

Local Trust board meeting minutes, decisions and actions

26 June 2014 at 2pm

Local Trust, Unit D, 15-18 White Lion Street, London, N1 9PD

Discussion and decision	Action
<p>1 Present</p> <p>Trustees</p> <p>Kevin Sugrue (chair), Kathryn Kane, Ben Lee, Peter Mills, Andrew Robinson, Alison Seabrooke, Penny Shepherd, John Whitton</p> <p>Jonathan Taylor joined the meeting by telephone</p> <p>Non-trustees</p> <p>Peter Thurston (Big Local Trust protector)</p> <p>Debbie Ladds, Rachel Rowney, Nicola Hutcheson and Wendy Joynes (minutes) (Local Trust) (staff did not attend for item 13)</p>	
<p>2. Apologies for absence</p> <p>Apologies were received from Jayne Humm.</p>	
<p>3. Conflicts of interest</p> <p>Andrew Robinson: director, CCLA (fund manager, Big Local Trust) and trustee, CDF (delivery partner, Big Local)</p> <p>Alison Seabrooke: chief executive, CDF (delivery partner, Big Local)</p> <p>Ben Lee: director, NANM (delivery partner, Big Local)</p> <p>Peter Mills, currently working with UnLtd</p>	
<p>4. Minutes of last meeting and matters arising</p> <p>4.1 Minutes of previous meeting</p> <p>It was agreed that: the minutes of the meeting on 19 March 2014 be approved as an accurate record.</p> <p>4. Matters arising</p> <p>The only outstanding item is that Nicola is yet to discuss ways to account for inflation in the 15 year budget with CCLA (from finance and audit sub-committee in February 2014).</p>	<p>Nicola to discuss with CCLA.</p>

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<p>5. Finance and audit</p> <p>5.1 Minutes of the finance and audit sub-committee held on 3 June 2014. The board received and noted the minutes.</p> <p>5.2 Budget planning and monitoring</p> <p>Kevin commented that the spend was accurate against the last forecast but that taking into account constructive obligations would mean an increased spend of around £2m as explained in the report.</p> <p>The board then took the recommendations with the following outcomes:</p> <p>i. Agreed to note the monitoring report for the quarter ended 31 March 2014 and the end year position for 2013/14.</p> <p>ii. Agreed to adopt the revised 2014/2015 and 15 year budgets.</p> <p>5.3 Constructive obligations policy</p> <p>In answer to questions raised it was explained that: there is a process in place to recover unspent funding if an LTO ceases to work with an area as covered in the grant agreement; during the assessment process due diligence is carried out before an LTO is agreed and operational; plans and spend proposals are scrutinised before being agreed; and guidance is given to LTOs and partnerships on good governance procedures and propriety. Debbie advised that the guidance pack was being reviewed and would be updated as necessary.</p> <p>There were no other questions and the board then took the recommendation with the following outcome:</p> <p>Agreed to adopt the revised constructive obligation policy.</p>	<p>Nicola to add to finance manual and implement.</p>
<p>5.4. Risk management</p> <p>Kevin explained that the changes recommended by the finance and audit sub-committee had been incorporated by Debbie in the revised risk map now before the board.</p> <p>The board then took the recommendation with the following outcome:</p> <p>Agreed to adopt the new risk map with the proviso that risk 15 relating to an over cautious investment strategy be referred to the investment sub-committee for detailed discussion.</p> <p>Agreed also that a process to actively manage and review the risk register, including both staff and board to be developed by the chief executive.</p>	<p>Nicola to add as an agenda item for the investment sub-committee, plus balance of appetite and tolerance related to risk 1.</p> <p>Debbie to find a process to actively manage and review the risk register.</p>
<p>5.5. Pay and reward</p> <p>The board had a full discussion on pay and reward.</p>	

