

## Local Trust board meeting minutes, decisions and actions

18 June 2015 at 2pm

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

Discussion and decision	Action
<p><b>1. Present</b></p> <p><b>Trustees</b></p> <p>Kevin Sugrue (chair), Kathryn Kane, Ben Lee, Andrew Robinson, Penny Shepherd, Jonathan Taylor, Alice Casey, Daniel Goodwin, Alison Seabrooke, Peter Mills</p> <p><b>Non-trustees</b></p> <p>Peter Thurston (Big Local Trust protector)</p> <p>Debbie Ladds, Rachel Rowney, Nicola Hutcheson, Jayne Humm and Karen Keenan (minutes) (Local Trust)</p>	
<p><b>2. Apologies for absence</b></p> <p>Apologies were received from John Whitton and Karen Riches.</p> <p>Kevin explained that Shazad Sarwar has resigned from the board with immediate effect due to work commitments which made it impossible for him to give the appropriate time and attention to the role. Shazad passed on his thanks to the board and staff. The board were also informed that Shazad has recently been appointed as a worker in the Bradley Big Local area so he will still be involved.</p> <p>Kevin confirmed that the board will not appoint another trustee as the numbers are now back to 12..</p>	
<p><b>3. Conflicts of interest</b></p> <p>Andrew Robinson: director, CCLA (fund manager, Big Local Trust) and trustee, CDF (delivery partner, Big Local)</p> <p>Ben Lee: director, NANM (delivery partner, Big Local)</p> <p>Alison Seabrooke: chief executive, CDF (delivery partner, Big Local)</p>	

<p><b>4. Minutes of the previous meeting and matters arising</b></p> <p><b>4.1 Minutes of previous meeting</b></p> <p>It was <b>agreed</b> that the minutes of the meeting on 19 March 2015 be approved as an accurate record.</p> <p><b>4.2 Matters arising</b></p> <p>It was confirmed that Peter M is our lead trustee on branding, while Karen leads on communications. Both can offer ideas on the format and content of the annual report and accounts.</p> <p>There were no other matters arising.</p>	<p>Peter M and Karen to offer ideas on the format and content of the annual report and accounts.</p>
<p><b>5. Big Local</b></p> <p><b>5.1 Programme delivery and development</b></p> <p><i>Ben Lee left the room in recognition of his involvement with the NANM.</i></p> <p>Rachel highlighted our intention to continue delivering spring events, action learning sets for chairs and some one-day events. Therefore we are looking at continuing the relationship with the NANM beyond August 2015 when their current contract ends, rather than looking for another provider. Reps will also continue to deliver some learning and networking events. The following comments and responses were made:</p> <ul style="list-style-type: none"> <li>• how do we ensure the NANM don't take advantage of this? Rachel explained that we know the unit costs; what we're spending and we won't be needing everything, as before</li> <li>• we will need to follow our procurement rules and inform the protector there will be a follow-on contract</li> <li>• the board were happy to agree this contract for 18 months – 2 years, on the basis that if future work after that is needed, fresh consideration will be given to how it is commissioned.</li> </ul> <p>Rachel highlighted our evolving approach to social investment, including the possibility of sub-contracting Key Fund, who specialise in the distribution of smaller loans or investments, to carry out the one-off due diligence assessments on the loan applications on behalf of Local Trust and the Big Local area. Key Fund also works with, and has trained staff at, Kent Community Foundation to carry out similar lending to give them national coverage. Penny asked about Kent Savers opening an office in Newington, and Rachel explained that had no impact on our ideas around working with CDFIs.</p> <p><i>Ben Lee re-joined the meeting.</i></p> <p>Trustees asked Rachel for feedback about any areas having difficulties. As examples, Rachel explained that some wave one areas have had difficulties ranging from the partnership not being quorate; plan delivery stalling; and fall</p>	<p>Rachel to progress contract discussions with the NANM.</p>

