

MINUTES

OSCR BOARD MEETING

Held on 31 January 2007 @ 09.30 am

Quadrant House, Dundee

Present: John Naylor, Chair
 Frank Kirwan, Deputy Chair
 Martin Crewe, Board Member
 Annie Gunner, Board Member
 Lindsay Montgomery, Board Member
 Iris McMillan, Board Member

In attendance: Jane Ryder, Chief Executive
 Judith Hayhow, Head of Resource Management
 Marieke Dwarshuis, Head of Charities
 Kirsty Grey, Head of Monitoring

		ACTION
1	Minutes from previous meeting Agreed	
2	Declarations of interest Annie Gunner and Frank Kirwan each declared an Interest as a trustee of “cross border” charities and Martin Crewe declared an interest as an employee of a “cross border” charity. It was agreed that these interests did not preclude them from taking part in the discussion on agenda item (8) (b). On arrival (Minute B.3), Iris McMillan declared an interest as a trustee of a Scottish charity affected by OSCR direction. It was agreed that this interest did not preclude her from taking part in the discussion on agenda item (8) (a).	
3	Matters arising There were no outstanding action points arising	

	<p>from previous meetings that were not taken up in the agenda items for this meeting.</p> <p>The Chair and Board congratulated Jane Ryder on her permanent appointment as Chief Executive.</p> <p>Some of the ongoing OSCR concerns about the performance of SE HR Resourcing Unit were in evidence during this process. The Head of Resource Management confirmed that staff recruitment delays have been raised with HR directly and the Chief Executive noted that this was an SE HR service agenda item at a forthcoming meeting of Agency Chief Executives.</p> <p>The Board were sorry that Nicky Munro was retiring as she had been a valuable support to OSCR, The Chairman assured the Board that she would be thanked appropriately. Mike Nielsen would act up in her place as Head of Development.</p>	
<p>4</p> <p>4.1</p>	<p>Chief Executive's report</p> <p>Policy</p> <p>SCAP: the Board noted there have as yet been no appeals</p> <p>Regulations: the Chair and Chief Executive will obtain an update on progress at 9 February meeting with the Executive leadership of Social Justice Team.</p> <p>Third Sector issues: the recent arrival of Strategic Funding Review report was noted and there was discussion about CVS delivery and quality assurance.</p> <p>Evaluation and quality frameworks: the Board noted very positively initial discussions around reduction of administration burden and passporting between OSCR and other regulators, and organisations such as the Funders Forum, based on mutual assurances.</p>	<p>Chair and Chief Executive</p>

4.2	<p>OSCR as a public body</p> <p>OSCR and Ministers: the Chair and Chief Executive are due to meet with Rhona Brankin, the new Communities Minister, on 20 February.</p> <p>Crerar scrutiny review: no further information is available and it was felt that there are unlikely to be any further developments until after the May elections.</p> <p>OSCR and equalities: the Board noted that the development of OSCR Equalities strategy is in line with Government policy which OSCR as an NMD is expected to implement</p>	Chair and Chief Executive
4.3	<p>Operations</p> <p>New applications: the Head of Charities explained that high number of open cases included significant numbers of recent cross border applications ahead of the impending deadline in February. Scottish based applications are fairly stable and normal 'stock' levels would be in the order of 3 months. The performance statistics are measured from the date that all information is received from the charity to allow consideration of the application.</p> <p>Monitoring: the receipt of information is in line with expectations, and with the first 10 months deadline passed the Head of Monitoring & Investigations reported a 75% return rate for those charities with 31 March year ends which matches the target of the Charity Commission. The Chief Executive suggested that was a considerable achievement for OSCR's first year and the Board congratulated staff. Reviewing the returns has highlighted a high non compliance rate for small charities in submission of Trustee Annual reports and appropriate external scrutiny reports. Compliance rates for large charities over £25,000 income are somewhat better, as might be expected.</p> <p>Investigations: HOMI updated the Board on various matters including a discussion about the recent collapse of One Plus and media coverage of Further Education matters.</p>	

