarly the Stakeholders and Key messages identified when the Strategy was approved in February were still appropriate, although it was agreed that a greater emphasis should be placed on communicating with MSP's during the second half of the year. To this end, and in respect of Scottish Ministers, and MSP's, there was general agreement that a Parliamentary surgery would be more productive than a reception, as that format would allow focused dialogue with small groups of MSPs on topics of interest. It was agreed to search for an appropriate MSP to sponsor the event, and also that the Information Display referred to in the paper should happen at the same time as the surgery.</p> <p>With regard to Parliamentary Committees, it was agreed that of the topics listed in the OSCR paper, our submissions in respect of the PSRB and in time, Equalities issues were likely to be of most interest. It was generally agreed that Committee appearances were most productive where the Committee had sought input.</p>	<p>Communications Manager</p>
<p>8.</p>	<p>Chief Executive's Report</p> <p>Public Sector Reform Bill: the Board noted that 8 of the recommendations made by OSCR in our consultation response and Annual Report were to be put to Ministers, and agreed that this was a good outcome. The list of recommendations will be circulated to Board Members when released.</p> <p>On Operations, the Board noted the August performance figures. It was agreed that looking forward to 2010/11 in indicator No 10 (Qualified Passes) it would be helpful also to include the percentages of failures and passes. As regards indicators 11 and 12 (complaints about charities) it might be helpful to analyse patterns of complaints, or at least to categorise them. More broadly, it would be helpful to have negative variance reporting where indicative targets were not being reached.</p> <p>On High Profile cases the Board noted particularly the position as regards the National Trust for Scotland: the Chief Executive will copy to Board Members her letter to NTS's Chair.</p>	

	<p>On Corporate Services and Staffing, the Board noted that the Business Continuity Group had met and updated swine flu planning.</p>	
<p>9.</p>	<p>Board Timetable Suggested topics so far for the November evening meeting included</p> <ul style="list-style-type: none"> • A stocktake of the Board's progress as a Board • Induction and Training for new members • Relationship of OSCR to HMRC decisions <p>One Board member suggested that Equalities issues needed to be looked at again in the light of the St Margaret's Adoption Society case. However, the processes bearing on this south of the Border have yet to be concluded, and the Board agreed further consideration should be in the context of the developing a new Equalities Strategy, including consideration of the impact of new Equalities Bill.</p> <p>The Board agreed that an informal evening session to allow new Board members to meet existing ones would be helpful prior to the 1 March 2010 meeting.</p> <p>Membership of the Audit Committee would be settled once the identity of new members is known.</p> <p>It was agreed that the May 2010 meeting would be an appropriate one for the next meeting of the Board and staff.</p>	