<p>outs with LTOs; and reported that more rep time is allocated to areas to help resolve the issues.</p> <p>Jonathan asked for an update on the financial issue in the area where the grant had been given by the LTO to a community group but not spent correctly. Nicola explained that she has been speaking to the rep and LTO and gaining more details on what happened and we understand that the supplier is being paid what they are owed on a gradual basis by the community group. Local Trust is writing to the LTO asking for an update on the way forward as a clear resolution has not yet been reached.</p> <p>Daniel suggested there be an exceptions report to future board meetings in line with the risk and opportunity map as there can be reputational risks in these issues which should be part of the risk map.</p> <p>Daniel asked about the number of residents at spring events and suggested a 2016 target of 500 residents; the team will consider this. Rachel explained that as more areas employ workers there might be a trend for the workers to attend rather than residents. Rachel also indicated that the recent influencing report teases some of this out.</p> <p>In terms of the new rep assignment post plan, Daniel asked how many days a rep spends in an area and if there are different day rates for different parts of the country. Rachel and Debbie explained that it is a fee for the assignment, which is the same across the country. We also recognise that reps are independent contractors and have other clients.</p> <p>Andrew asked about the areas who haven't submitted their plan yet. The response was that it's now about 29 areas and there are none we are concerned about at this point. The board asked Rachel to comment in her next report on any concerns about areas submitting plans by March 2016.</p> <p>Kevin suggested that the good news reported about Windmill Hill working with O2 and Fujitsu be drawn to the attention of Forster, to see whether some PR advantage could be taken to the benefit of both Big Local and the private company.</p> <p>The board <b>noted</b> the report.</p> <p><b>5.2 Research, evaluation and learning</b></p> <p>In response to the paper, Daniel asked if we know what the CDF and IVAR research reports are saying. Jayne responded that she has the draft reports and we have been using some of the data already, for example in a discussion with London Funders. Jayne explained that the reports will be published in the summer.</p> <p>The board <b>noted</b> the report.</p>	<p>Produce an exceptions report for future board meetings in line with the risk and opportunity map.</p> <p>Consider target for number of residents attending spring events.</p> <p>Rachel to comment any concerns about areas submitting plans by March 2016.</p> <p>Share Windmill Hill work.</p> <p>Debbie to send the research reports to board.</p>
<p><b>6. Strategic discussion</b></p> <p><i>Peter T arrived during this discussion.</i></p> <p>Trustees shared ideas about the ambassadorial role of trustees including what trustees have to offer. The following points were noted:</p>	

- trustees can speak well of the organisation externally; actively seek out opportunities to tell the story; and be active between meetings
- trustees can give an account of what we are doing including how and why, and can also pick up nuances of what is going wrong and what is working well
- trustees have relationships with different stakeholders and can support by speaking to them about Big Local and being part of the influencing plan
- trustees have different spheres of influence and comments from trustees can sometimes carry more weight
- our influencing plan can be clear on who we want to influence and why, including named organisations
- we can have particular messages we want to share and trustees (staff, partners, reps, areas) can be briefed. We can ensure messages are relevant to policy issues and to the situation for example visiting an area, meeting with the Big Lottery Fund, meeting with other stakeholders. We can segment messages for different audiences and ensure messages are in line with our communications strategy
- trustees can share anecdotes and stories related to Big Local as well as facts
- it is good for trustees to be visible, and also good for resident ambassadors to have a voice
- good PR is really important and we continue to do more to promote the work we are doing via blogs, articles, Twitter, roundtables and meetings
- we could consider hosting journalists and involving them in our communications work so they can report on what is happening – for example Barrowcliff Big Local worked well with Scarborough TV
- there are lots of case studies and material available for us to use with different stakeholders
- in terms of stakeholders, there are 'friends' we can share with;, 'strangers' we can inform and 'non-friends' - can we change their views?
- two way communication is needed in all scenarios
- about safeguarding (the brand) and being a figurehead
- we could use 'message houses' as a tool with pictorially over-arching messages and detail beneath each over-arching message.

Kevin thanked all for their input. Debbie explained that we will put together a document on the ambassadorial role of trustees in line with our updated communications strategy, and share this with trustees to ensure we communicate effectively inside and outside the Big Local family.

Debbie to put together a document on the ambassadorial role of trustees in line with our updated communications strategy.

