

## Minutes

**Meeting:** FCA Board

**Date of Meeting:** 14 December 2023

**Start time:** 13:00

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

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

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

**Presenters:** Set out in Annex A

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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, although the Board noted its previous general declaration in relation to the subject matter of item 5. Mr Woods updated the Board on his standing declarations.

### 2 Reports from the Chairs of Board Committees

- 2.1 The Board **noted** the report from the Chair of the Oversight Committee meeting held on 14 November 2023, and in particular:
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- i. Discussed and took assurance from the Committee Chair on the future path of the Financial Ombudsman Service's level of reserves, and on quality control in decision-making.
- ii. Noted the FSCS will report back to the Committee in March 2024 on running costs, efficiencies and cost savings measures as its operating model develops over coming months.

### **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, in particular giving an update on the implementation internationally of Basel 3.1 standards.

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

- 4.1 Mr Rathi briefed the Board on a number of topical issues, including:
  - i. The publication of the National Audit Office's report into the operation of the FCA;
  - ii. The low and reducing rate of staff turnover;
  - iii. The forthcoming appointment by HM Treasury of the new Complaints Commissioner; and
  - iv. The status of certain judicial reviews and other legal proceedings.

### **5 Final Policy approach to primary markets effectiveness - December consultation**

- 5.1 The Board **discussed** the following:
  - i. The key elements of the proposed policy package and cost benefit analysis for consultation in December 2023.
  - ii. The proposed timelines for final rules and implementation, noting related risks / contingencies to this delivery.
- 5.2 The Board discussed benefits and risks of the proposals, and in particular, how the regime should incorporate effective checks and balances, including

counterbalancing supervisory or gateway measures, in order to maintain market quality.

- 5.3 The Board asked that the Final Policy statement refer to market quality checks and balances as well as the intention to put the right information into the hands of the right people.

#### R&CO review of the Gateway Forms project

- 5.4 This Board **discussed** the review, its recommendations and subsequent actions. The presenting team noted that, through this project, the FCA has increased its understanding and corporate knowledge of the Intact system; and is developing competency in Agile project management across the FCA.
- 5.5 The Executive Director – Risk & Compliance Oversight confirmed that R&CO is providing continuous assurance on the project to the Board.

## **6 Finance Report**

### **Approval of Gateway Forms and Digital First investment case**

- 6.1 The Board **approved** the investment case.
- 6.2 The Board **noted** the following:
- i. The Gateway Forms and Digital First Investment Case.
  - ii. EFDC had stated that approval of the 4th workstream, Forms Portfolio would be subject to the committee being satisfied that sufficient progress had been made against the actions and mitigation plan in response to Risk & Compliance Oversight's Lessons Learned review and verification of the Digital Delivery Partner procurement. The Board asked for the project to return for further assurance once EFDC were comfortable with the 4<sup>th</sup> workstream, Forms Portfolio.

### **Request for modification of existing Crown Commercial Services (ccs) g-cloud 12 call-off contract for Kainos supplying digital services to gateway forms and digital first**

6.3 The Board **approved** the modification of Kainos Digital Delivery Services: CON-000626 for Gateway Forms to increase the contract value and to allow a change to the end date from 31 March 2024 to 31 August 2024.

6.4 The Board also **noted** the following:

- i. This is the third modification of the contract.
- ii. Discussions took place at Performance Committee on 16 November 2023 about the current contract position and request.

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

7.1 The Board **resolved** to make the following instruments:

- i. Data Reporting Services (Amendment) Instrument 2023 Technical Standards (Authorisation, Organisational Requirements and the Publication of Transactions for Data Reporting Services Providers) Instrument 2023.
- ii. FCA Standards Instrument: The Technical Standards (Bilateral Margining) Instrument 2023.
- iii. Insurance Distribution Directive Delegated Acts: Smarter Regulatory Framework Instrument 2023.
- iv. Insurance: Conduct of Business Sourcebook (Employers' Liability Insurance Amendments) Instrument 2023.
- v. Handbook Administration (No 68) Instrument 2023.

