

Minutes

Meeting: FCA Board

Date of Meeting: 25 January 2024

Start time: 09:00

Venue: Meeting held in Boardroom and via Microsoft Teams

Members Present: Ashley Alder (Chair) Liam Coleman
Aidene Walsh Nikhil Rathi
Alice Maynard Richard Lloyd
Bernadette Conroy Sophie Hutcherson

In attendance: Set out in Annex A

Presenters: Set out in Annex A

Apologies: Sam Woods

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 update from the Chair of the Oversight Committee of their meeting held on 5 December 2023. The Board noted that, in respect of the Payments System Regulator (PSR) Business Plan 2024/25, the Oversight Committee was content with the proposed budget plan of £28m and had provided a steer that the PSR should review the proposed Annual Funding
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Requirement and reserves approach and report any material changes on its return to the Committee.

2.2 The Board **noted** the update from the Chair of the FCA and PSR People Committee of their meeting held on 11 January 2024.

2.3 The Board **noted** the verbal update from the Chair of the Risk Committee of their meeting held on 18 January 2024, particularly noting that:

- i. Aggregate Risk was improving;
- ii. Risk around the Digital Services Framework required careful monitoring; and
- iii. The Committee had sought assurance on risk acceptance in the context of prioritisation in relation to the business plan.

2.4 The Board **noted** the verbal update from the Chair of Audit Committee of their meeting held on 18 January 2024, particularly noting:

- i. The Committee had ratified the appointment of Robin Jones as Chief Internal Auditor.
- ii. The position in relation to internal audit actions had improved.

3 Report from the PSR

3.1 Ms Walsh briefed the Board on the business of the PSR that was of relevance to the FCA, including updates on:

- i. PSR budget status;
- ii. Non-Executive recruitment; and
- iii. Attendance at a forthcoming Treasury Select Committee session.

4 Report from the Chief Executive

4.1 Mr Rathi briefed the Board on a number of topical issues, including:

- i. Major developments, particularly the motor finance announcement;
- ii. Parliamentary and other engagements;
- iii. The policy pipeline and priorities;
- iv. The potential impacts of an anticipated pre-election period; and
- v. The appointment of a new Director for Fixed Income, Commodity and Currency (FICC) Market Oversight.

5 Strategic Prioritisation and Financial Planning

5.1 The Board **approved:**

- i. The plan to deliver year 3 of the 2022-25 strategy;
- ii. The planned approach for the change portfolio; and
- iii. The financial plan for 2024/25.

5.2 The Board **noted the following:**

- i. The risks associated with the proposed plans.
- ii. The impact of the financial plan on reserves.
- iii. The position in relation to liquidity.
- iv. The need to ensure that run rate efficiencies are monitored closely and are regularly reported on to the Board via Performance Committee.

6 Enforcement Update

6.1 The board **discussed the external communications strategy for enforcement, noting the need to be clear on the rationale for any proposed changes.**

7 Board Effectiveness Review

- 7.1 The Board **agreed** that a working group constituted of the committee chairs should be established and tasked with reviewing the results of the feedback received and formulating recommendations for discussion by the Board.

8 Rules, Guidance and Technical Standards to be determined:

- 8.1 The Board **resolved** to make the following instruments:
- i. Supervision Manual (Professional Indemnity Insurance and Appointed Representatives) Instrument 2024; and
 - ii. Perimeter Guidance Instrument 2024.

9 Decisions of the Board

Minutes of the previous meeting

- 9.1 The Board **approved** the minutes of the meeting held on 14 December 2023, subject to certain amendments.

Action log

- 9.2 The Board noted the action log and **approved** the closure of completed actions, noting that actions should only be closed once fully complete.

Independent Panel appointments

- 9.3 The Board **approved** the following Panel appointments:
- i. The reappointment of David Livingstone as a member of the FCA Markets Practitioner Panel (MPP) from 1 February 2024 to 31 January 2027
 - ii. The appointment of Chira Barua as a member of the FCA Practitioner Panel (PP) from 29 January 2024 to 31 January 2027

Assessing the effectiveness of the ESG Advisory Committee to The Board

- 9.4 The Board **approved** the recommendations outlined in the paper for potential enhancements to and next steps for the ESG Advisory Committee.

Amendments to terms of reference of the FCA Audit Committee

- 9.5 The Board deferred this item to a later meeting pending further discussion at the FCA & PSR Audit Committee.

Conflict of Interests Policy for Non-Executive Directors

- 9.6 The Board **approved** the FCA NED Conflict of Interest policy with immediate effect, subject to certain amendments.

10 Papers for noting

- 10.1 The Board noted the following:

Independent Panels Reports

- 10.2 The Board **noted** the reports from the Independent Panels.

Written Procedures

- 10.3 The Board **noted** the following decisions taken by written procedure:
- i. Dispute Resolution: Complaints Sourcebook (Motor Finance Discretionary Commission Arrangement Complaints) Instrument 2024.

FCA Pension Plan update

- 10.4 The Board **noted** the change to the hedge target for the LDI portfolio from a percentage of liabilities to a percentage of assets and to maintain the hedge target at 100%, agreed to by the Trustee Investment Finance Committee, responsible for the Plan's investment strategy.

Approach to the 2024/25 External Business Plan Publication

- 10.5 The Board **noted** the proposed approach to the publication of the FCA External Business Plan for 2024/25.

Regulatory Decisions Committee (RDC) Chair's Annual Report

- 10.6 The Board **noted** the Chair's annual report on the Regulatory Decisions Committee.

Annex A: Attendees, presenters and observers

In attendance:

Emily Shepperd – Executive Director, Authorisations
 Sarah Pritchard – Executive Director, Markets
 Sheldon Mills – Executive Director, Consumers and Competition
 Sheree Howard – Executive Director, Risk and Compliance Oversight
 Stephen Braviner Roman – Executive Director, General Counsel
 Therese Chambers – Executive Director, Enforcement and Market Oversight
 William Hague – Director, Company Secretary
 Graeme McLean – Head of Department, Chief Executive Office
 Adam Sully – Interim Private Secretary, Chairs Office

Presenters and observers:

Item 1 - Declarations of interest	No attendees
Item 2 – Reports from Chairs of Board Committees	No attendees
Item 3 - Report from the PRA	No attendees
Item 4 – Report from the PSR	No attendees
Item 5 - Report from the Chief Executive	No attendees
Item 6 - Strategic Prioritisation and Financial Planning	Craig Chapman – Director Kate Collyer – Director Robin Jones – Director (Observer)
Item 7 - Enforcement Update	Deb Jones – Director Nicholas Hills – Head of Department Nick McGruer – Head of Department Ruth Wharram - Manager
Item 8 – Board Effectiveness	No attendees

Item 9 – Rules and Guidance and Technical Standards to be determined	No attendees
Item 10 – Decisions of the Board	No attendees
Item 11 – Papers for noting	No attendees

Other relevant associates were also in attendance.