<p><b>7. Communications</b></p> <p>In responding to the paper, Ben asked how the roundtable went. Kevin said it was really good with some great discussion and good participants; many of whom were not involved in Big Local. Local Trust hopes to get some good publicity from it. Debbie is talking to Forster Communications about repeating the format in the future.</p> <p>Penny thought the communications coverage and articles were a great leap forward compared to the initial press release content, and Debbie explained how she and Leila had been working with Forster to achieve this.</p> <p>In terms of reporting, Penny asked whether it was possible to differentiate audiences on the website, YouTube, Facebook or Twitter. Rachel agreed to look at what can be done.</p> <p>Peter M thought the recent storify produced by Leila from volunteers' week was very good and easy to use and encompassed everything we're about.</p>	<p>Debbie to share the notes from the roundtable with the board.</p> <p>Rachel to see if we can differentiate by audience for website, YouTube, Facebook or Twitter for board reporting.</p>
<p><b>8. Finance and audit</b></p> <p><b>8.1 Finance manager report</b></p> <p>Nicola informed the board that audit starts tomorrow and all is on track.</p> <p>Daniel was interested in the budget heading 'strategic learning'. Jayne informed him that it covers all research and evaluation activity and was an inherited heading. Daniel asked if we could rename it 'research and evaluation' - Jayne agreed to review it.</p> <p>Kevin asked about the underspend on loan administration costs. Rachel informed the meeting that there will be some loans this year, so the budget line will be used.</p> <p>The board <b>noted</b> the finance report.</p> <p><b>8.2 Retrospective funding, debt recovery and fraud</b></p> <p>In providing feedback on the report trustees highlighted:</p> <p><b>Retrospective funding</b> - Jonathan asked if any areas had successfully had retrospective funding, and Debbie confirmed that a few had. When it occurs, Rachel works through a process providing a report and recommendations to Ben as a trustee and to Debbie. Without a retrospective funding rule we are concerned things would be funded without being in an endorsed proposal or plan or without anyone telling us. We are requiring reps to be clearer on the rules and timelines in grant agreements to mitigate the risk, and there is still work to do to ensure reps, LTOs and partnerships are clear on what has been agreed.</p> <p><b>Fraud</b> - Jonathan suggested updates could be in Rachel's report going forward. Alice asked how it is picked up, and Rachel responded that it could be from monitoring returns; carrying out due diligence and assessments; feedback from reps; and via complaints etc. The post plan rep assignment is being changed so that they also have oversight of the funding, and the LTO is also</p>	<p>Jayne to review strategic learning budget title.</p> <p>Rachel to include updates on fraud concerns in board report.</p>

key.

Daniel wondered if we could identify triggers that could pick up potential fraud. Debbie explained our auditors are offering to train reps in terms of what to look for. Our auditors are interested in 'following the money' and checking some LTOs. Peter Thurston has visited three areas. We are putting together guidance for LTOs on how to handle the funding in line with our terms and conditions of funding.

Trustees said our bottom line is that we don't tolerate fraud and our approach needs to be within the values of the programme – bringing balance to the way we handle issues in communities.

## **9. Investment**

*Andrew Robinson took no part in the discussion of item 9 and left the meeting before the review of CCLA and the appointment of the investment manager for Big Local Trust for the forthcoming year.*

### **9.1 Minutes from the investment sub-committee meeting**

There were no questions raised and the minutes of the investment sub-committee held on 5 June 2015 were received and **noted** by the board.

#### **Allocation of investment returns**

Penny explained that the proposed paper from the investment sub-committee was looking through an investment lens, where it makes sense to allocate investment returns to areas after 2018 when more income has been earned and there was a buffer to the funds invested in equity and property.

Kevin circulated the current Local Trust policy on the 'allocation of interest' (investment returns) drawn up in September 2012. He said that trustees may feel obliged to stick with what had been said there, but there was no promise to allocate investment returns in 2015 and the allocation of investment returns statement needs to be updated before autumn 2015. It goes on our website and reps / areas are directed to it if they ask about the investment returns.

Kevin also circulated a summary of plan spend by area showing when areas might spend their £1m based on endorsed plans to date.

Penny clarified that the returns under discussion at this meeting are on the £1m for each area, and a separate decision will be needed on the returns earned on the funding used centrally which is also to be spent as part of Big Local before the end of the trust deed.

During a detailed discussion the following points were raised:

- is there a risk in telling (or not telling) areas how much could be available to them
- investments can go up as well as down, and if we wait until later amounts are clearer
- we are not aware of areas holding off spending in order to earn more income

- the strategy and amount earned should be reviewed annually in case more up-to-date information can be given to areas
- some areas will be interested in what is happening and know that we have said they will receive the income on their £1m
- there is an issue if areas spend their £1m before 2018
- a 1.5% return is included in our 15 year budget, with actual amounts provided in arrears for previous years: this historical data is in our annual report and accounts which are on our website
- the allocation of returns example from CCLA shows that by 2018 Big Local Trust will have acquired over two thirds of the expected returns, so maybe more could be said to areas in 2017
- CCLA have previously offered to run training on our investment to explain what is happening to the funds and we might follow this up.

Feedback on the statement included:

- amend to say we are reviewing each year and will keep an eye on spend levels in areas. If there is a need to respond to areas earlier then Local Trust will do so as a way of reassuring areas
- we need to use standard terminology in the statement: annual returns or gains
- link to data in our annual report and accounts but don't promise actual amounts
- check the revised statement for plain English as well content accuracy.

There were no further questions and the board **agreed** the revised statement on allocation of investment returns to areas subject to the redrafting of the wording to reflect the feedback listed above.

Peter T said that the board will need to give thought to the remaining investment returns (the central pot) sooner rather later for it to be used for the benefit of the programme.

### **Investment strategy**

The board discussed the revised investment strategy and there were no questions raised.

The board therefore **agreed** the revised investment strategy with the track changes suggested in the document.

### **Investment manager for Big Local Trust**

The board discussed the report and **agreed** to continue with CCLA as the investment manager for Big Local Trust.

