

**PAPER NUMBER: 2015/BOARD/428**

**MINUTES**

**Scottish Charity Regulator (OSCR) Board meeting**

**Held on Wednesday 24 June 2015 at 9.45 am at OSCR Offices, 9 Riverside Drive, Dundee**

**Present:** Graham Forbes, Chair  
David Hughes Hallett, Board Member  
Pat Armstrong, Board Member  
Shona Ulrichsen, Board Member  
Kaliani Lyle, Board Member  
Fiona Ballantyne, Board Member

**In attendance:** David Robb, Chief Executive  
Martin Tyson, Head of Registration  
Laura Anderson, Head of Enforcement  
Judith Turbyne, Head of Engagement  
Judith Hayhow, Head of Support Services  
Moira Cathcart, Senior Legal Advisor  
Caroline Monk, (Acting) Board Secretary

		<b>ACTION</b>
<b>1.</b>	<b>Apologies</b>  Apologies were received from Stuart Cross and David Harrison. Pat Armstrong had to leave the meeting early to travel to London.	
<b>2.</b>	<b>Declarations of interest</b>  No declarations of interest were noted.	
<b>3.</b>	<b>Agenda item 1: Minutes of previous meeting</b>  The minutes of 6 May 2015 were approved.  All <b>Matters Arising</b> are covered in the papers presented.	

<p><b>4.</b></p>	<p><b>Horizon scanning</b></p> <p>The Board members gave updates on issues of relevance to OSCR's work from their recent experience and personal perspectives. Recurring themes were funding difficulties for charities and the importance of OSCR's interaction with small charities, which make up the majority of the register.</p> <p>Horizon scanning to become a regular agenda item.</p>	<p><b>NM</b></p>
<p><b>5.</b></p>	<p><b>Agenda Item 2: CEO's Report</b></p> <p>The Chief Executive introduced paper 420.</p> <p><b>Registration and Enforcement cases:</b> Verbal updates were given on significant cases, including the appeals to the Scottish Charities Appeal Panel (SCAP), which had been withdrawn and the decision published on Fernhill School on 19 June.</p> <p><b>Engagement:</b> for the second year OSCR sponsored the Charity Champion award at the SCVO Charity Awards. The Head of Engagement was on the judging panel and advised that there was a very strong field of candidates for the Charity Champion award. The Board welcomed this initiative.</p> <p>The Head of Engagement gave an update on recent discussions with the Charity Commission for England and Wales, Institute of Fundraising and the Fundraising Standards Board about the future of fundraising and self-regulation.</p> <p><b>Guidance:</b> The new Whistle Blowing Guidance would be published shortly.</p> <p>Plans are in place for the revision of the Charity Trustee Guidance and drafting of the content has begun.</p> <p><b>Projects:</b> The Board noted the progress of the Change Group with the Targeted Regulation programme and the decision taken on options for the internal trustee database, following concerns about collecting and processing sensitive personal data.</p> <p><b>Policy &amp; Operating Environment:</b> The Protection of Charities Bill (for England and Wales) is now at committee stage and OSCR is keeping a watching brief on how it progresses.</p>	

	<p><b>Scottish Parliament:</b> The Local Government and Regeneration Committee have alerted us to the fact that they intend to conduct a focussed inquiry on the role of ALEOs by local authorities in Scotland.</p> <p>The Public Audit Committee are looking into the Arm's Length Foundations set up by various the colleges.</p> <p>We may be called to give evidence to both committees.</p> <p><b>Corporate Services/Staffing:</b> Statistics on sickness absence levels were discussed and the Board noted that the removal of the long term absences would bring the overall figures in line Scottish Government averages. The Board were advised that the sickness absence levels were discussed at the Audit Committee and were being closely monitored by the SMT.</p>	
6.	<p><b>Agenda Item 3: Performance Report</b></p> <p>The Chief Executive introduced paper 421.</p> <p>The Board welcomed the draft OSCR dashboard as a useful management tool. They made a number of suggestions to improve the visibility of key information for the dashboard and management information using a traffic light system to flag up key issues and comparisons with previous performance data.</p> <p>The Head of Support Services gave a verbal update on the financial summary to 31 May 2015.</p> <p>The Head of Support Services advised that the Audit Committee had agreed to hold a workshop session with the SMT on performance and best value in August 2015.</p>	<p>DR</p> <p>JH</p>
7.	<p><b>Agenda item 4: Risk Registers</b></p> <p>The Board stressed the need to ensure clear messaging to stakeholders about the difference between OSCR decisions taken within our powers and the perceived limitations of the law which are largely outwith our control.</p> <p>The Head of Support Services gave a verbal update on the recent review of the risk registers and the Audit Committee's positive feedback.</p>	

