

## Minutes

**Meeting:** FCA Board

**Date of Meeting:** 26 October 2023

**Start time:** 09:00

**Venue:** Meeting held in Boardroom and via Microsoft Teams

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**Members Present:** Ashley Alder (Chair)      Liam Coleman  
Aidene Walsh      Nikhil Rathi (10-11.45)  
Alice Maynard      Sam Woods  
Bernadette Conroy      Sophie Hutcherson

**In attendance:** Set out in Annex A

**Presenters:** Set out in Annex A

**Apologies:** Richard Lloyd, Stephen Braviner Roman

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### 1 Declarations of interest

- 1.1 The meeting noted there was a quorum present and proceeded to business.
- 1.2 No interests were declared in the items to be discussed.

### 2 Reports from the Chairs of Board Committees

- 2.1 The Board **noted** the verbal update from the Chair of the Performance Committee meetings held on 12 October 2023 and 19 October 2023. The Chair of the Performance Committee explained that the Committee had spent time considering the FCA's operating metrics, the FCA's change
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portfolio, and its technology architecture. The Committee in future will seek a fuller narrative of the information it received (i.e. “what is the MI telling us”), and to understand the relationship between business plan, delivery and effectiveness, and “interdependencies” between different projects and workstreams.

### **3 Report from the PRA**

- 3.1 Mr Woods briefed the Board on the business of the PRA that was of relevance to the FCA.

### **4 Report from the Chief Executive**

- 4.1 The CEO briefed the Board on a number of topical issues, including:
- i. The economic outlook and potential path of inflation and interest rates
  - ii. His forthcoming international visits
  - iii. Discussions with HM Treasury regarding the FCA’s perimeter, including the Overseas Persons Exemption, and products/activities which are within the remit of neither the FCA nor the Gambling Commission.<sup>1</sup>
- 4.2 The CEO noted that voluntary employee turnover continued to decline with an expectation that it would now be below 9% for the current financial year.
- 4.3 The CEO noted that the Board would be briefed on the National Audit Office’s “Value for Money” assessment during the course of November.
- 4.4 The Executive Director, Markets, flagged a proposed “forbearance” by the FCA in relation to how Investment Trusts are required to disclose their costs. ED, Markets agreed to raise this orally in the next Policy & Rules Committee meeting and provide a written update to the Board before 14 November 2024.
- 4.5 The Board discussed the level of contractor resourcing in the Change Directorate and moving over the long term to a “steady state” level of contractors, which the Chief Operating Officer confirmed was in progress. The COO also confirmed that the FCA had an ambition to improve project management skills across the organisation, and that not all projects would

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<sup>1</sup> It is noted that Sheree Howard is a [Board member] of the Gambling Commission.

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need to be run out of the Change Directorate. The COO confirmed that through each Directorate's Quarterly performance reviews, any genuinely unused budget was being returned to the central reserve for re-allocation.

- 4.6 The Board agreed that it would be useful to revisit the FCA's strategic communications regarding the Complaints process and also regarding the FCA register.

## **5 Strategic Prioritisation and Financial Planning for 2024/25**

- 5.1 The Board discussed and supported the assumptions (e.g. on fees, inflation and headcount) that underpin the financial planning.

- 5.2 The Board considered that the resources available to the FCA should be an enabler of our strategy and prioritisation, but not approached as the driver of the FCA's strategy or prioritisation.

- 5.3 The Board requested that it be involved in strategic prioritisation discussions and choices in good time, ahead of the time when formal Board approval is needed.

- 5.4 The Board expressed a particular interest in understanding
- i. how the FCA is creating a culture of "sustainable efficiency" across the organisation,
  - ii. how prioritisation decisions involve staff and how internal communications supports this,
  - iii. the right analytical framework for informing prioritisation decisions,
  - iv. how the FCA identifies efficiencies.

## **6 Rules, Guidance and Technical Standards to be determined:**

- 6.1 The Board **resolved** to make the following instruments:
- i. Financial Promotion (Approver Permission) Instrument 2023, including issuing the updated non-Handbook guidance on financial promotions with effect from 7 February 2024.

## 7 Decisions of the Board/Board committee

- 7.1 The Board **approved** the minutes of the meeting held on 28 September 2023.
- 7.2 The Board **approved** the following Panel appointments:
- i. **Julie Page** as Deputy Chair of the FCA Practitioner Panel from 1 November 2023 to 31 March 2025.
- 7.3 The Board:
- i. **approved** the Full Investment Case for the Becoming Digital Cloud Data Centre (CDC) 2.0 Programme.
  - ii. **noted** that the Investment Case had been discussed in detail at Performance Committee.
  - iii. **noted** that the Executive Finance & Delivery Committee (EFDC) had agreed that DTI should explore whether internal resource could be made available.

## 8 Papers for noting

### Written Procedures

- 8.1 The Board **noted** the following decisions taken by written procedure:
- i. Appointment, following Oversight Committee's recommendation, of Martyn Beauchamp as Interim CEO and Executive Director of the FSCS for a period of up to 12 months, subject to HM Treasury approval.
  - ii. Reappointment, following Oversight Committee's recommendation, of Sarah Lee as a NED of the FOS for a period of 2 years from 4 January 2024 to 3 January 2026.

### Independent Panels Monthly Reports

- 8.2 The Board **noted** the reports from the independent panels.
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Smarter Regulatory Framework: Stock take on Tranches 1 and 2, and our priorities for Tranche 3

- 8.3 The Board **noted** the update on the progress of the SRF file transfer process. This will be fed into business planning discussions. The Board **noted** that even files to which a “lift and shift” approach is to be adopted require legal resourcing and time to complete, both with HM Treasury and in the FCA.

Reviews and Lessons Learned Update

- 8.4 The Board **noted** the update. The Board asked to be kept informed, via the Policy & Rules Committee, as to developments in the overall resolution framework, and how they affect the FCA’s role.

**9 Briefing for FCA Board Lunch with Panel Chairs**

- 9.1 The Board **noted** the briefing.

There being no further business the meeting closed.

## **Annex A: Attendees, presenters and observers**

### **In attendance:**

Emily Shepperd – Executive Director, Authorisations  
Jessica Rusu – Executive Director, Chief Data, Information and Intelligence Officer  
Sarah Pritchard – Executive Director, Markets  
Sheldon Mills – Executive Director, Consumers and Competition  
Sheree Howard – Executive Director, Risk and Compliance Oversight  
Nicholas Holloway – Head of Department, Regulatory and Corporate Legal  
Steve Smart- Executive Director, Enforcement and Market Oversight  
Therese Chambers – Executive Director, Enforcement and Market Oversight  
Miles Bake – Director, Company Secretary  
Dave Eaton – Manager, Chair’s Office  
Beverley Walker– Manager, Central Secretariat

### **Presenters and observers:**

<b>Item 1 - Declarations of interest</b>	No attendees
<b>Item 2 – Reports from Chairs of Board Committees</b>	No attendees
<b>Item 3 - Report from the PRA</b>	No attendees
<b>Item 4 - Report from the Chief Executive</b>	No attendees
<b>Item 5 - Strategic Prioritisation and Financial Planning for 2024/25</b>	Kate Collyer - Director Craig Chapman - Director
<b>Item 7– Rules and Guidance and Technical Standards to be determined</b>	No attendees
<b>Item 8– Decisions of the Board</b>	No attendees
<b>Item 9– Papers for noting</b>	No attendees