

# Local Trust board meeting minutes, decisions and actions

22 March 2018

The Borough conference room, 5<sup>th</sup> Floor, CAN Mezzanine, 7-14 Great Dover Street, London SE1 4YR

Discussion and decision	Action
<p><b>Present</b></p> <p><b>Trustees</b></p> <p>Kevin Sugrue (chair), Peter Mills, Penny Shepherd, Rich Wilson, Nicola Pollock, Jeannette Lichner, Bob Thust and Sahil Khan</p> <p><b>Non-trustees</b></p> <p>Matt Leach, Nicola Hutcheson, Rachel Rowney, Jayne Humm, Jessica Wenban-Smith and Wendy Joynes (minutes) (Local Trust)</p>	
<p><b>1. Apologies</b></p> <p>Apologies were received from Ben Lee, John Whitton and David Warner. Alice Casey was also absent.</p>	
<p><b>2. Minutes of last meetings and matters arising</b></p> <ul style="list-style-type: none"> <li>The minutes of the meeting of 16 November 2017 were <b>agreed</b> as an accurate record, subject to the correction of the numbering of item 12.</li> <li>The minutes of the extra meeting of 14 December 2017 were <b>agreed</b> as an accurate record, subject to the correction of a typo in item 5.</li> </ul> <p><b>Matters arising</b></p> <p>There were no matters arising not covered by the agenda.</p>	<p>Wendy to correct previous minutes</p>
<p><b>3. Declaration of interest</b></p> <p>Peter Mills, owner, Brand Ethos (commissioned by UnLtd, delivery partners for Big Local)</p> <p>Bob Thust, currently has a contract to support Renaisi on governance and financial reporting processes.</p>	
<p><b>4. Co-option of new trustees</b></p> <p>Members <b>agreed</b> to co-opt six new trustees, David Warner, Nicola Pollock, Bob Thust, Jeannette Lichner, Sahil Khan, and Richard Wilson to the board until the AGM in November 2018 when they will be put forward as full trustees.</p>	

Discussion and decision	Action
<p><b>5. Sub-committee minutes</b></p> <p><b>Investment sub-committee minutes</b></p> <p>The board received the minutes of the investment sub-committee meeting held on 20 February 2018. The following questions and comments were raised:</p> <ul style="list-style-type: none"> <li>• Chris Wigley has stood down as a co-optee; the investment sub-committee recommended finding a new co-optee, to provide additional investment expertise to the new finance and investment committee.</li> <li>• CCLA's Head of Assurance has resigned for personal reasons; there is no indication that this is related to any issues with assurance at CCLA.</li> <li>• The review of CCLA as investment manager will be rescheduled to fit with the timetable for new committees and so that the CCLA annual accounts can be considered at the same time, likely to be in September.</li> <li>• A side letter was put in place for the Diversified Income Fund, because trustees had previously agreed to a limit of £5m in terms of investment in the Fund, whereas CCLA normally required a percentage figure; in this case 5% had been discussed.</li> <li>• Trustees wished to record their heartfelt thanks to Penny for chairing the investment sub-committee since 2013 and in doing so for advancing the interests of Big Local and Local Trust.</li> </ul> <p>There were no other questions or comments raised and the board took the following recommendations:</p> <ul style="list-style-type: none"> <li>• <b>noted</b> the resignation of Chris Wigley as a co-optee and <b>agreed</b> to send him their thanks</li> <li>• <b>agreed</b> to leave the side letter in place until 5% of the total investment becomes less than £5m</li> <li>• <b>agreed</b> the process for the annual review of performance of CCLA to be done at the same time as the review of their audited accounts</li> <li>• <b>noted</b> that the recruitment of co-opted members to provide investment expertise for the proposed new Finance and Investment Committee would now be left for that Committee to process.</li> </ul> <p><b>Programme committee minutes</b></p> <p>The board received the minutes from the programme committee meeting held on 6 March 2018. At the inaugural meeting of the committee, members talked mostly about monitoring; there would be more discussion on this at a later date.</p> <p>Rachel is happy to send the reps report and the programme committee workplan to anyone who would like a copy.</p> <p>There were no further questions or comments and board <b>noted</b> the minutes.</p>	<p>Rachel to send reps report and workplan trustees who request them</p>
<p><b>6. Big Local Trust Deed revision, Protector replacement</b></p> <p>Matt introduced the report and explained the background for the benefit of new co-opted trustees.</p>	