### Policy Statement: UK Consolidated Tape Framework

7.2 The Board **approved** to publish the policy statement and finalised rules, with a commencement date of 5 April 2024, and to include further questions for consultation to inform the FCA's final decision making around a cost recovery model.

## **8 Decisions of the Board**

### Previous meeting minutes

8.1 The Board **approved** the minutes of the meeting held on 23 November 2023, subject to certain amendments.

### Action Log

The Board **noted** the action log and approved the actions for closure and extension.

### Independent panel appointments

8.2 The Board **approved** the following Panel appointments:

- i. The appointment of Angela Stathi to the FSCP from 3 January 2024 to 3 January 2027.
- ii. The appointment of Katherine Wilson to the FSCP from 3 January 2024 to 3 January 2027.

The Board discussed the overall gender balance on the FCA's Statutory Panels.

### Regulatory Failure Assessment

8.3 The Board **agreed** that, based on the analysis presented, a case considered by the Audit Committee did not meet the test set out in Section 73 of the Financial Services Act 2012. However, R&CO should undertake a detailed Lessons Learned Review and present the findings to the Board via the Audit Committee.

### Appointment of FCA Company Secretary

8.4 The Board **approved** the appointment of William Hague as Company Secretary with effect from 1 January 2024.

### Board Committee Membership

8.5 The Board **approved** the appointment of Aidene Walsh as a member of the Board Risk Committee with immediate effect.

## **9 Papers for noting**

9.1 The Board noted the following:

Written Procedures

- 9.2 The Board **noted** the following decisions taken by written procedure:
- i. The redesignation of the role of Chief Prosecutor for the purposes of the Serious Organised Crime and Police Act 2005.
  - ii. Decisions taken by the sub-committee of the Board that was established for the purposes of making determinations in relation to certain recommendations of the Complaints Commissioner.
  - iii. Making final rules enhancing the proportionality of the remuneration rules as they apply to small firms.

Finalising the rule review framework

- 9.3 The Board **noted** the update on the final framework ahead of publication and the internal operationalisation of the framework.

Leeds update and plans for continued growth

- 9.4 The Board **noted** the preferred option for the plans for continued growth in Leeds.

Consultation Paper on transparency for Bonds and Derivatives

- 9.5 The Board **noted** the reforms to the transparency regime based on the proposals set out in the paper.

SICGO Metrics update

- 9.6 The Board **noted** the FCA's engagement with HM Treasury, and HM Treasury's subsequent publication of the metrics.

There being no further business the meeting closed.

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

### **In attendance:**

Emily Shepperd – Executive Director, Chief Operating Officer  
 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  
 Stephen Braviner Roman – Executive Director, General Counsel  
 Therese Chambers – Executive Director, Enforcement and Market Oversight  
 Miles Bake – Director, Company Secretary  
 Graeme McLean – Head of Department, Chief Executive Office  
 Adam Sully – Interim Private Secretary, Chairs Office

### **Observers:**

William Hague – Director, Transformation (not present for item 10.5)

### **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 - Final policy approach to primary markets effectiveness - December consultation</b>	Clare Cole – Director Helen Boyd – Head of Department Adam Wreglesworth - Manager
<b>Item 6 - R&amp;CO review of the Gateway Forms project and</b>	Ian Phoenix – Director Dominic Cashman – Director Ashley Wood – Head of Department Jeanette Bateman – Senior Manager
<b>Item 7 – Finance Report Item 7.1 - Approval of Gateway Forms and Digital First investment case</b>	Craig Chapman

<b>Item 8 – Rules and Guidance and Technical Standards to be determined</b>	No attendees
<b>Item 9 – Decisions of the Board</b>	No attendees
<b>Item 10 – Papers for noting</b>	No attendees