	<p>Other matters: the public debate regarding the transfer of culture and leisure activities of Glasgow City Council to a new charitable trust was noted and the Chief Executive confirmed that any OSCR response would be given in a legislative not a political context.</p>	
4.4	<p>Resource management and communications</p> <p>Surveys: Noted that the results of the public, charities and staff surveys would be available at the next Board meeting.</p> <p>Annual Report: the Board wished to discuss the format and content at the next Board meeting.</p>	<p>To Board 16 April as agenda item</p>
4.5	<p>Chairman's report</p> <p>The Chairman updated the Board on his activities since the last meeting, a major part of which had been the recruitment of the Chief Executive</p>	
5	<p>OSCR Risk Register</p> <p>It was agreed to postpone the discussion on Risk Appetite due to the very full agenda at this meeting.</p> <p>The Board was asked to consider the Risk Register approved by the Audit Committee in the new format (gross risk, mitigation, net risk) In particular the Board was asked whether it was satisfied that the mitigation indicated against each risk was adequate to achieve the indicated net risk. The Board was then was asked to consider whether the resulting net risk was acceptable.</p> <p>The Board first proposed some amendments to wording and risk scoring. The Board then assessed all those risk areas where net risk was '6' or more. It was agreed that, with the exception of 'delays in decision making', the mitigation of most high risk areas was largely or entirely out with OSCR's control. Given results of the recruitment process, the risk associated with CEO recruitment should be deleted.</p> <p>The Board agreed the resulting net risks were acceptable. The Board requested that the Register numbers the risks and indicates where mitigation strategies are actively in place. In concluding the discussion the Board suggested it would be helpful to understand more about the</p>	

	<p>role of OSSE (Office of the Solicitor to the Scottish Executive) as its delays were a significant risk factor. A briefing note would be helpful.</p>	
6	<p>2006/7 Financial Outturn</p> <p>The Board noted the paper setting out the expected Financial Outturn for 2006/7. It was agreed that the 2007/08 budget be presented to the Board for its April meeting. Consideration by the Board can be streamlined by pre-discussion by the Audit Committee.</p> <p>There were different views on issues of detail for future reporting but a consensus that the Board wants to be assured on the basis of March 2007 monthly running rates, projected over the next 12 months of 2007/08, that the organisation is still operating within its expected allocation of £3.6m, as summary projections indicate.</p>	<p>Audit Committee</p>
7	<p>Corporate Planning</p> <p>Feedback and comments on the plan had been forwarded to the CEO in the run up to Board meeting, and discussions commenced with a consideration as to the plan's target audience, together with the key messages which should be contained in the document. The Board then considered and debated the plan content in detail, at the end of which a list of amendments to the draft were proposed and agreed. Subject to these being incorporated by the CEO, it was agreed that the final draft Corporate Plan could be signed off electronically by Board members, to enable consultation to proceed in accordance with the previously agreed timetable.</p>	<p>Chief Executive to circulate</p>
8	<p>Status issues</p>	
8.1	<p>Ministerial control</p> <p>The Board agreed that the options contained in the paper be presented to the respective Ministers with option 1 being the preferred choice as it is consistent with the legislation although more complex than option 2. It is for the Ministers to take the appropriate decision and a suitable advisory letter would be sent following the meeting. It was noted that the interested stakeholders will be advised of the situation towards the end of February and individual</p>	

	charities as matters arise during the course of casework.	Head of Charities
8.2	<p>Section 505 update: definition of charitable purpose</p> <p>In light of the legal opinions obtained, the Board while appreciating the practical issues involved for the charities concerned, nevertheless agreed with the principles outlined in the paper and the pragmatic approach to be taken with individual charities. The communication strategy for Ministers and the Scottish Executive, and a joint communication with the Charity Commission in respect of cross border applicants was approved.</p>	Head of Charities
8.3	<p>Rolling review consultation</p> <p>The update paper was noted.</p>	
9	<p>Concordats</p> <p>The Board agreed the (new) draft Concordats with the Charity Commission, the Care Commission, the Community Interest Companies Regulator and the Policy Statement with the Scottish Funding Council, subject to minor amendments:</p> <p>The Chief Executive was authorised to sign the Concordats on behalf of OSCR once approved by other regulators.</p>	Chief Executive to conclude and sign
10	<p>Corporate Governance – Board Issues</p> <p>The Chair reminded Board members that Schedule 1 of the Charity and Trustee Investment (Scotland) Act 2005 states that ‘the Regulator is to consist of such number of members (but not fewer than 4) as the Scottish Ministers think fit.</p> <p>At present there are 6 Board members, including the Chair. Consequently, should any member be absent, or unable to participate in discussion as a result of a potential conflict of interest, then a fully comprehensive debate of the item under question might not be possible and at worst the meeting might be inquorate.</p> <p>In light of this, and following feedback on discussions between the Chair and Head of Development Department, the Board noted and approved the Chair’s recommendation that an additional 2 members be recruited.</p>	<p>Chair to follow up with Scottish Executive</p> <p>The Chair will liaise directly with SE to facilitate this process, which requires Ministerial agreement.</p>

11	Staff The Board found the question and answer meeting with the staff immediately after lunch very useful.	
	The meeting concluded at 3.15 pm	