Discussion and decision	Action
<p>The following comments and questions were then raised:</p> <ul style="list-style-type: none"> <li>Trustees <b>agreed</b> the draft amendments to the Big Local Trust deed in principle, and were happy for Local Trust to seek consent from the Charity Commission and the Big Lottery Fund on this basis.</li> <li>Matt will be seeking further advice on some of the wording, including around the powers of the Protector.</li> <li>Members were content to go ahead with drafting a job advert/description for the Protector, with the details of the recruitment decided by the chief executive and nominations committee.</li> <li>There were no further questions or comments and the board <b>approved</b> recruitment on the basis outlined. The chief executive would also keep the nominations committee updated on progress, as necessary.</li> </ul>	<p>Protector recruitment advert and job description to be drafted</p>
<p><b>7. Governance review – implementation</b></p> <p>Matt introduced the report and explained that it covered a whole range of documentation following the governance review; members were not expected to agree everything in one go, but to agree the new committees and their terms of reference, although they can come back to the terms of reference with any suggested changes, after their initial meetings.</p> <ul style="list-style-type: none"> <li>Members <b>agreed</b> the proposed committee structure.</li> <li>Members <b>agreed</b> the membership of committees as proposed and that membership could be reviewed annually. They also agreed chairs of those committees as follows:  Programme – Peter Mills  Finance and Investment – Nicola Pollock  Audit and Risk – Jeannette Lichner  Nominations – David Warner</li> <li>Members did not agree the "ways of working" document; whilst they felt it covered the right territory, there was concern that the language and style was not quite right. It was suggested that trustees send any comments to Matt who would use them to feed into a paper to prompt a further discussion of this at a later date, once the new board was able also to reflect on how the new governance arrangements were working out.</li> </ul> <p>There was a discussion on the terms of reference for the audit and risk and finance and investment committees, and the following questions and comments were raised:</p> <ul style="list-style-type: none"> <li>Membership of the finance and investment committee would be five trustees, plus two co-optees (with a quorum of three). The terms of reference allow for the recruitment of co-optees to fill any gaps in expertise.</li> <li>There was a discussion about delegation of decision-making to the new committee; this is outlined in the scheme of delegation (agenda item 7). This was felt to be an important subject to get right; it was a big point of discussion at the February awayday.</li> <li>There is no separate remuneration committee; remuneration will be picked up by the finance and investment committee.</li> </ul>	

Discussion and decision	Action
<ul style="list-style-type: none"> <li>The chair of the board is an ex-officio member of all committees.</li> </ul> <p>There were no further questions or comments and the board <b>agreed</b> the governance review implementation and to review in 2019-20.</p>	
<p><b>8. Strategic plan, business plan and budget</b></p> <p><b>Strategic plan</b></p> <p>Matt introduced the report and informed members about changes from the plan in November 2017; the plan is not cast in stone and suggested changes will feed into the next version. The following questions and comments were raised:</p> <ul style="list-style-type: none"> <li>Priority one, "Responsive and engaged" was a critical basis for conversation.</li> <li>Under the summary it was suggested that the word "brilliant" would not be used.</li> </ul> <p><b>Business plan and budget 2018-19</b></p> <p>Matt introduced the report and highlighted the following:</p> <ul style="list-style-type: none"> <li>Local Trust is changing the way it works with reps, which currently costs approximately £1.2m per annum. Budget has been identified for a new senior role to support the management of reps from part-way through 2018-19.</li> <li>Local Trust has been working on an arts/creative industries proposal with the Calouste Gulbenkian Foundation and the Big Lottery Fund, which will fund 10 Big Local areas to focus on creative industries. The board were asked to agree delegation of this to the programme committee.</li> </ul> <p>The following questions and comments were then raised.</p> <ul style="list-style-type: none"> <li>The question of where evidence from the research and learning sat; members were informed that it was with the evaluation advisory group, of which John Whitton is a member. Others were invited to join the group.</li> <li>Members would like to see evidence that really begins to demonstrate the impact of this investment. A knowledge and learning framework, which will support this, was being put together and would go to the September board.</li> <li>A question was then raised about IT risks; Local Trust is currently working on Cyber Essentials certification. Cyber Essentials is the Government-backed, industry-supported scheme to help organisations protect themselves against common online threats.</li> <li>Once the Empowered Communities 2020 project was complete, members would be asked to look at options for what to spend the remaining legacy money from CDF on. A report on this will go to the September board.</li> </ul> <p>There were no further questions or comments and the board <b>approved</b> the strategic, plan, business plan and budget subject to any points raised in discussion.</p> <p>The board <b>agreed</b> to delegate discussion about of the Calouste Gulbenkian/Big Lottery Fund partnership project to the programme committee.</p>	<p>Knowledge and learning framework to September board meeting</p> <p>Legacy money report to September board meeting</p>