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<p>In answer to questions raised:</p> <p>There are no increments in place - each post has a fixed salary:</p> <p>Debbie, Rachel, Jayne and Nicola have discussed this issue and feel the organisation is not ready to take the step to increments yet.</p> <p>The board then discussed the NCVO report on senior pay and remuneration policies.</p> <p>In answer to questions raised:</p> <p>As required in the annual accounts, it is proposed that only salaries above £60k would be published.</p> <p>As members suggested this will be kept under review to see what the reaction is and if any questions arise the position will be reviewed.</p> <p>There were no further questions and the board then took the recommendation with the following outcomes:</p> <ul style="list-style-type: none"> i. Agreed the cost of living increase for 2014/15 of 2%, plus the proposed non-consolidated bonus (subject to team performance), with any additional pay costs to be met from an underspend on central costs and not from contingency. ii. Agreed that after two years' continuous service, annual leave entitlement to increase by one day for every year's continuous service to a maximum of 30 days per annum. i. Agreed to comply with the NCVO recommendations on senior pay with only Debbie's salary details being made public (as the only salary over £60k) and to develop and publish a remuneration policy. 	<p></p> <p>Debbie to send letters to staff.</p> <p>Debbie to send letters to staff.</p> <p>Debbie to publish the remuneration policy including her salary details etc.</p>
<p>5.6. Future of the finance and audit sub-committee</p> <p>In answer to questions raised:</p> <p>It is not expected this change would cause things to be missed or neglected as finance matters would be coming to the board each quarter.</p> <p>The approach will be monitored closely to see how it works.</p> <p>There were no further questions and the board then took the recommendation with the following outcome:</p> <p>Agreed to retain the finance and audit sub-committee but reduce the number of fixed meetings to two per year in order to give detailed consideration to the roll forward of the budget and the annual audit (these could be slightly longer meetings if necessary), as well as review relevant parts of the risk register; with Jonathan (as lead trustee) and Kevin (as board chair) also providing support to the finance manager in between meetings; and ad hoc meetings of the committee to be called as and when necessary.</p>	<p>Nicola to create a workplan (and timings of meetings) for finance and audit sub-committee.</p>

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<p>5.7 Terms of reference for the finance and audit sub-committee</p> <p>Kevin informed trustees that following discussions with Debbie and Peter Thurston it was suggested that the following be added as the second bullet point under the "Overview" section of the terms of reference:</p> <p>"any findings arising from the audit of accounts and specifically the audit letter, receive full consideration and an appropriate and rigorous response."</p> <p>There were no questions raised so the board took the recommendation with the following outcome:</p> <p>Agreed to adopt the revised terms of reference in the light of the recommendation to reduce the role of the sub-committee as set out in the report subject to the inclusion of the additional bullet point above.</p>	<p>Debbie to update the terms of reference.</p>
<p>6. Investment</p> <p>6.1 Minutes of the investment and sub-committee held on 15 May 2014</p> <p>The board received and noted the minutes.</p> <p>6.2 Investment update</p> <p>There was a lengthy discussion about the investment strategy and in particular whether it was overly cautious and whether taking risk for a higher return should be limited to that portion over and above the minimum sum promised to the Big Local areas. Those matters remained open for further discussion by the investment sub-committee and the board.</p> <p>The board then:</p> <ol style="list-style-type: none"> i. Agreed to hold two years' forecast payments in either cash or bonds that are due to mature within two years. ii. Agreed that income generated on investments is added to and managed as part of the main portfolio. iii. Agreed to accept the investment report for the quarter ended 31 March 2014. iv. Agreed that Jonathan put in writing his particular questions and concerns so that they can be discussed by the investment sub-committee when the strategy is reviewed at the September meeting. <p>6.3 CCLA review</p> <p>There was a full discussion and the following questions and issues were raised:</p> <p>Jonathan had questions around the appropriateness of benchmarks to be used in 2014/15 and around inflation.</p> <p>In answer to a question it was explained that the CCLA back office functions being outsourced relate to support staff and not those that Local Trust work with.</p> <p>Penny and Kevin encouraged trustees to email any comments after the</p>	<p>Nicola to inform CCLA.</p> <p>Nicola to update investment strategy for sub-committee to consider.</p> <p>Nicola to identify at regular intervals how much is committed to areas (minus what has been spent).</p> <p>Jonathan to email his thoughts to Penny.</p> <p>Trustees to email Penny with any questions or comments relating to the review.</p>

