

Minutes

Meeting:	FCA Board
Date of Meeting:	25 February 2022
Start time:	09:45
Venue:	Meeting held at 12 ES and via Microsoft Teams

Members Present:	Charles Randell (Chair) Liam Coleman Bernadette Conroy Jeannette Lichner Richard Lloyd ⁴	Alice Maynard ¹ Nikhil Rathi ² Tommaso Valletti Sam Woods ³
In attendance:	Set out in Annex A	
Presenters:	Set out in Annex A	

1 Declarations of interest

- 1.1 The meeting noted there was a quorum present and proceeded to business.
- 1.2 It was noted that all employees of the FCA, including the Chief Executive and the members of the Executive Committee (ExCo) present, had an interest in item 5. The Board (excluding the Chief Executive) agreed that this interest should not prevent the Chief Executive participating in the Board's consideration of the item and any decision.

2 Report from the Chief Executive

- 2.1 The Board reviewed the report from the Chief Executive, who provided a briefing on a number of topical issues, including:
 - i. The rapidly developing situation in Ukraine, including the actions being taken by the FCA and other regulatory bodies in relation to the imposition of sanctions.

¹ Except from 9:45 to 11:00

² Except between 15:00 and 16:00

³ Until 12:30

⁴ Until Item 9

- ii. The impact on the FCA's consumer work, particularly in relation to borrowers in financial difficulty, as economic conditions tighten. The Board discussed work being undertaken in preparation for the FCA's role in regulating the "Buy Now Pay Later" sector.
- iii. The implementation of the New Consumer Duty.
- iv. The progress of the FCA's "worst firms" work.

3 Monthly Reports from the Independent Panels

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

4 Report from the PRA

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

5 Career and Grading - Final Employee Offer

- 5.1 The Board was briefed on the Executive's final proposals for the new Career and Grading framework. The Board noted that employees had used the various communication channels extensively to provide significant and wide-ranging feedback on the proposals. The Board noted that the final proposals reflected a number of significant adjustments in light of the feedback received. The Board noted that the Remuneration Committee had reviewed and approved the final proposals.
- 5.2 The Board discussed various aspects of the revised proposals, including the communications strategy. It was noted that it was intended to announce the proposals to employees on 1 March.
- 5.3 The Board was briefed on the Equality Impact Assessment of the proposals. It concluded that the proposals would make an important contribution to advancing the organisation's diversity and inclusion objectives. The Board was also reassured that, overall, the proposals would not impact those employees with protected characteristics in a way that was disproportionate or unfair.
- 5.4 The Board confirmed its agreement to the revised employee offer, as set out in the paper presented at the meeting and **agreed** the flexibilities requested for the Executive in relation to the graduate scheme and future pay ranges.

6 Transformation: Key culture feedback themes

- 6.1 The Board was briefed on work carried out aimed at assessing the current culture of the organisation and embedding the desired culture within the Transformation design. The team explained how the cultural objectives had been tested with colleagues across the organisation to gain support and understand where people felt they weren't yet achieved.
- 6.2 The Board challenged the team on how advancement of the cultural objectives would be measured and how progress would be tracked. The Board also discussed examples of how other organisations addressed this issue.

- 6.3 The Board noted the outputs of the culture workstream, including the feedback and insights presented to the meeting, noted ExCo's agreement to refresh the FCA values, transition the culture workstream into "Business as Usual" activities and ExCo members' commitment to role-modelling the desired culture.

7 Transformation: Consumer and Markets Strategy Publication

- 7.1 The Board noted that it had, in the previous Business Plan, committed to publishing the FCA's strategy for retail and wholesale markets, setting out the longer-term ambitions for those markets. The Board was presented with a draft document for publication.
- 7.2 The Board discussed the document. It agreed that it more clearly articulated the FCA's ambitions and overarching objectives in these markets, though sought to ensure that these were closely linked to the FCA's statutory objectives. The importance of making clear that this was a multi-year strategy, interlinking with each relevant business plan, was emphasised.
- 7.3 The Board **agreed** the overall outline and substance of the draft Strategy publication, subject to further minor drafting comments to be made outside of the meeting and delegated approval of the final publication document to the Chief Executive and sponsoring Executive Directors.