Discussion and decision	Action
<p><b>9. Managing finance risks in areas</b></p> <p>Members were informed that in the light of Local Trust now being in the delivery stage of Big Local, with areas drawing down more money than before, it was important to monitor the financial health of organisations that hold the funds on behalf of areas. This had also been discussed at length at the programme committee meeting in March.</p> <p>The following questions and comments were then raised:</p> <ul style="list-style-type: none"> <li>• In answer to a question about support given to locally trusted organisations (LTOs), members were informed that a range of support was offered on an ongoing basis, including learning and networking events for them, workshops on managing Big Local funding, programme guidance on the Local Trust website, and support through reps.</li> <li>• A question was then raised about point 27, insolvency. Since the start of Big Local, two LTOs have gone into administration while holding Big Local funds. Other LTOs have had managed close downs, where unspent funding has been returned to Local Trust.</li> </ul> <p>In relation to this last point, Rachel amended the information in paragraph 27 to reflect the view of the programme committee that consideration would be given to bearing loss if either there were exceptional circumstances or Local Trust had overlooked something key in carrying out diligence checks; but in either case bearing the loss or a part of the loss would still depend on funding being available (which means decisions on future losses would have to be delayed until 2021-22 when additional income to areas is reviewed again).</p> <p>There were no further questions or comments and with Rachel's amendment above the board <b>agreed</b> that they were content to <b>approve</b> the approach as set out in the report.</p>	
<p><b>10. Chief executive's report</b></p> <p>Matt added one item to his report and informed members that an event had been secured at St George's House, Windsor Castle, on 24-25 September for approximately 25 people to talk about communities. Invites will be sent out over the next week.</p> <p>Matt also highlighted that all trustees are invited to visit Big Local areas and that Kevin planned to combine his inductions with new trustees with Big Local area visits.</p>	<p>Wendy to arrange BL area visits for new trustees with Kevin</p>
<p><b>11. Performance, risk and finance report</b></p> <p><b>Performance and risk</b></p> <p>Nicola introduced the report and highlighted the following:</p> <ul style="list-style-type: none"> <li>• Members will note that some risks have been coloured grey on the risk register. These are investment risks identified by CCLA at the request of the investment sub-committee. The new audit and risk committee will review these and their inclusion in the risk register.</li> </ul>	

Discussion and decision	Action
<ul style="list-style-type: none"> <li>• Additional risks may be identified by the programme committee; a mechanism is needed for adding these.</li> <li>• It was suggested that the strategic plan monitoring report could be made clearer by adding arrows (up or down) to show progress on targets.</li> </ul> <p><b>Finance (Big Local Trust)</b></p> <p>Nicola introduced the report and highlighted the following:</p> <ul style="list-style-type: none"> <li>• Grant expenditure had been split out from manageable expenditure to make reporting clearer.</li> <li>• Staff will work with the new committee on revised reporting bringing together both finance and investment information.</li> </ul> <p><b>Finance (Local Trust)</b></p> <p>Kevin explained the background on the CDF money to new trustees and there were no questions raised.</p> <p>The board <b>accepted</b> the head of finance report for the period ending 31 January 2018.</p>	
<p><b>12. GDPR compliance</b></p> <p>Jessica introduced the report briefly. The following questions and comments were then raised:</p> <ul style="list-style-type: none"> <li>• In answer to a question about whether Local Trust's GDPR policies extend to the personal data that Big Local partnership members and chairs may hold locally, members were advised that this had been looked at and it was clear Local Trust has no legal liability for that data. Partnerships may independently decide to develop their own GDPR policies.</li> <li>• Regarding other third-parties processing data on behalf of Local Trust, grant agreements will need to be updated, and contracts reviewed, so there is some more work to do.</li> </ul> <p>There were no further questions or comments and board noted the report.</p>	
<p><b>13. Any other business</b></p> <p>There was no other urgent business and the meeting closed at 4.52pm.</p>	
<p><b>Dates for future meetings</b></p> <p><b>Board and AGM 2pm – 5pm at Local Trust's offices (except where noted)</b></p> <p>Thursday 17 June 2018, Thursday 20 September 2018, Thursday 15 November 2018 (including AGM).</p> <p>Tbc January 2019 – Awayday</p> <p><b>Programme committee</b></p> <p>Thursday 7 June 2018 (4pm – 6pm), Thursday 6 September 2018 (8am – 10am), Thursday 29 November 2018 (8am – 10am).</p>	

Discussion and decision	Action
<b>Finance and investment committee</b>	
Tbc	
<b>Audit and risk committee</b>	
Tbc	
<b>Nominations committee</b>	
Ad hoc	

Kevin Augue

Chair

12/10/2019