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<p>meeting for the investment sub-committee to research and deliberate.</p> <p>It was noted that the investment sub-committee will also look at risk tolerance with CCLA before the next board meeting.</p> <p>Debbie will be following up the potential offers CCLA might be able to make to areas as 'added value'.</p> <p>The board then took the recommendation with the following outcome:</p> <p>Agreed to continue with CCLA as the investment manager for Big Local Trust.</p> <p>6.4 External advisers</p> <p>The board Agreed to the proposed set of criteria for sources of external advice about investment.</p>	<p>Nicola to identify if we might have benchmarks for different asset classes.</p> <p>Debbie to identify added value support from CCLA for areas.</p> <p>Nicola to add to finance manual.</p>
<p>7. Big Local</p> <p>7.1 Big Local delivery report</p> <p>Trustees discussed, in particular, the proposed training for managing conflict and the spring events for which the board congratulated those involved for achieving the successful outcome as evidenced in the feedback.</p> <p>Trustees felt that many "complaints" were, in fact, "disputes" and suggested some attempt at differentiation in future reports.</p> <p>Rachel explained the colour coding on the programme update whereby green means endorsed, red means nothing received, blue means under assessment and clear means complete.</p> <p>Members asked Rachel to consider the communication that might be needed to areas before the general election to ensure Big Local remains neutral of party politics.</p> <p>The board then noted the report.</p> <p>7.2 Research, evaluation and learning</p> <p>Peter M felt it needed to be reiterated that people should be as confident to speak about things that hadn't worked as about things that had.</p> <p>John informed members that the first NCVO meeting with some 'critical friends' had taken place and already some worthwhile findings were emerging.</p> <p>The board then noted the report.</p>	<p>Rachel to review.</p> <p>Rachel to look at communication re general election.</p> <p>Jayne to look at how to encourage areas (and us) to tell the stories about what doesn't work.</p>
<p>8. Chief executive report</p> <p>8.1 The board noted the report.</p> <p>8.2 Redundancy policy</p> <p>There was a discussion on the redundancy policy and the following questions and comments were raised:</p>	

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<p>Peter M felt that the negotiation time of 30 days was long for a small organisation. Alison explained that it could be between one week and 20 days by mutual consent and that this should be reflected in the wording.</p> <p>There were no further questions and the board took the recommendation with the following outcome:</p> <p>Agreed to approve the redundancy policy and procedure with the changes discussed.</p> <p>8.3 Big Local strategy</p> <p>There was a discussion on the strategy including the following comments:</p> <p>The sections that specifically relate to the three year strategy should be highlighted.</p> <p>There should be differentiation between delivery partners and support service providers.</p> <p>The board then took the recommendation with the following outcome:</p> <p>Agreed to approve the Big Local strategy subject to the changes suggested.</p> <p>9 Any other urgent business</p> <p>Safeguarding policy</p> <p>Debbie pointed out that, once approved, the safeguarding policy could be circulated as guidance for areas.</p> <p>The board then Agreed the safeguarding policy.</p>	<p>Debbie to amend consultation timeline and add to staff handbook.</p> <p>Debbie to highlight the sections that relate specifically to the three year strategy, differentiate between delivery partners and support service providers and distribute the strategy document.</p> <p>Debbie to circulate/ publish.</p> <p>Jayne to develop material for areas.</p>
<p>10. Governance</p> <p>10.1 Appointment of membership to sub-committees</p> <p>All members wished to continue so it was therefore Agreed to reappoint Kathryn Kane, Andrew Robinson, Kevin Sugrue and Jonathan Taylor to the finance and audit sub-committee for the next 12 months and Penny Shepherd, Peter Mills, Alison Seabrooke and Ben Lee to the investment sub-committee for the next 12 months.</p> <p>It was also Agreed to re-appoint Serena Loudon and Chris Wigley as co-optees to the investment sub-committee for the next 12 months.</p> <p>10.2 Appointment of chairs</p> <p>The board Agreed the re-appointment of Penny Shepherd as chair of the investment sub-committee for the next 12 months.</p> <p>The chair recommended the appointment of Jonathan Taylor as chair of the finance and audit sub-committee and on his acceptance the board Agreed this appointment for the next 12 months.</p> <p>The board also Agreed that the chair of the board should be an ex officio member of the finance and audit sub-committee and the investment sub-</p>	