	<p>On the Board risk register, point 2 ‘decisions taken in England and Wales’ it was suggested that the probability score should be raised.</p>	<p><b>JH</b></p>
<p><b>8.</b></p>	<p><b>Agenda item 5: Charity Test</b></p> <p>The Head of Registration introduced paper 423.</p> <p>A verbal overview of the consultation responses was provided. The feedback from the Third Sector Interface and other lay advisers was highlighted as very positive, as were the responses from the legal profession.</p> <p>The three sections of the guidance which required the most rewriting were discussed:</p> <ul style="list-style-type: none"> <li>• Religion: paragraph relating to additional charitable purposes to be removed.</li> <li>• Education: some redrafting to be done around balance and neutrality, however, the principle is backed up by case law.</li> <li>• Disbenefit: we need to simplify the message and redraft to make it clearer.</li> </ul> <p>The Board discussed the inclusion of a fee-charging school case study and decided that a link to the recent summary report on the reviews of charitable status from the guidance would be more helpful.</p> <p>The Board agreed to the proposed changes to the draft and to delegate the sign off the final guidance to the Board sub-group.</p>	<p><b>MT/CM</b></p> <p><b>CM</b></p>
<p><b>9.</b></p>	<p><b>Agenda item 6: Land Reform</b></p> <p>The Head of Registration introduced paper 424 relating to options for the Board to consider further action by OSCR on large landowning charities.</p> <p>He advised that the Land Reform Bill had been published on 23 June. As anticipated, the specific duty for charities had been omitted from the Bill following consultation. He advised that there was instead a duty on Ministers to produce guidance for all landowners on community engagement.</p> <p>It was noted that land reform is a live political issue and it was highly likely that OSCR will be required to give evidence during the passage of the Bill. Discussion took place about the timing of any further preparatory</p>	

	<p>analytical work to be taken, in keeping with our approach to targeted regulation. The resource implications of the options were discussed, and a majority of the Board favoured the pursuit, in the first instance, of internal desk-based research (Option C).</p> <p>The Chair asked the SMT to be mindful of the impact on other work.</p>	<b>MT/LA</b>
<b>10.</b>	<p><b>Agenda item 7: Audit Committee Annual Report</b></p> <p>The Head of Support Services introduced paper 425.</p> <p>It was noted that internal audit had given a substantial assurance level, the highest level, and that the external audit report was unqualified.</p> <p>It had been suggested that the Audit Committee link with others to share good practice.</p>	
<b>11.</b>	<p><b>Agenda item 8: Annual Report and Accounts 2014-15</b></p> <p>The Head of Support Services introduced paper 426.</p> <p>She advised that the Audit Committee had scrutinised the Annual Report and Accounts. The Board praised the readability of the report, welcomed a year of very significant output and achievements and noted that auditors had commented on the high quality of the reports and the support given by staff.</p>	
<b>12.</b>	<p><b>Agenda item 9: Board's Annual Self-Assessment Checklist</b></p> <p>The Head of Support Services introduced paper 427 with the new Board's Annual Self-Assessment Checklist based on the Mental Welfare Commission's checklist.</p> <p>The Board were asked to feedback any changes to the Head of Support Services who will then update and distribute for use.</p>	<b>Board/JH</b>
<b>13.</b>	<p><b>Any other business</b></p> <p>No other business was noted.</p>	