8 Approach to FCA Annual Report and Accounts 2021/22

- 8.1 The Board was briefed on the overall proposed approach to the preparation of the 2021/22 Annual Report and Accounts.
- 8.2 The Board discussed the overarching themes in the report and emphasised the need to focus on outcomes and the difference made by the FCA activities. The Board also sought to draw out in the report areas where the FCA had had to prioritise and identify those areas where policy support would be required to maximise the effectiveness of the FCA's interventions.
- 8.3 The Board **agreed** the approach to its oversight of the production of the report and obtaining assurance over all relevant aspects, including through its committees.

9 Rules and Guidance and Technical Standards to be determined

- 9.1 The Board resolved to make the following instruments:
- i. Funeral Plans (No 3) Instrument 2022 (FCA 2022/3)
 - ii. Technical Standards (Markets in Financial Instruments) (Transaction Reporting) Instrument 2022 (FCA 2022/4)
 - iii. Enforcement Guide (EU Exit Passport Regulations) Instrument 2022 (FCA 2022/5)

10 Decisions of the Board/Board committee

- 10.1 The Board **approved** the minutes of the meeting held on 27 January 2022.

10.2 The Board noted the action log.

10.3 The Board noted the following decisions taken by written procedure:

- i) On 17 February 2022, the Board approved the additional minute of the FCA Board meeting held on 30 September 2021.

Appointment of Employer Appointed Directors of the FCA Pension Plan

10.4 The Board **approved** the appointments of Val Smith and Peter Liddiard as Employer Appointed Directors of the FCA Pension Plan with effect from 1 April 2022 for a three-year period ending on 31 March 2025.

Panel appointment

10.5 The Board **approved** the appointment of Matt Hammerstein as Deputy Chair of the FCA Practitioner Panel from 1 March 2022 to 31 August 2023.

PSR Annual Plan 2022-23

10.6 The Board **approved** the PSR's annual plan publication and budget for 2022/23

11 Reports from the Chairs of Board Committees

11.1 The Board noted the report from the Chair of the RemCo meeting held on 2 February 2022.

There being no further business the meeting closed.

Charles Randell
Chair of the FCA

Annex A: Attendees, presenters and observers

In attendance:

Sheree Howard – Executive Director, Risk and Compliance Oversight
Sheldon Mills – Executive Director, Consumers and Competition
Sarah Pritchard – Executive Director, Markets
Jessica Rusu – Executive Director, Chief Data, Information and Intelligence Officer
Emily Shepperd – Executive Director, Authorisations
Mark Steward – Executive Director, Enforcement and Market Oversight
David Scott – Interim Director, General Counsel
Simon Pearce – Director, Company Secretary
Miles Bake – Director, Corporate Governance Division
Andrea Bowe – Director, Chief Executive Office
Ian Runacres – Manager, Chairman’s Office

Presenters and observers:

Item 5 - Career and Grading - Final Employee Offer	Siobhan Sheridan – Director, HR Marcus Adams – Head of Department, HR Jamie McGinn – Manager, HR Sonia Minards – Director, Operations Tom Willetts – Director, Communications David Cross – Head of Department, Communications
Item 6 - Transformation: Key culture feedback themes	William Hague – Director, Transformation Siobhan Sheridan – Director, HR Mayura Chawdhary – Technical Specialist, Business Change
Item 7 - Transformation: Consumer and Markets Strategy Publication	Richard Monks – Director, Transformation Graeme Reynolds – Head of Department, Strategy & Competition Ed Smith – Head of Department, Strategy Sarah Kelly – Technical Specialist, Strategy
Item 8 - Approach to FCA Annual Report and Accounts 2021/22	Jaz Sansoye – Head of Department, Strategy Kirsteen Margetson – Manager, Strategy Sean de Montfort – Technical Specialist, ESG
Item 9 - Rules, Guidance and Technical Standards to be determined	
Item 10 - Decisions of the Board	Jagpal Jheeta – Head of Department, BTS