Kevin took the opportunity to thank Penny for her work and commitment as chair of the investment sub-committee.

Debbie to redraft the allocations of investment returns statement and circulate to the board for final approval.

Nicola to use the investment strategy with CCLA and on our website.

Nicola to confirm reappointment of CCLA.

## 10. Chief executive report

*Rachel Rowney, Nicola Hutcheson, Jayne Humm and Karen Keenan left the meeting for the remainder of the items given the confidential nature of the discussions.*

Debbie was asked for any verbal update and explained that Daniel Pearmain has recently been offered the research manager post at CDF where he is on secondment, so Jeremy Yung has been offered a research and learning co-ordinator post at Local Trust.

*Debbie Ladds left the meeting for the remainder of the items given her own interest in the matters under consideration.*

### 10.1 2014/15 non-consolidated payment

The board **agreed** that the award of a flat rate £500 (gross) one-off non-consolidated payment (per full time staff member) agreed by email be noted and endorsed, including the pro-rata award to the staff member who left during the year.

Debbie to confirm award of 2014/15 non-consolidated payment to staff.

### 10.2 Remuneration policy and statement for 2014/15

The board **agreed** that the remuneration policy and statement for 2014/15, as set out in appendix 1 of the paper, be adopted subject to inclusion in the comparison of staff salaries the highest and lowest salaries ratio as well as the highest and the median salaries ratio.

Nicola to amend remuneration policy and statement and publish.

The board also **agreed** that, following the review by Tank Consulting, the policy and statement should additionally clarify how staff are remunerated (i.e. the elements of cost of living (RPI or CPI), incremental increases under a salary range, PRP bonuses or whatever structure is adopted).

Debbie to brief Tank Consulting on statement going forward.

### 10.3 Cost of living pay increase 2015/16

Following discussion the board **agreed** that authority to determine pay awards to staff be delegated to the chief executive except for the award to her/himself under the remuneration policy approved by the board and in force at the time. Furthermore, following the procedure above, **agreed** that approval be given to the awarding of a cost of living increase of 2% backdated to 1 April 2015.

Debbie to implement the cost of living pay increase 2015/16.

### 10.4 Team workplan 2015/16

The board **agreed** that the team workplan for 2015/16 as set out in the report, be approved.

Debbie to inform staff the workplan is agreed.

### 10.5 Organisation wide one-off non-consolidated payment 2015/16

The board **agreed** that, following the procedure at 10.3 above, approval be given to the awarding of an organisation wide, flat rate £500 (gross) one off, non-consolidated payment (per full time staff member) in June 2016.

Debbie to manage the one-off non-consolidated payment for 2015/16.

### 10.6 Tank Consulting

The board **agreed** that Tank Consulting benchmark and market test all Local Trust's terms and conditions of employment and report with recommendations to the board in December 2015.

Debbie to commission Tank Consulting.



<p><b>11. Chief executive performance review for 2014/15 and targets for 2015/16</b></p> <p>The board considered the report from the review panel. During discussion a suggestion was made that the board chair, or the review panel, should have knowledge of the chief executive's assessments of the performance of senior managers in order that the 'grandparent' role could be fulfilled, should that prove necessary.</p> <p>In answer to a question raised, the review panel clarified that key areas for attention/improvement for the chief executive had been identified and discussed with the chief executive and that the chief executive was already addressing these priority areas. However, care had rightly been taken in the drafting of an 'open' report not to allow statements to be misinterpreted and/or misused.</p> <p>The board <b>agreed</b> and confirmed the very positive assessment of the chief executive's performance in 2014/15 and records its congratulations to Debbie.</p> <p>The board <b>agreed</b> to reappoint for 2015/16 the chief executive's review panel comprising the chair (Kevin Sugrue), Kathryn Kane and Peter Mills.</p> <p>The board <b>agreed</b> to endorse the chief executive's performance targets for 2015/16 as set out in the appendix to the report.</p> <p>The board <b>agreed</b> that in future years the report on the chief executive's performance review be transmitted to trustees as a confidential item.</p>	<p>Kevin, Kathy and Peter M be on review panel.</p> <p>Debbie to work to the targets.</p> <p>Future report to be a confidential item.</p>
<p><b>12. Any other business</b></p> <p>There was no other urgent business and the meeting closed at 5.30pm.</p>	
<p><b>Dates of future meetings</b></p> <p><b>Full board meetings 2-5pm</b></p> <p>15 October 2015 (including AGM) 10 December 2015</p> <p><b>Finance and audit sub-committee 2-5pm</b></p> <p>9 September 2015</p> <p><b>Investment sub-committee 2-4pm</b></p> <p>4 September 2015 13 November 2015</p>	

*Kevin Sugrue*

15/10/2015