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<p>committee.</p> <p>10.3 Revised terms of reference for finance and audit and investment sub-committees</p> <p>The board Agreed to update the terms of reference for the finance and audit and investment sub-committees to include the chair of the board as an ex-officio member and that all members are appointed annually.</p> <p>10.4 Recruitment of new trustees</p> <p>In relation to the interest shown by an individual, the chair was concerned that the delay occasioned by awaiting the outcome of a national press advert might risk losing a suitable candidate and suggested the board consider an alternative approach which nevertheless allowed other trustees the opportunity to assess the merits of the individual's candidacy. There was a full discussion and in answer to questions raised:</p> <p>Recruitment would be via networks with a short deadline for applications. A recruitment pack and timeline will be created.</p> <p>The need for up to three new trustees will be looked at once it is known who has applied and what their skill sets are.</p> <p>The board then took the recommendation with the following outcome:</p> <p>Agreed to a recruitment process by way of using existing networks rather than a press advert, using a recruitment pack, a short deadline and "interviews" with trustees such that appointment(s) be made and confirmed by board email decision in September.</p> <p>10.5 Appraisal process for the board</p> <p>The board Agreed that the appraisal process should be by way of:</p> <ul style="list-style-type: none"> (i) meetings between the chair, the chief executive and individual trustee; and (ii) trustee self-appraisal based on standard questions with the results anonymised and shared for discussion. <p>The Wolverhampton University questionnaire completed by Andrew and Kathy will be shared with members and a questionnaire relevant for Local Trust will be created.</p> <p>.</p>	<p>Debbie to update sub-committee terms of reference.</p> <p>Debbie to create recruitment pack, circulate via existing networks and sort out "interview" dates.</p> <p>Debbie, Kevin to meet with each trustee.</p> <p>Debbie to draft a board review questionnaire for consideration.</p>
<p>11. Chief executive performance 2013/14 and proposed targets for 2014/15.</p> <p>Note: all staff left the meeting for this item.</p> <p>Penny suggested that the proposed targets were too numerous and for a CEO should be more outcome based focusing on steering and developing the organisation and managing key risks.</p> <p>Ben and Alison felt that the targets would be more appropriate with some re-ordering so that the key categories, for example 'leadership' and 'strategy' are</p>	

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<p>at the top.</p> <p>It was Agreed that:</p> <ul style="list-style-type: none"> i. The board notes the achievement of targets set down in Appendix 1. ii. The targets for 2014/15 be amended to take on board the comments outlined above. iii. The board records its appreciation and congratulations to the chief executive for her commendable performance in 2013/14. iv. Kevin (as chair of the board) along with Kathy and Peter M to have responsibility for managing the performance of the chief executive in 2014/15 and making a recommendation thereon to the board at year end. 	<p>Kevin to re-draft the 2014/15 targets.</p> <p>Kevin, Peter M and Kathy.</p>
<p>12. Strategic issue discussion</p> <p>There was a short discussion about success criteria for Big Local nationally. Due to time restraints it was agreed that the paper be circulated by email for trustees to respond and that this subject be followed up between meetings and brought to the next meeting. Trustees were informed that NCVO will be attending the next meeting to share their evaluation work to date and would be invited to stay on for this discussion.</p> <p>Alison suggested that the criteria which the Big Lottery Fund used to select the 150 areas would be helpful.</p>	<p>All to provide feedback between meetings so we can have a further discussion and paper for the October meeting (led by Jayne and John)</p> <p>Debbie to share the criteria.</p>
<p>There was no other urgent business and the meeting therefore closed at 5pm</p>	
<p>Dates of future meetings</p> <p>Full board meetings 2-5pm</p> <p>9 October 2014 and 9 December 2014</p> <p>Finance and audit sub-committee</p> <p>16 September 2014 (for audit discussion)</p> <p>18 November 2014 (to be confirmed following the agreement to reduce the amount of fixed meetings)</p> <p>Investment sub-committee</p> <p>9 September 2014 and 13 November 2014.</p>	<p>Debbie to get dates into 2015 including strategic meetings</p>

Kevin Luggan
Chair
 9th October 2014